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KEVIN O'HANLON

CERTIFIED, CIVIL APPELATE

CERTIFIED, CIVIL TRIAL

September 4, 2019

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

RE: Value Limitation Agreement between Buena Vista Independent School District and
Concho Bluff, LLC (#1329)

To the Local Government Assistance & Economic Analysis Division:

Enclosed please find a final copy each of the materials submitted to, and approved by, the Buena Vista ISD Board of Trustees on July 11, 2019. The package contains a copy each 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,

William Eggleston

Legal Assistant to Kevin O'Hanlon

**FINDINGS OF THE BUENA VISTA
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
CONCHO BLUFF, LLC (#1329)**



July11, 2019

**FINDINGS OF THE
BUENA VISTA INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
CONCHO BLUFF, LLC (#1329)**

JULY 11, 2019

FINDINGS OF THE BUENA VISTA INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY CONCHO
BLUFF LLC (#1329)

STATE OF TEXAS §

COUNTY OF PECOS §

On the 11th day of July 2019, a public meeting of the Board of Trustees of the Buena Vista 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 Concho Bluff 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 January 10, 2019, 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. The Application was determined to be complete as of February 21, 2019. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32060313171), 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 Pecos County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on April 9, 2019 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:

Concho Bluff LLC is requesting an appraised value limitation from Buena Vista Independent School District (ISD) for the Greasewood Solar Project (the "Project"). Concho Bluff LLC proposes to develop a 255MWac utility-scale, solar photovoltaic energy (PV) plant in Buena Vista Independent School District. The proposed Project will be constructed within the Greasewood Reinvestment Zone that was created by Upton County on December 10, 2018.

The Project will be constructed on approximately 1,982 acres, under long term lease agreements. The Project will be located entirely within the Buena Vista ISD. The proposed Project will include, but is not limited to, the following:

- Planned up to 255 MW-AC capacity;
- Solar PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA control equipment, among other things;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, 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.

Construction of the Project is anticipated to begin in August of 2019 with project completion by June of 2020.

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, the Applicant has committed to creating two (2) new qualifying jobs. The average salary level of qualifying jobs must be at least \$60,037 per year. The review of the application by the Comptroller's Office 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 any non-qualifying jobs the Applicant should create, the Applicant will be required to pay at least the county average wage of \$47,074 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 \$260 million to the tax base that would be available for debt service purposes at the peak investment level for the 2021-22 school year. While the District does not currently levy a debt service tax, an expansion of the I&S tax base of this scale creates the potential of a benefit for the District and its taxpayers should it consider a future bond issue.

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 CCGB (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 CCGB (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 2017 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year (**Attachment E**). The total industrial value for the District is \$253.2 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 demographic characteristics. Given that the value of industrial property is greater 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. 32060313171) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32060313171), 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 original finance report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the initial year that the value limitation is in effect without the proposed Agreement under current law. A recent update incorporating changes made in HB 3 shows smaller residual revenue losses in the out-years. 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/994>, 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 Website be established to the Comptroller's Office Website where appraisal-limitation-related documents are made available to the public.

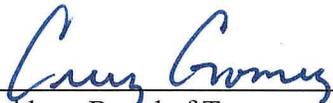
Board Finding Number 20.

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

Dated the 11th day of July 2019.

BUENA VISTA INDEPENDENT SCHOOL DISTRICT

By: 
President, Board of Trustees

ATTEST:
By: 
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

January 15, 2019

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

RE: Application to the Buena Vista Independent School District from Concho Bluff 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 Buena Vista Independent School District is notifying Concho Bluff 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 January 10, 2019. The Board voted to accept the application on January 10, 2019. The application has been determined complete as of January 15, 2019. 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. The electronic copy of the confidential map will have a password of XXXX.

A copy of the application will be submitted to the Pecos County Appraisal

District. Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Pecos County Appraisal District
Concho Bluff LLC

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

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

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

January 10, 2019

Date Application Received by District

Mark

First Name

Dominguez

Last Name

Superintendent

Title

Buena Vista Independent School District

School District Name

404 West Hwy 11

Street Address

404 West Hwy 11

Mailing Address

Imperial

City

432-536-2336

Phone Number

TX

State

432-536-2469

Fax Number

79743

ZIP

Mobile Number (optional)

mdominguez@bvisd.esc18.net

Email Address

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

Yes

No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Chris Grammer
First Name Last Name
Associate
Title
Moak, Casey & Associates
Firm Name
(512) 485-7878 (512) 485-7888
Phone Number Fax Number
512-496-7271 cgrammer@moakcasey.com
Mobile Number (optional) Email Address

- 4. On what date did the district determine this application complete? January 15, 2019
5. Has the district determined that the electronic copy and hard copy are identical? [X] Yes [] No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Ian Davis
First Name Last Name
Vice President
Title
2028 E. Ben White Blvd Suite 240-8833
Street Address
2028 E. Ben White Blvd Suite 240-8833
Mailing Address
Austin TX 78741
City State ZIP
512-568-3228 ext:701
Phone Number
512-496-7271
Mobile Number (optional)
Fax Number
idavis@onpeakpower.com
Business Email Address

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

First Name Last Name
Title Organization
Street Address
Mailing Address
City State ZIP
Phone Number Fax Number
Mobile Number (optional) Business Email Address

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

First Name _____ Last Name _____

Title _____

Firm Name _____

Phone Number _____ Fax Number _____

Business Email Address _____

SECTION 3: Fees and Payments

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

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

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

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

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? Yes No N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Concho Bluff LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32060313171
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) Texas Limited Liability Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? Yes No
- 2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? Yes No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? Yes No N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

1. Application approval by school board March 2019
2. Commencement of construction August 2019
3. Beginning of qualifying time period March 15, 2019
4. First year of limitation January 2021
5. Begin hiring new employees Q4 - 2020
6. Commencement of commercial operations Q4 - 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.
Q4 - 2020
8. When do you anticipate the new buildings or improvements will be placed in service? Q4 - 2020

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Pecos
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Pecos County Appraisal District
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: Pecos County - 100% - .799 City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: N/A Water District: Midland Pecos Groundwater, - 100% - .0249
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): Midland College - 100% - .035 Other (describe): N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? Yes No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 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.

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 913.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,060.00
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,155.00
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? 60,037.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 60,037.00
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 Payment of Application

Please see attached copy of check.

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

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

Tab 3

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

Attached



Franchise Tax Account Status

As of: 01/09/2019 20:35:00

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

CONCHO BLUFF LLC	
Texas Taxpayer Number	32060313171
Mailing Address	700 LAVACA ST STE 1401 AUSTIN, TX 78701-3101
Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	04/26/2016
Texas SOS File Number	0802444382
Registered Agent Name	REGISTERED AGENTS INC.
Registered Office Street Address	700 LAVACA, STE 1401 AUSTIN, TX 78701

Tab 4

Detailed description of the project

Concho Bluff, LLC is requesting an appraised value limitation from Buena Vista Independent School District (ISD) for the Greasewood Solar Project (the "Project"). Concho Bluff, LLC proposes to develop a 255MWac utility-scale, solar photovoltaic energy (PV) plant in Buena Vista Independent School District. The proposed Project will be constructed within the Greasewood Reinvestment Zone that was created by Upton County on December 10, 2018.

The Project will be constructed on approximately 1,982 acres, under long term lease agreements. The Project will be located entirely within the Buena Vista ISD. The proposed Project will include, but is not limited to, the following:

- Planned up to 255 MW-AC capacity;
- Solar PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA control equipment, among other things;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, 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.

Construction of the Project is anticipated to begin in August of 2019 with project completion by June of 2020.

Tab 5

Documentation to assist in determining if limitation is a determining factor

OnPeak Power, LLC is the developer of Concho Bluff, LLC's Greasewood Solar farm. The management team has developed multiple renewable projects within Texas and locates projects based on the economic competitiveness as it pertains to land, renewable resource and constructability. Concho Bluff, LLC has entered into long-term lease agreements with multiple land owners within the Buena Vista ISD and it has invested in its ERCOT Interconnection Agreement scheduled to be finalized in Q1 of 2019. The project is in the late stages of the development process and completing what is necessary prior to the start of construction. Obtaining a limited asset value, provided by the Buena Vista ISD, is critical to the success of the project and without the limited asset value, OnPeak would be forced to abandon its investments within the Buena Vista ISD.

Concho Bluff, LLC is actively developing multiple projects within the West Texas region and the applicant requires this value limitation in order to commence construction on Concho Bluff, LLC's Greasewood project. Property tax without a limitation would be the highest operating cost to the solar facility. Without a limitation on value, the greasewood solar farm would not be able to achieve economic returns necessary to commence construction. The ability to obtain a limited asset valuation from the Buena Vista ISD is a key determinate in progressing the project through to construction. With a limited value provided by the Buena Vista ISD, the project will have the necessary development agreements to begin the construction of the facility starting in August of 2019.

Concho Bluff's Greasewood Solar Project will be located on approximately 1,982 acres, under long term lease agreements, on agricultural exempt land. On December 27, 2018 the Pecos County Commissioners Court approved the Greasewood Reinvestment Zone and executed the Tax Abatement Agreement between Pecos County, Texas and Concho Bluff, LLC.

Tab 6

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

The Concho Bluff LLC, Greasewood Solar Farm, is located 100% within the Buena Vista ISD in Pecos County Texas. Additional Taxing entities are:

Pecos County – 100%

Middle Pecos Groundwater Conservation District – 100%

Midland College – 100%

Tab 7

Description of Qualified Investment

The Project will be constructed on approximately 1,982 acres under longer term lease agreements. The Project will be located entirely within Pecos County located near Girvin Texas. The proposed Project will include, but is not limited to, the following:

- Planned up to 255 MW-AC;
- Solar PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA control equipment, among other things;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, 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.

The map in TAB 11 shows the proposed project area with the preliminary solar equipment location with the highlighted areas. The exact placement of the equipment is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins.

Tab 8

Description of Qualified Property

Please refer to Tab 7

Tab 9

Description of Land

THE FOLLOWING REAL PROPERTY LOCATED IN PECOS COUNTY, TX:

H&GN RR CO	BLK 11	120	R.N. MITCHELL	A-8149
H&GN RR CO	BLK 11	71	H&GN RR CO	A-563
H&GN RR CO	BLK 11	71	H&GN RR CO	A-563
H&GN RR CO	BLK 11	84	D. CHILTON	A-7787

Tab 10

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

Not Applicable

Tab 11

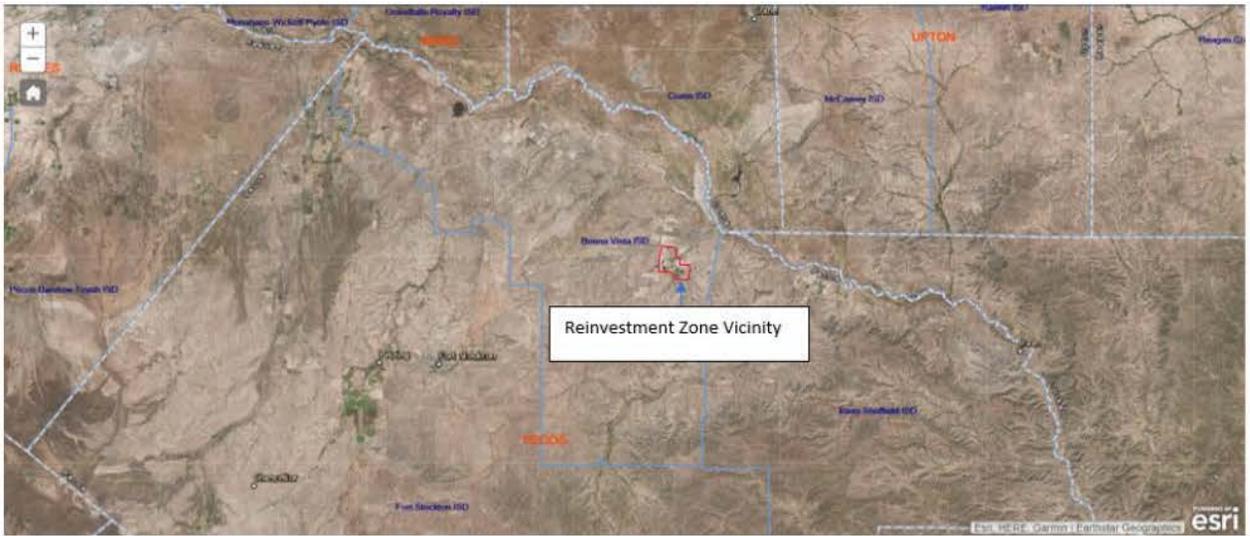
Maps that clearly show:

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

Maps B, and C are being submitted under separate cover due to confidential information pursuant to Tex. Admin Code Section 9.1053. and Tex. Gov't Code Section 552.110.

Tab 11

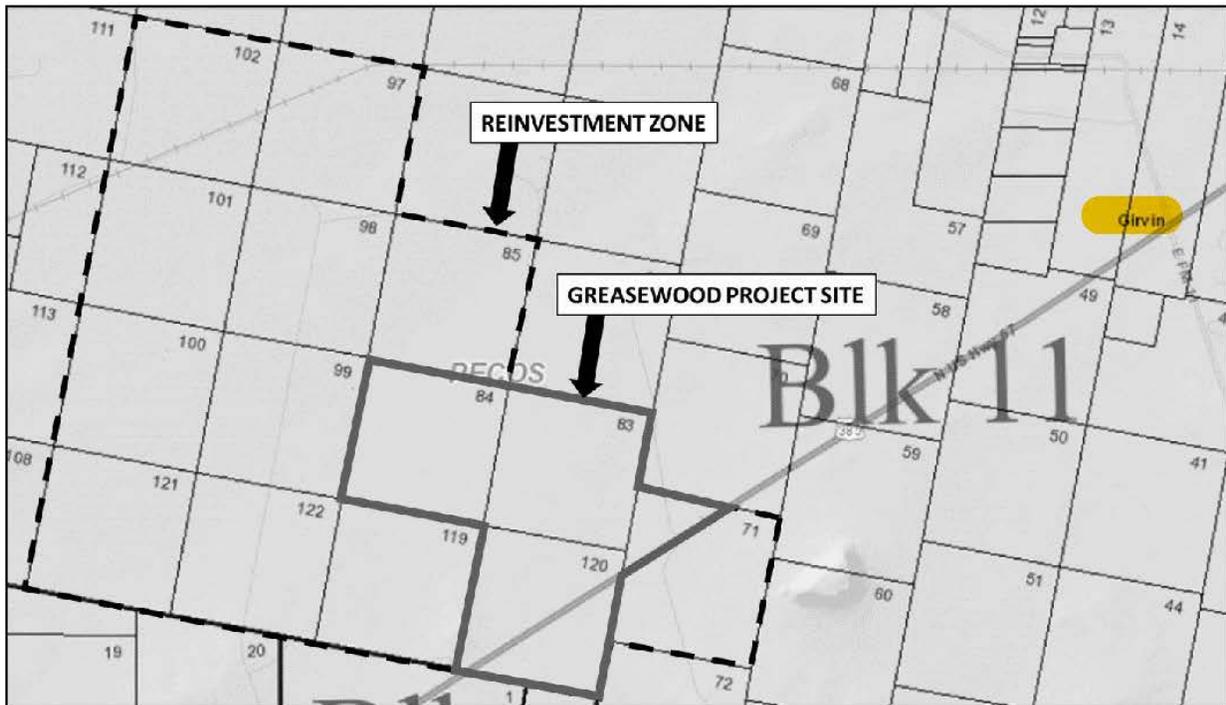
(a) & (e) Project vicinity



(d) Existing property



(f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size



Tab 12

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

See Attached



January 7, 2019

Mark Dominguez
Superintendent Buena Vista Independent School District
404 West Highway 11
Imperial, TX 79743

Re: Chapter 313 Jobs Waiver Request Pecos County, TX

Dear Superintendent Dominguez,

Please consider this letter to be the formal request of Concho Bluff, LLC to waive the minimum new job creation requirement, as provided under Texas Tax Code 313.025(f-1). Concho Bluff LLC requests that the Board of Trustees make such a finding and waive the job creation requirement for 10 permanent jobs.

Concho Bluff LLC's 255MW-AC project will provide over 300 jobs during the construction of the facility. Once the project enters the operating phase, the project will require a small number of full-time skilled employees. Concho Bluff is committing to the employment of (2) two full time employees upon achieving commercial operation. The industry standard job requirement for 100MW to 250MW utility scale solar projects is two full time employees. This commitment is in line with solar industry standards for job requirements of a project this size and as such, requests the job creation requirement under Chapter 313 of the Texas Tax Code be waived.

The permanent employees of a solar project maintain and service solar panels, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Best Regards

Ian Davis

Ian Davis – Vice President
OnPeak Power, LLC
2028 E Ben White Blvd STE 240-8833
Austin, TX 78741

Tab 13

Calculation of three possible wage requirements with TWC documentation

Pecos County Weekly Wages for All Jobs

Four most recent quarters

County	Year	Quarter	Avg Weekly Wages	Annualized
Pecos	2017	Q3	\$869	\$45,188
Pecos	2017	Q4	\$921	\$47,892
Pecos	2018	Q1	\$968	\$50,336
Pecos	2018	Q2	\$894	\$46,488
Average			\$913	\$47,476

Pecos County Weekly Wages for Manufacturing Jobs

Four most recent quarters

County	Year	Quarter	Avg Weekly Wages	Annualized
Pecos	2017	Q3	\$1,026	\$53,352
Pecos	2017	Q4	\$1,156	\$60,112
Pecos	2018	Q1	\$1,064	\$55,328
Pecos	2018	Q2	\$993	\$51,636
Average			\$1,060	\$55,107
110% Weekly Average Wage for Manufacturing Jobs			\$1,166	\$60,618

Supporting Data for Section 14(7)(c)

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

9. Permian Basin Regional Planning Commission

2017 Avg Hourly Wage for Manufacturing Jobs (PBRPC)	\$26.24
2017 Weekly Wage Calculated from (PBRPC) @ 40hrs/wk	\$1,050
110% of Weekly Wage Calculation (PBRPC) @ 40hrs/wk	\$1,155
Annual Salary at 110% of Weekly Wage (PBRPC)	\$60,037

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

▲ Year ▼	▲ Period ▼	▲ Area ▼	▲ Ownership ▼	▲ Division ▼	▲ Level ▼	▲ Ind Code ▼	▲ Industry ▼	▲ Avg Weekly Wages ▼
2017	3rd Qtr	Pecos County	Private	00	0	10	Total, all industries	\$869
2017	4th Qtr	Pecos County	Private	00	0	10	Total, all industries	\$921

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

▲ Year ▼	▲ Period ▼	▲ Area ▼	▲ Ownership ▼	▲ Division ▼	▲ Level ▼	▲ Ind Code ▼	▲ Industry ▼	▲ Avg Weekly Wages ▼
2018	1st Qtr	Pecos County	Private	00	0	10	Total, all industries	\$968
2018	2nd Qtr	Pecos County	Private	00	0	10	Total, all industries	\$894

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

▲ Year ▼	▲ Period ▼	▲ Area ▼	▲ Ownership ▼	▲ Division ▼	▲ Level ▼	▲ Ind Code ▼	▲ Industry ▼	▲ Avg Weekly Wages ▼
2017	4th Qtr	Pecos County	Private	31	2	31-33	Manufacturing	\$1,156
2017	3rd Qtr	Pecos County	Private	31	2	31-33	Manufacturing	\$1,026

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

▲ Year ▼	▲ Period ▼	▲ Area ▼	▲ Ownership ▼	▲ Division ▼	▲ Level ▼	▲ Ind Code ▼	▲ Industry ▼	▲ Avg Weekly Wages ▼
2018	2nd Qtr	Pecos County	Private	31	2	31-33	Manufacturing	\$993
2018	1st Qtr	Pecos County	Private	31	2	31-33	Manufacturing	\$1,064

**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.

Tab 14

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

See Attached.

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

Date **14-Dec-18**
 Applicant Name **Concho Bluff LLC**
 ISD Name **Buena Vista ISD**

Form 50-296A

Revised May 2014

PROPERTY INVESTMENT AMOUNTS									
(Estimated Investment in each year. Do not put cumulative totals.)									
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E Total Investment (Sum of Columns A+B+C+D)	
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2019	Not eligible to become Qualified Property				[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application				\$0	\$0	\$0	\$0	\$0	
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				\$0	\$0	\$0	\$0	\$0	
Complete tax years of qualifying time period	QTP1	2020-2021	2020	\$260,000,000	\$0	\$0	\$0	\$260,000,000	
	QTP2	2021-2022	2021	\$0	\$0	\$0	\$0	\$0	
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$260,000,000	\$0	\$0	\$0	\$260,000,000	
Enter amounts from TOTAL row above in Schedule A2									
Total Qualified Investment (sum of green cells)				\$260,000,000					

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

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

Only tangible personal property that is specifically described in the application can become qualified property.

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

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

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

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

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

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

Date **14-Dec-18**
 Applicant Name **Concho Bluff LLC**
 ISD Name **Buena Vista ISD**

Form 50-296A

Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		\$260,000,000	\$0	\$0	\$0	\$260,000,000
Enter amounts from TOTAL row in Schedule A1 in the row below								
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2019-2020	2019	\$0	\$0	\$0	\$0	\$0
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2020-2021	2020	\$0	\$0	\$0	\$0	\$0
Value limitation period***	1	2021-2022	2021	\$0	\$0	\$0	\$0	\$0
	2	2022-2023	2022	\$0	\$0	\$0	\$0	\$0
	3	2023-2024	2023	\$0	\$0	\$0	\$0	\$0
	4	2024-2025	2024	\$0	\$0	\$0	\$0	\$0
	5	2025-2026	2025	\$0	\$0	\$0	\$0	\$0
	6	2026-2027	2026	\$0	\$0	\$0	\$0	\$0
	7	2027-2028	2027	\$0	\$0	\$0	\$0	\$0
	8	2028-2029	2028	\$0	\$0	\$0	\$0	\$0
	9	2029-2030	2029	\$0	\$0	\$0	\$0	\$0
10	2030-2031	2030	\$0	\$0	\$0	\$0	\$0	
Total Investment made through limitation				\$260,000,000	\$0	\$0	\$0	\$260,000,000
Continue to maintain viable presence	11	2031-2032	2031			\$0		\$0
	12	2032-2033	2032			\$0		\$0
	13	2033-2034	2033			\$0		\$0
	14	2034-2035	2034			\$0		\$0
	15	2035-2036	2035			\$0		\$0
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036			\$0		\$0
	17	2037-2038	2037			\$0		\$0
	18	2038-2039	2038			\$0		\$0
	19	2039-2040	2039			\$0		\$0
	20	2040-2041	2040			\$0		\$0
	21	2041-2042	2041			\$0		\$0
	22	2042-2043	2042			\$0		\$0
	23	2043-2044	2043			\$0		\$0
	24	2044-2045	2044			\$0		\$0
	25	2045-2046	2045			\$0		\$0

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

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

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

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

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

Only tangible personal property that is specifically described in the application can become qualified property.

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

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

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

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

Date

14-Dec-18

Applicant Name

Concho Bluff LLC

Form 50-296A

ISD Name

Buena Vista ISD

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0								
Value Limitation Period	1	2021-2022	2021	\$0	\$260,000,000	\$0	\$260,000,000	\$260,000,000	\$30,000,000
	2	2022-2023	2022	\$0	\$221,000,000	\$0	\$221,000,000	\$221,000,000	\$30,000,000
	3	2023-2024	2023	\$0	\$187,850,000	\$0	\$187,850,000	\$187,850,000	\$30,000,000
	4	2024-2025	2024	\$0	\$159,672,500	\$0	\$159,672,500	\$159,672,500	\$30,000,000
	5	2025-2026	2025	\$0	\$135,721,625	\$0	\$135,721,625	\$135,721,625	\$30,000,000
	6	2026-2027	2026	\$0	\$115,363,381	\$0	\$115,363,381	\$115,363,381	\$30,000,000
	7	2027-2028	2027	\$0	\$98,058,874	\$0	\$98,058,874	\$98,058,874	\$30,000,000
	8	2028-2029	2028	\$0	\$83,350,043	\$0	\$83,350,043	\$83,350,043	\$30,000,000
	9	2029-2030	2029	\$0	\$70,847,537	\$0	\$70,847,537	\$70,847,537	\$30,000,000
	10	2030-2031	2030	\$0	\$60,220,406	\$0	\$60,220,406	\$60,220,406	\$30,000,000
Continue to maintain viable presence	11	2031-2032	2031	\$0	\$52,000,000	\$0	\$52,000,000	\$52,000,000	\$52,000,000
	12	2032-2033	2032	\$0	\$52,000,000	\$0	\$52,000,000	\$52,000,000	\$52,000,000
	13	2033-2034	2033	\$0	\$52,000,000	\$0	\$52,000,000	\$52,000,000	\$52,000,000
	14	2034-2035	2034	\$0	\$52,000,000	\$0	\$52,000,000	\$52,000,000	\$52,000,000
	15	2035-2036	2035	\$0	\$52,000,000	\$0	\$52,000,000	\$52,000,000	\$52,000,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036	\$0	\$52,000,000	\$0	\$52,000,000	\$52,000,000	\$52,000,000
	17	2037-2038	2037	\$0	\$52,000,000	\$0	\$52,000,000	\$52,000,000	\$52,000,000
	18	2038-2039	2038	\$0	\$52,000,000	\$0	\$52,000,000	\$52,000,000	\$52,000,000
	19	2039-2040	2039	\$0	\$52,000,000	\$0	\$52,000,000	\$52,000,000	\$52,000,000
	20	2040-2041	2040	\$0	\$52,000,000	\$0	\$52,000,000	\$52,000,000	\$52,000,000
	21	2041-2042	2041	\$0	\$52,000,000	\$0	\$52,000,000	\$52,000,000	\$52,000,000
	22	2042-2043	2042	\$0	\$52,000,000	\$0	\$52,000,000	\$52,000,000	\$52,000,000
	23	2043-2044	2043	\$0	\$52,000,000	\$0	\$52,000,000	\$52,000,000	\$52,000,000
	24	2044-2045	2044	\$0	\$52,000,000	\$0	\$52,000,000	\$52,000,000	\$52,000,000
	25	2045-2046	2045	\$0	\$52,000,000	\$0	\$52,000,000	\$52,000,000	\$52,000,000

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

Schedule C: Employment Information

Date **14-Dec-18**
 Applicant Name **Concho Bluff LLC**
 ISD Name **Buena Vista ISD**

Form 50-296A
 Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	300 Construction Jobs	47,746.00	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	300 Construction Jobs	47,746.00	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2021-2022	2021	0	NA	0	2	60,037.00
	2	2022-2023	2022	0	NA	0	2	60,037.00
	3	2023-2024	2023	0	NA	0	2	60,037.00
	4	2024-2025	2024	0	NA	0	2	60,037.00
	5	2025-2026	2025	0	NA	0	2	60,037.00
	6	2026-2027	2026	0	NA	0	2	60,037.00
	7	2027-2028	2027	0	NA	0	2	60,037.00
	8	2028-2029	2028	0	NA	0	2	60,037.00
	9	2029-2030	2029	0	NA	0	2	60,037.00
	10	2030-2031	2030	0	NA	0	2	60,037.00
Years Following Value Limitation Period	11 through 25	2031-2046	2031-2045	0	NA	0	2	60,037.00

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 **14-Dec-18**
 Applicant Name **Concho Bluff LLC**
 ISD Name **Buena Vista 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:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Pecos County, Texas	2020	10	\$1,163,000.00	\$908,000.00	\$255,000.00
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A		N/A	
Texas Enterprise Fund	N/A	N/A	N/A		N/A	
Employee Recruitment	N/A	N/A	N/A		N/A	
Skills Development Fund	N/A	N/A	N/A		N/A	
Training Facility Space and Equipment	N/A	N/A	N/A		N/A	
Infrastructure Incentives	N/A	N/A	N/A		N/A	
Permitting Assistance	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
TOTAL				\$1,163,000.00		\$255,000.00

Additional information on incentives for this project:

Concho Bluff LLC and Pecos County, Texas agreed to \$1,000/MW payment in lieu of taxes and a 100% tax abatement for 10 years.

Tab 15

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

Economic Impact not provided.

Tab 16

Description of Reinvestment or Enterprise Zone, including:

- A. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office
Not applicable
- 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*
See attached.

* To be submitted with application or before date of final application approval by school board

Legal Description of Greasewood

Reinvestment Zone

All that real property situated in Pecos County, Texas described as follows.

Sections 71, 83, 84, 89, 97, 98, 99,100, 101, 102, 119, 120, 121, and 122; Block 11, H&GN RR CO, Pecos County Texas.

THE FOLLOWING REAL PROPERTY LOCATED IN PECOS COUNTY, TX:

Survey Name	Block Number	Section	Sub-Survey	Abstract
H&GN RR CO	BLK 11	71	H&GN RR CO	A-563
H&GN RR CO	BLK 11	83	H&GN RR CO	A-569
H&GN RR CO	BLK 11	120	R.N. MITCHELL	A-8149
H&GN RR CO	BLK 11	122	H.C. ALFORD	A-7582
H&GN RR CO	BLK 11	100	L.L. BALDRIDGE	A-5112
H&GN RR CO	BLK 11	84	D. CHILTON	A-7787
H&GN RR CO	BLK 11	99	H&GN RR CO	A-577
H&GN RR CO	BLK 11	97	H&GN RR CO	A-576
H&GN RR CO	BLK 11	101	H&GN RR CO	A-578
H&GN RR CO	BLK 11	102	W.H. LYONS	A-5890
H&GN RR CO	BLK 11	119	H&GN RR CO	A-587
H&GN RR CO	BLK 11	85	H&GN RR CO	A-570
H&GN RR CO	BLK 11	121	H&GN RR CO	A-588
H&GN RR CO	BLK 11	98	J.R. CASEY	A-6570

RESOLUTION OF THE COMMISSIONERS COURT
OF PECOS COUNTY, TEXAS
DESIGNATING THE GREASEWOOD REINVESTMENT ZONE

A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR A COMMERCIAL/INDUSTRIAL TAX ABATEMENT IN PECOS COUNTY, TEXAS, ESTABLISHING THE BOUNDARIES THEREOF, AND PROVIDING FOR AN EFFECTIVE DATE.

Whereas, the Commissioners Court of Pecos County, Texas, desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Property Tax Code §312.001, *et seq.*), and

Whereas, on this date, a hearing before the Commissioners Court of Pecos County, Texas was held, such date being at least seven (7) days after the date of publication of the notices of such public hearing in the local newspaper of general circulation in Pecos County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

Whereas, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone.

BE IT RESOLVED BY THE COMMISSIONERS COURT OF Pecos County, Texas:

1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.
2. That the Commissioners Court of Pecos County, Texas, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:
 - a. That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and
 - b. That the boundaries of the reinvestment zone should be the area described in the attached Exhibit A and depicted in the map attached hereto as Exhibit B, which are incorporated herein by reference for all purposes. In the event of discrepancy between the descriptions of Exhibit A and Exhibit B, the map shall control; and
 - c. That creation of the reinvestment zone will result in benefits to Pecos County, Texas and to land included in the zone and that the improvements sought are feasible and practical; and
 - d. The reinvestment zone meets the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it

is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of Pecos County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Pecos County, Texas.

3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Pecos County Commissioner's Court hereby creates the Greasewood Reinvestment Zone, a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit A and depicted in Exhibit B, and such reinvestment zone is hereby designated and shall hereafter be referred to as the Greasewood Reinvestment Zone.
4. That the Greasewood Reinvestment Zone shall take effect on this date, and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of designation, and may be renewed for additional five (5) year periods thereafter.
5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.
6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject, of the meeting of the Pecos County Commissioners Court at which this Resolution was adopted was posted at a place convenient and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of circulation within the County, and furthermore, such notice was in fact delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 27 day of Dec., 2018.

Pecos County Commissioners Court

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]



Attest:

[Signature]
Pecos County Clerk

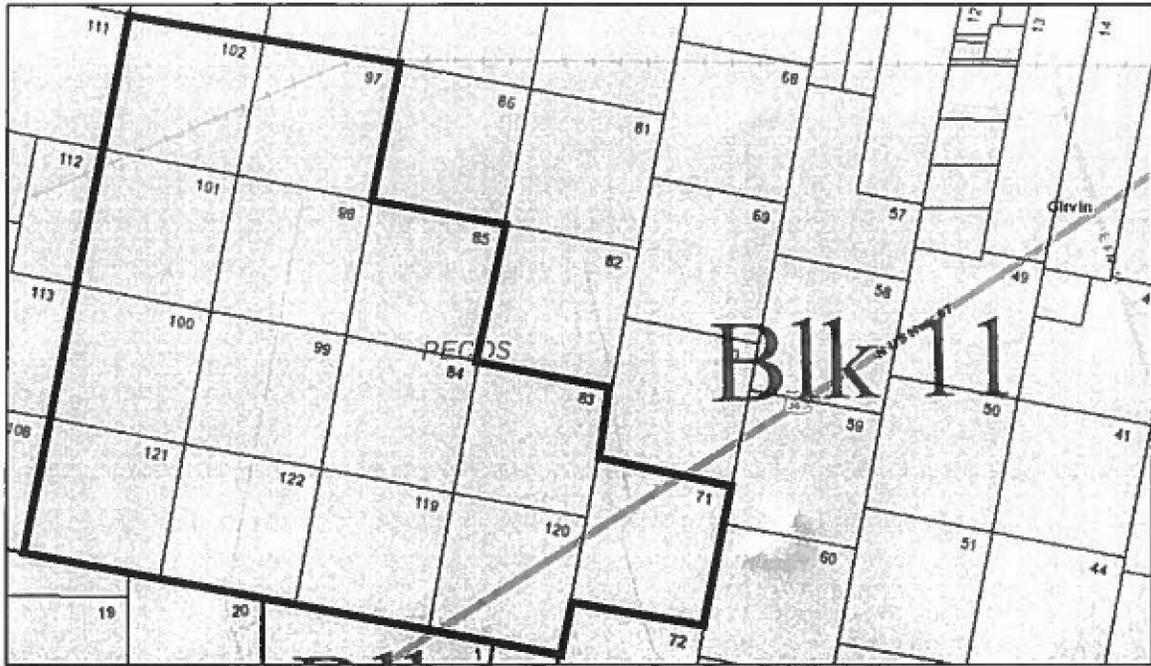
Exhibit A

Description of the Site

THE FOLLOWING REAL PROPERTY LOCATED IN PECOS COUNTY, TX:

Survey Name	Block Number	Section	Sub-Survey	Abstract
H&GN RR CO	BLK 11	71	H&GN RR CO	A-563
H&GN RR CO	BLK 11	83	H&GN RR CO	A-569
H&GN RR CO	BLK 11	120	R.N. MITCHELL	A-8149
H&GN RR CO	BLK 11	122	H.C. ALFORD	A-7582
H&GN RR CO	BLK 11	100	L.L. BALDRIDGE	A-5112
H&GN RR CO	BLK 11	84	D. CHILTON	A-7787
H&GN RR CO	BLK 11	99	H&GN RR CO	A-577
H&GN RR CO	BLK 11	97	H&GN RR CO	A-576
H&GN RR CO	BLK 11	101	H&GN RR CO	A-578
H&GN RR CO	BLK 11	102	W.H. LYONS	A-5890
H&GN RR CO	BLK 11	119	H&GN RR CO	A-587
H&GN RR CO	BLK 11	85	H&GN RR CO	A-570
H&GN RR CO	BLK 11	121	H&GN RR CO	A-588
H&GN RR CO	BLK 11	98	J.R. CASEY	A-6570

Exhibit B



PECOS COUNTY

GUIDELINES AND CRITERIA FOR TAX ABATEMENT

I. PURPOSE

Pecos 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

The attached Glossary is a list of words with their definitions that are found in this document, and the Glossary is incorporated herein by reference.

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 Pecos 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 Pecos 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 of modernization or expansion. 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:

land,
animals,
inventories,
supplies,
tools,
furnishings, and other forms of movable personal property (except as provided below),
vehicles,
vessels,
aircraft,
housing or residential property,
hotels/motels,
fauna,
flora,
retail facilities, except when housed in an historic structure, within the designated downtown district,
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

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 Pecos County 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 Pecos 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 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 Pecos 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 be transferred and assigned by the owner to a new owner of the same property upon approval by resolution of the County Commissioners Court, subject to the financial capacity of the assignee and provided that the agreement is modified to substitute the assignee as a party to the agreement.
- (b) Any such modification shall not exceed the termination date of the abatement agreement with the original owner.
- (c) No assignment or transfer shall be approved if either the parties to the existing agreement or the proposed assignee is liable to the County for outstanding taxes or other obligations.
- (d) Approval shall not be unreasonably withheld. Upon a finding that the proposed assignee is capable of performing the obligations under the agreement, financially and otherwise, approval of the assignment will not be withheld.

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

An Administrative Fee of \$1,000.00 must accompany any Application to be reviewed by Pecos County.

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 Mark Dominguez
Print Name (Authorized School District Representative)

Superintendent
Title

sign here [Signature]
Signature (Authorized School District Representative)

1/10/2018
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

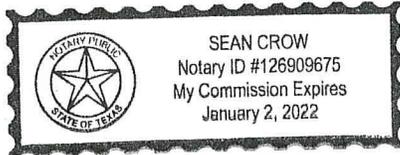
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here Ian Davis
Print Name (Authorized Company Representative (Applicant))

Vice President
Title

sign here [Signature]
Signature (Authorized Company Representative (Applicant))

1-10-2019
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

10 day of Jan, 2019

[Signature]
Notary Public in and for the State of Texas

My Commission expires: 1/2/2022

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

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

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

February 6, 2019

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

RE: Amended Application 1329 from Concho Bluff LLC to the Buena Vista
Independent School District

To the Local Government Assistance & Economic Analysis Division:

Please find attached the following amended application from Concho Bluff LLC to address the deficiencies in the original application submitted for review. Specifically, the following has been updated in this amendment:

1. Applicant has provided additional locations where the investment could be spent if the economics of the project in Buena Vista ISD are not favorable.
2. Applicant has updated the date originally provided in Section 9, Q3.
3. Applicant has updated Section 14, Question 7 to reflect that the calculation has been made using "Total All" ownership .
4. Applicant has updated Tab 4 to correct the county name in first paragraph, last sentence. The Applicant has also provided more detail about the listing of qualified property in the bulleted list.
5. Applicant has updated Tab 7 to provide more detail about the listing of qualified property in the bulleted list.
6. The Concho Bluff Solar Project is known internally and with ERCOT as the Greasewood Solar Project. The legal entity name for the project is Concho Bluff.
7. The Applicant has provided updated maps that include a labeled project boundary, full county and ISD boundaries, the enterprise zone, and the qualified property. They should also be reflected in the legend. The only recognizable landmarks, i.e., highways, have been included in the maps.

In addition, the company has provided updated information for the authorized company representative.

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

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Pecos County Appraisal District
Concho Bluff LLC

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Chris Grammer
First Name Last Name
Associate
Title
Moak, Casey & Associates
Firm Name
(512) 485-7878 (512) 485-7888
Phone Number Fax Number
512-496-7271 cgrammer@moakcasey.com
Mobile Number (optional) Email Address

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

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Ian Davis
First Name Last Name
Authorized Representative
Concho Bluff, LLC
Title Organization
2028 E. Ben White Blvd Suite 240-8833
Street Address
2028 E. Ben White Blvd Suite 240-8833
Mailing Address
Austin TX 78741
City State ZIP
512-568-3228 ext:701
Phone Number Fax Number
512-496-7271 idavis@onpeakpower.com
Mobile Number (optional) Business Email Address

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

First Name Last Name
Title Organization
Street Address
Mailing Address
City State ZIP
Phone Number Fax Number
Mobile Number (optional) Business Email Address

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

SECTION 9: Projected Timeline

- 1. Application approval by school board ... May 15 2019
2. Commencement of construction ... August 2019
3. Beginning of qualifying time period ... May 15 2019
4. First year of limitation ... January 2021
5. Begin hiring new employees ... Q4 - 2020
6. Commencement of commercial operations ... Q4 - 2020
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date ... [X] Yes [] No
8. When do you anticipate the new buildings or improvements will be placed in service? ... Q4 - 2020

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located ... Pecos County, Texas
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property ... Pecos County Appraisal District
3. Will this CAD be acting on behalf of another CAD to appraise this property? ... [] Yes [X] 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: Pecos County - 100% - .799
City: N/A
Hospital District: N/A
Water District: Midland Pecos Groundwater, - 100% - .0249
Other (describe): Midland College - 100% - .035
5. Is the project located entirely within the ISD listed in Section 1? ... [X] Yes [] No
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 [X] No

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
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ... [X] 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? ... [X] Yes [] No

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 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 897.00
 b. 110% of the average weekly wage for manufacturing jobs in the county is 1,060.00
 c. 110% of the average weekly wage for manufacturing jobs in the region is 1,155.00
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? 60,037.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 60,037.00
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 4

Detailed description of the project

Concho Bluff, LLC is requesting an appraised value limitation from Buena Vista Independent School District (ISD) for the Greasewood Solar Project (the "Project"). Concho Bluff, LLC proposes to develop a 255MWac utility-scale, solar photovoltaic energy (PV) plant in Buena Vista Independent School District. The proposed Project will be constructed within the Greasewood Reinvestment Zone that was created by Pecos County on December 10, 2018.

The Project will be constructed on approximately 1,982 acres, under long term lease agreements. The Project will be located entirely within the Buena Vista ISD. The proposed Project will include, but is not limited to, the following:

- Planned up to 255 MW-AC capacity;
- Solar PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear,
- transmission equipment, telecommunications and SCADA control equipment, breakers, meters, remote terminal unit (RTU) and protective relays;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and
- computing equipment, necessary solar facility supplies which include mounting structure pieces, combiner boxes, DC and AC cabling components, modules, motors, actuators and sensors;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

Construction of the Project is anticipated to begin in August of 2019 with project completion by June of 2020.

Tab 5

Documentation to assist in determining if limitation is a determining factor

OnPeak Power, LLC is the developer of the project that is, internally and with ERCOT, known as the Greasewood Solar Project (The Project) which is legally known as Concho Bluff, LLC by the State of Texas. Concho Bluff, LLC is the project company for the purposes of constructing and operating the Project. OnPeak Power, LLC will develop the Project for the benefit of Concho Bluff, LLC.

The management team has developed multiple renewable projects within Texas and has extensive experience in markets across the country. Based on this experience, the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities across the country. Other states currently being evaluated include, but are not limited to, North Carolina and Montana. As such, the management team locates projects based on the economic competitiveness as it pertains to land, renewable resource and constructability. Concho Bluff, LLC has entered into long-term lease agreements with multiple land owners within the Buena Vista ISD and it has invested in an ERCOT Interconnection Agreement scheduled to be finalized in Q1 of 2019. The project is in the late stages of the development process and completing what is necessary prior to the final investment decision. Obtaining a limited asset value, provided by the Buena Vista ISD, is critical to the investment decision in Texas. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$260M needed to fund the construction and closing costs of the facility.

Concho Bluff, LLC is actively developing multiple projects within the West Texas region and the applicant requires this value limitation in order to commence construction on Concho Bluff, LLC's Greasewood project. Property tax without a limitation would be the highest operating cost to the solar facility. Without a limitation on value, the greasewood solar farm would not be able to achieve economic returns necessary to commence construction. The ability to obtain a limited asset valuation from the Buena Vista ISD is a key determinate in progressing the project through to construction. With a limited value provided by the Buena Vista ISD, the project will have the necessary development agreements to begin the construction of the facility starting in August of 2019.

Concho Bluff's Greasewood Solar Project will be located on approximately 1,982 acres, under long term lease agreements, on agricultural exempt land. On December 27, 2018 the Pecos County Commissioners Court approved the Greasewood Reinvestment Zone and executed the Tax Abatement Agreement between Pecos County, Texas and Concho Bluff, LLC. The Project has filed for a Generation Interconnection Request with ERCOT under the interconnection number 19INR0034.

Tab 7

Description of Qualified Investment

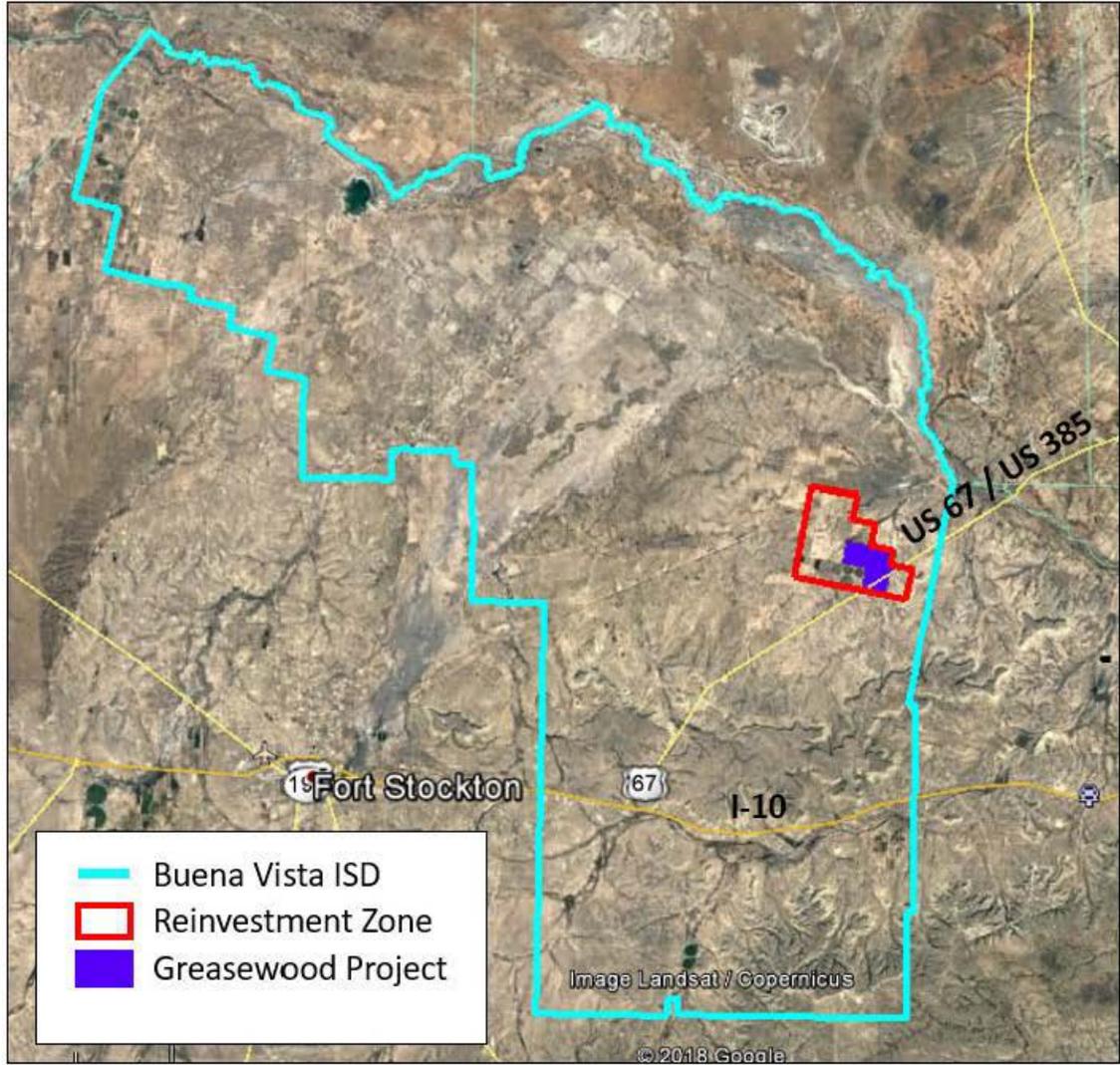
The Project will be constructed on approximately 1,982 acres under longer term lease agreements. The Project will be located entirely within Pecos County located near Girvin Texas. The proposed Project will include, but is not limited to, the following:

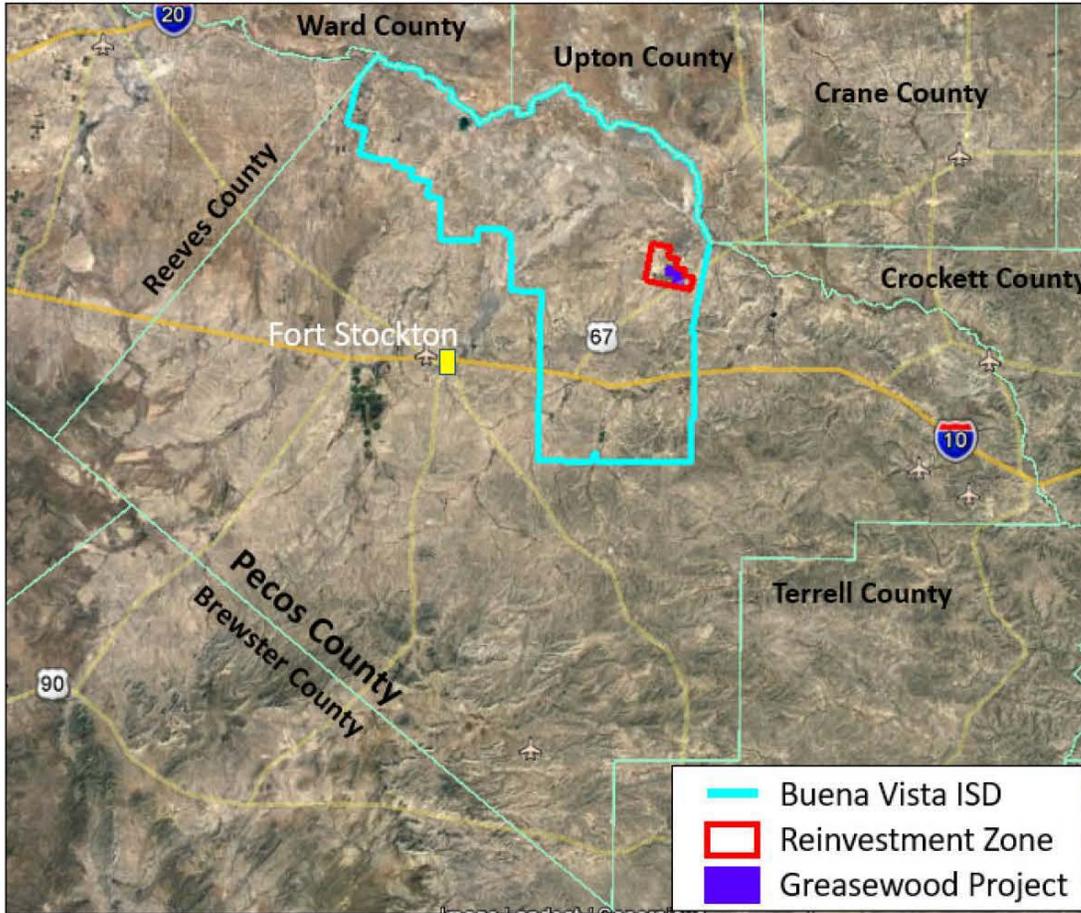
- Planned up to 255 MW-AC;
- Solar PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA control equipment, breakers, meters, remote terminal unit (RTU) and protective relays;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, necessary solar facility supplies which include mounting structure pieces, combiner boxes, DC and AC cabling components, modules, motors, actuators and sensors;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

The map in TAB 11 shows the proposed project area with the preliminary solar equipment location with the highlighted areas. The exact placement of the equipment is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins.

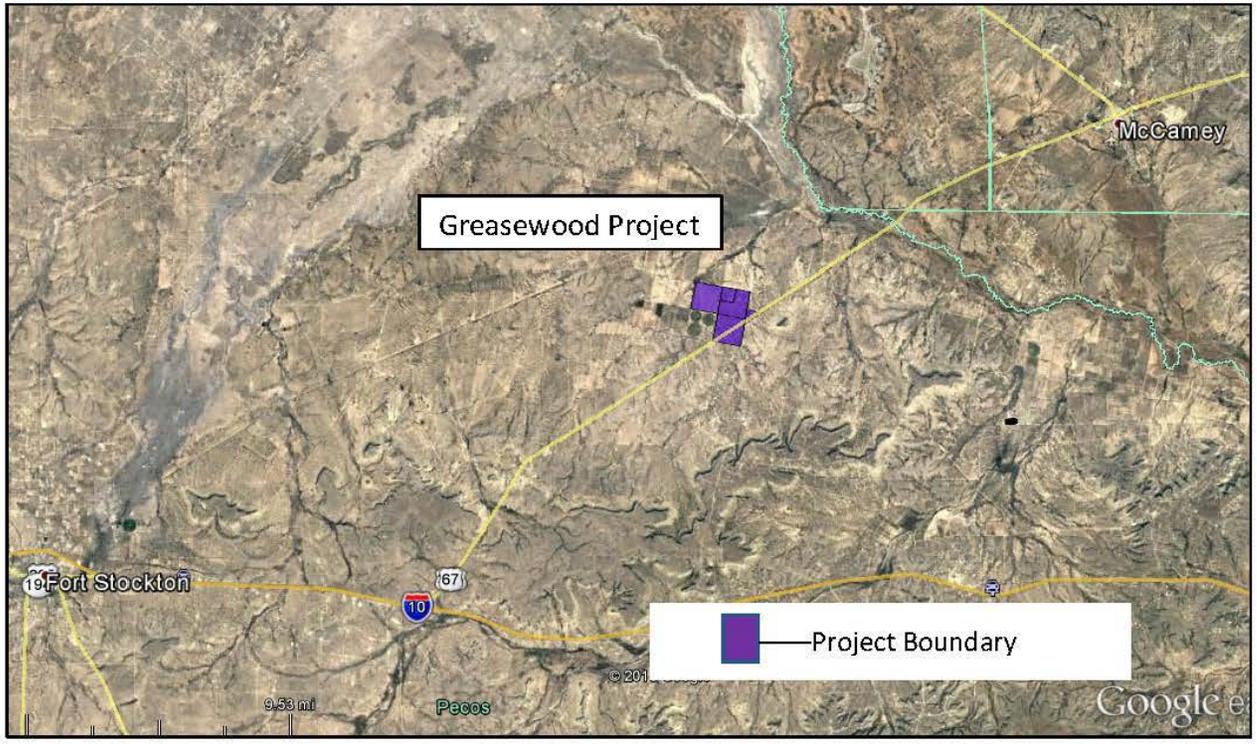
Tab 11

(a) & (e) Project vicinity





(d) Existing property



(f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size



Tab 13

Calculation of three possible wage requirements with TWC documentation

Pecos County Weekly Wages for All Jobs

Four most recent quarters

County	Year	Quarter	Avg Weekly Wages	Annualized
Pecos	2017	Q3	\$858	\$44,616
Pecos	2017	Q4	\$907	\$47,164
Pecos	2018	Q1	\$937	\$48,724
Pecos	2018	Q2	\$887	\$46,124
Average			\$897	\$46,657

Pecos County Weekly Wages for Manufacturing Jobs

Four most recent quarters

County	Year	Quarter	Avg Weekly Wages	Annualized
Pecos	2017	Q3	\$1,026	\$53,352
Pecos	2017	Q4	\$1,156	\$60,112
Pecos	2018	Q1	\$1,064	\$55,328
Pecos	2018	Q2	\$993	\$51,636
Average			\$1,060	\$55,107
110% Weekly Average Wage for Manufacturing Jobs			\$1,166	\$60,618

Supporting Data for Section 14(7)(c)

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

9. Permian Basin Regional Planning Commission

2017 Avg Hourly Wage for Manufacturing Jobs (PBRPC)	\$26.24
2017 Weekly Wage Calculated from (PBRPC) @ 40hrs/wk	\$1,050
110% of Weekly Wage Calculation (PBRPC) @ 40hrs/wk	\$1,155
Annual Salary at 110% of Weekly Wage (PBRPC)	\$60,037

Quarterly Employment and Wages (QCEW)

[Help with Download](#)

Page 1 of 1 (40 results/page)

▲ Year ▼	▲ Period ▼	▲ Area ▼	▲ Ownership ▼	▲ Division ▼	▲ Level ▼	▲ Ind Code ▼	▲ Industry ▼	▲ Avg Weekly Wages ▼
2017	3rd Qtr	Pecos County	Total All	00	0	10	Total, all industries	\$858
2017	4th Qtr	Pecos County	Total All	00	0	10	Total, all industries	\$907

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

▲ Year ▼	▲ Period ▼	▲ Area ▼	▲ Ownership ▼	▲ Division ▼	▲ Level ▼	▲ Ind Code ▼	▲ Industry ▼	▲ Avg Weekly Wages ▼
2018	2nd Qtr	Pecos County	Total All	00	0	10	Total, all industries	\$887
2018	1st Qtr	Pecos County	Total All	00	0	10	Total, all industries	\$937

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

▲ Year ▼	▲ Period ▼	▲ Area ▼	▲ Ownership ▼	▲ Division ▼	▲ Level ▼	▲ Ind Code ▼	▲ Industry ▼	▲ Avg Weekly Wages ▼
2017	4th Qtr	Pecos County	Private	31	2	31-33	Manufacturing	\$1,156
2017	3rd Qtr	Pecos County	Private	31	2	31-33	Manufacturing	\$1,026

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

▲ Year ▼	▲ Period ▼	▲ Area ▼	▲ Ownership ▼	▲ Division ▼	▲ Level ▼	▲ Ind Code ▼	▲ Industry ▼	▲ Avg Weekly Wages ▼
2018	2nd Qtr	Pecos County	Private	31	2	31-33	Manufacturing	\$993
2018	1st Qtr	Pecos County	Private	31	2	31-33	Manufacturing	\$1,064

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 ▶ Mark Dominguez
Print Name (Authorized School District Representative)

Superintendent
Title

sign here ▶ [Signature]
Signature (Authorized School District Representative)

02/06/2019
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 ▶ Jan Davis
Print Name (Authorized Company Representative (Applicant))

Authorized Representative
Title

sign here ▶ [Signature]
Signature (Authorized Company Representative (Applicant))

2.6.2019
Date



GIVEN under my hand and seal of office this, the
06th day of February, 2019
Abdelaziz Boudjenana
Notary Public in and for the State of Texas

My Commission expires: 05-20-2020

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

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

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

February 8, 2019

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

RE: (1329) Supplement001 to Buena Vista Independent School District from Concho Bluff LLC.

To the Local Government Assistance & Economic Analysis Division:

Enclosed is Supplement001 to Buena Vista ISD from Concho Bluff LLC. The following changes have been made:

1. Section 1: School District Information (Continued) Updated School District Consultant

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

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Pecos County Appraisal District
Concho Bluff LLC

Texas Comptroller of Public Accounts

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

_____	_____
First Name	Last Name
Partner	
_____	_____
Title	
Moak, Casey & Associates	
_____	_____
Firm Name	
(512) 485-7878	(512) 485-7888
Phone Number	Fax Number
_____	dcasey@moakcasey.com
_____	Email Address
Mobile Number (optional)	

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

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

_____	_____	_____
First Name	Last Name	
Authorized Representative	Concho Bluff, LLC	
_____	_____	
Title	Organization	
2028 E. Ben White Blvd Suite 240-8833		
Street Address		
2028 E. Ben White Blvd Suite 240-8833		
Mailing Address		
Austin	TX	78741
City	State	ZIP
(512) 568-3228 ext: 701		
Phone Number	Fax Number	
_____	idavis@onpeakpower.com	
Mobile Number (optional)	Business Email Address	

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

_____	_____	
First Name	Last Name	
_____	_____	
Title	Organization	
_____	_____	
Street Address		
_____	_____	
Mailing Address		
_____	_____	
City	State	ZIP
_____	_____	
Phone Number	Fax Number	
_____	_____	
Mobile Number (optional)	Business Email Address	

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

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

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

March 27, 2019

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

RE: (1329) Amendment002 to Buena Vista Independent School District from Concho Bluff LLC.

To the Local Government Assistance & Economic Analysis Division:

Enclosed is Amendment002 to Buena Vista ISD from Concho Bluff LLC. The following changes have been made:

1. Section 8, Q4, Page 4: Updated to yes.
2. Updated Tab 5
3. Updated Maps

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

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Pecos County Appraisal District
Concho Bluff LLC

Texas Comptroller of Public Accounts

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

Tab 5

Documentation to assist in determining if limitation is a determining factor

OnPeak Power, LLC is the developer of the project that is, internally and with ERCOT, known as the Greasewood Solar Project (The Project) which is legally known as Concho Bluff, LLC by the State of Texas. Concho Bluff, LLC is the project company for the purposes of constructing and operating the Project. OnPeak Power, LLC will develop the Project for the benefit of Concho Bluff, LLC.

The management team has developed multiple renewable projects within Texas and has extensive experience in markets across the country. Based on this experience, the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities across the country. Other states currently being evaluated include, but are not limited to, North Carolina and Montana. As such, the management team locates projects based on the economic competitiveness as it pertains to land, renewable resource and constructability. Concho Bluff, LLC has entered into long-term lease agreements with multiple land owners within the Buena Vista ISD and it has invested in an ERCOT Interconnection Agreement scheduled to be finalized in Q1 of 2019. The project is in the late stages of the development process and completing what is necessary prior to the final investment decision. Obtaining a limited asset value, provided by the Buena Vista ISD, is critical to the investment decision in Texas. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$260M needed to fund the construction and closing costs of the facility.

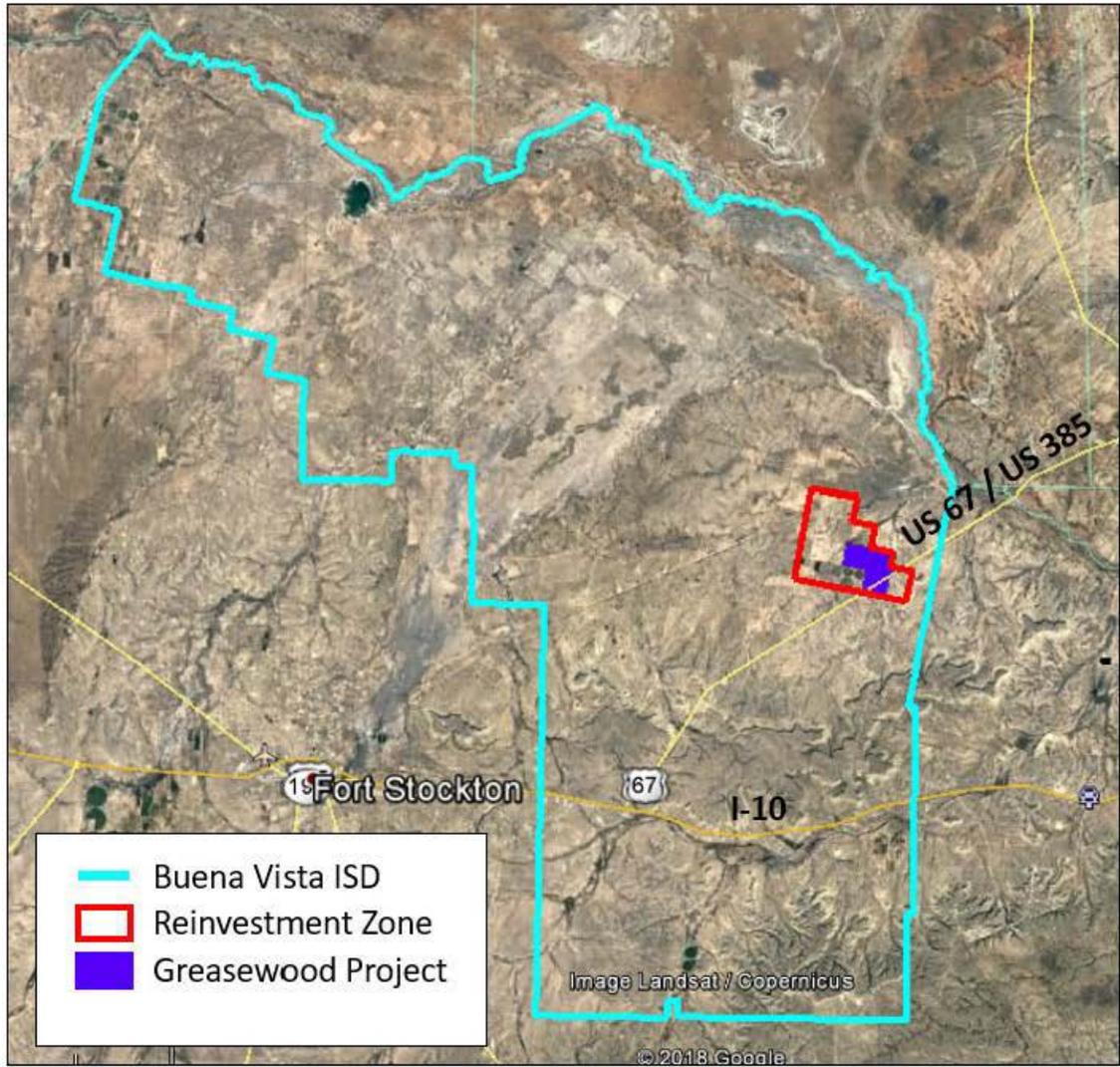
Concho Bluff, LLC is actively developing multiple projects within the West Texas region and the applicant requires this value limitation in order to commence construction on Concho Bluff, LLC's Greasewood project. Property tax without a limitation would be the highest operating cost to the solar facility. Without a limitation on value, the greasewood solar farm would not be able to achieve economic returns necessary to commence construction. The ability to obtain a limited asset valuation from the Buena Vista ISD is a key determinate in progressing the project through to construction. With a limited value provided by the Buena Vista ISD, the project will have the necessary development agreements to begin the construction of the facility starting in August of 2019.

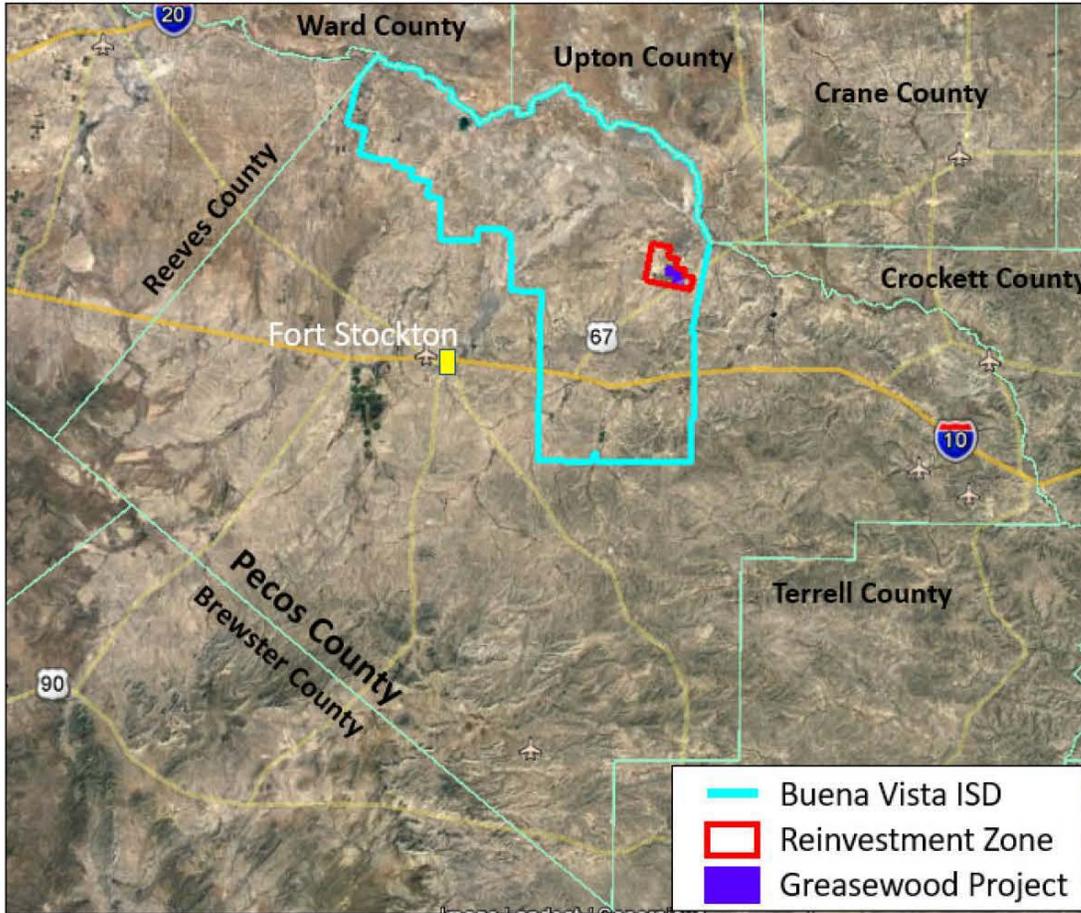
Concho Bluff's Greasewood Solar Project will be located on approximately 1,982 acres, under long term lease agreements, on agricultural exempt land. On December 27, 2018 the Pecos County Commissioners Court approved the Greasewood Reinvestment Zone and executed the Tax Abatement Agreement between Pecos County, Texas and Concho Bluff, LLC. The Project has filed for a Generation Interconnection Request with ERCOT under the interconnection number 19INR0034.

The Greasewood Project is a planned project and has not been approved for financing. In order for the Greasewood project to achieve a financeable status, as stated above, a Chapter 313 Limited Asset Value Agreement is necessary. OnPeak lists all projects within the development pipeline on its website for marketing purposes and they are not intended to indicate actual projects planned for construction.

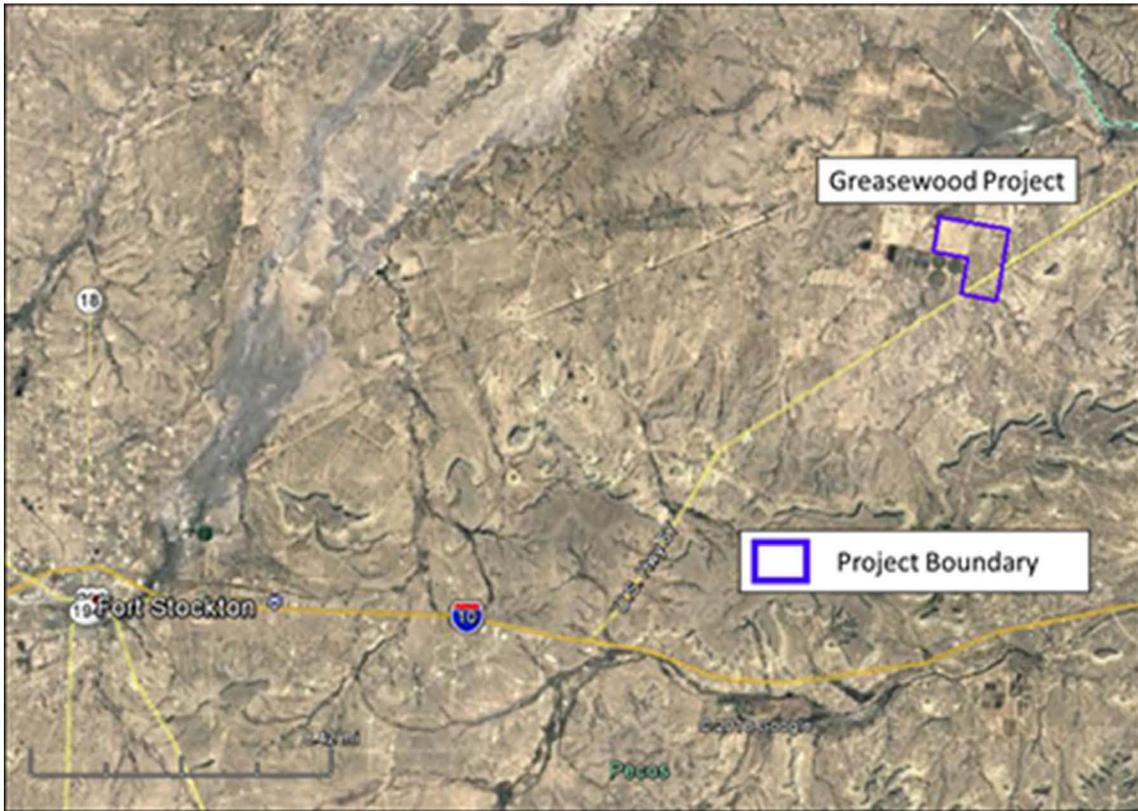
Tab 11

(a) & (e) Project vicinity

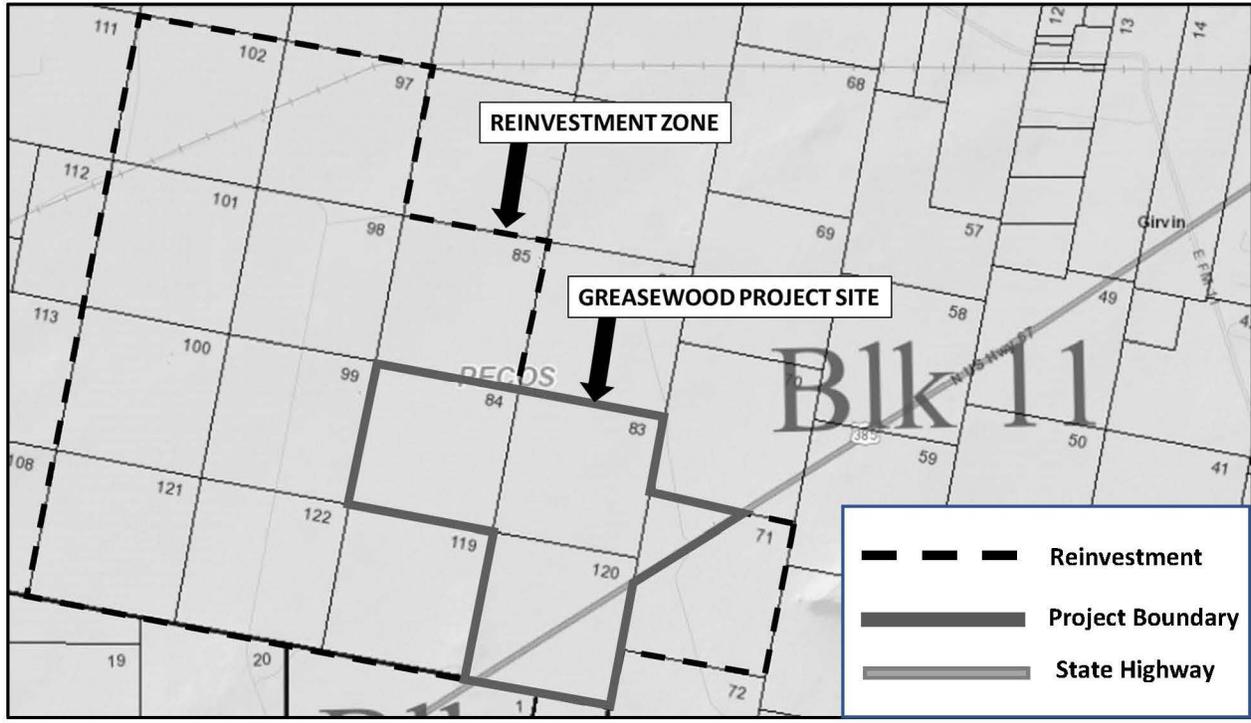




(d) Existing property



(f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size



Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of : 07/02/2019 14:17:35

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

CONCHO BLUFF LLC

Texas Taxpayer Number 32060313171

Mailing Address 700 LAVACA ST STE 1401 AUSTIN, TX 78701-3101

Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 04/26/2016

Texas SOS File Number 0802444382

Registered Agent Name REGISTERED AGENTS INC.

Registered Office Street Address 700 LAVACA, STE 1401 AUSTIN, TX 78701

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

April 9, 2019

Mark Dominguez
Superintendent
Buena Vista Independent School District
404 West Hwy 11
Imperial, Texas 79743

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Buena Vista Independent School
District and Concho Bluff, LLC, Application 1329

Dear Superintendent Dominguez:

On February 21, 2019, the Comptroller issued written notice that Concho Bluff, LLC (applicant) submitted a completed application (Application 1329) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on January 10, 2019, to the Buena Vista 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 1329.

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, 2019.

Note that any building or improvement existing as of the application review start date of February 21, 2019, 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 black ink that reads "Lisa Craven". The signature is written in a cursive style with a large initial "L" and "C".

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Concho Bluff, LLC (project) applying to Buena Vista 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 Concho Bluff, LLC.

Applicant	Concho Bluff, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Buena Vista ISD
2017-2018 Average Daily Attendance	192
County	Pecos
Proposed Total Investment in District	\$260,000,000
Proposed Qualified Investment	\$260,000,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2020-2021
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,155
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,155
Minimum annual wage committed to by applicant for qualified jobs	\$60,037
Minimum weekly wage required for non-qualifying jobs	\$905
Minimum annual wage required for non-qualifying jobs	\$47,074
Investment per Qualifying Job	\$130,000,000
Estimated M&O levy without any limit (15 years)	\$17,181,677
Estimated M&O levy with Limitation (15 years)	\$5,824,000
Estimated gross M&O tax benefit (15 years)	\$11,357,677

* 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 Concho Bluff, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	300	270	570	\$14,323,800	\$22,676,200	\$37,000,000
2020	300	278	578	\$14,323,800	\$27,676,200	\$42,000,000
2021	2	21	23	\$120,074	\$6,879,926	\$7,000,000
2022	2	(2)	0	\$120,074	\$3,879,926	\$4,000,000
2023	2	(14)	-12	\$120,074	\$1,879,926	\$2,000,000
2024	2	(22)	-20	\$120,074	-\$120,074	\$0
2025	2	(18)	-16	\$120,074	-\$120,074	\$0
2026	2	(20)	-18	\$120,074	-\$120,074	\$0
2027	2	(18)	-16	\$120,074	-\$1,120,074	-\$1,000,000
2028	2	(12)	-10	\$120,074	-\$1,120,074	-\$1,000,000
2029	2	(14)	-12	\$120,074	-\$1,120,074	-\$1,000,000
2030	2	(6)	-4	\$120,074	-\$1,120,074	-\$1,000,000
2031	2	(10)	-8	\$120,074	-\$1,120,074	-\$1,000,000
2032	2	(6)	-4	\$120,074	-\$1,120,074	-\$1,000,000
2033	2	(6)	-4	\$120,074	-\$120,074	\$0
2034	2	(8)	-6	\$120,074	-\$1,120,074	-\$1,000,000
2035	2	(6)	-4	\$120,074	-\$1,120,074	-\$1,000,000

Source: CPA REMI, Concho Bluff, 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*	Buena Vista ISD I&S Tax Levy	Buena Vista ISD M&O Tax Levy	M&O and I&S Tax Levies	Pecos County Tax Levy	Midland College Tax Levy	Midland Pecos Groundwater Tax Levy	Estimated Total Property Taxes
				0.0000	1.0400		0.7990	0.0350	0.0249	
2021	\$260,000,000	\$260,000,000		\$0	\$2,704,000	\$2,704,000	\$2,077,400	\$91,000	\$64,740	\$4,937,140
2022	\$221,000,000	\$221,000,000		\$0	\$2,298,400	\$2,298,400	\$1,765,790	\$77,350	\$55,029	\$4,196,569
2023	\$187,850,000	\$187,850,000		\$0	\$1,953,640	\$1,953,640	\$1,500,922	\$65,748	\$46,775	\$3,567,084
2024	\$159,672,500	\$159,672,500		\$0	\$1,660,594	\$1,660,594	\$1,275,783	\$55,885	\$39,758	\$3,032,021
2025	\$135,721,625	\$135,721,625		\$0	\$1,411,505	\$1,411,505	\$1,084,416	\$47,503	\$33,795	\$2,577,218
2026	\$115,363,381	\$115,363,381		\$0	\$1,199,779	\$1,199,779	\$921,753	\$40,377	\$28,725	\$2,190,635
2027	\$98,058,874	\$98,058,874		\$0	\$1,019,812	\$1,019,812	\$783,490	\$34,321	\$24,417	\$1,862,040
2028	\$83,350,043	\$83,350,043		\$0	\$866,840	\$866,840	\$665,967	\$29,173	\$20,754	\$1,582,734
2029	\$70,847,537	\$70,847,537		\$0	\$736,814	\$736,814	\$566,072	\$24,797	\$17,641	\$1,345,324
2030	\$60,220,406	\$60,220,406		\$0	\$626,292	\$626,292	\$481,161	\$21,077	\$14,995	\$1,143,525
2031	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$987,428
2032	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$987,428
2033	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$987,428
2034	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$987,428
2035	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$987,428
			Total	\$0	\$17,181,677	\$17,181,677	\$13,200,154	\$578,230	\$411,369	\$31,371,430

Source: CPA, Concho Bluff, LLC

*Tax Rate per \$100 Valuation

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

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Buena Vista ISD I&S Tax Levy	Buena Vista ISD M&O Tax Levy	M&O and I&S Tax Levies	Pecos County Tax Levy	Midland College Tax Levy	Midland Pecos Groundwater Tax Levy	Estimated Total Property Taxes
				0.0000	1.0400		0.7990	0.0350	0.0249	
2021	\$260,000,000	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$91,000	\$64,740	\$403,000
2022	\$221,000,000	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$77,350	\$55,029	\$389,350
2023	\$187,850,000	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$65,748	\$46,775	\$377,748
2024	\$159,672,500	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$55,885	\$39,758	\$367,885
2025	\$135,721,625	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$47,503	\$33,795	\$359,503
2026	\$115,363,381	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$40,377	\$28,725	\$352,377
2027	\$98,058,874	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$34,321	\$24,417	\$346,321
2028	\$83,350,043	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$29,173	\$20,754	\$341,173
2029	\$70,847,537	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$24,797	\$17,641	\$336,797
2030	\$60,220,406	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$21,077	\$14,995	\$333,077
2031	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$974,480
2032	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$974,480
2033	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$974,480
2034	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$974,480
2035	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$974,480
			Total	\$0	\$5,824,000	\$5,824,000	\$2,077,400	\$578,230	\$411,369	\$8,479,630
			Diff	\$0	\$11,357,677	\$11,357,677	\$11,122,754	\$0	\$0	\$22,891,800

Assumes School Value Limitation and Tax Abatements with the County.

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2021	\$312,000	\$312,000	\$2,392,000	\$2,392,000
	2022	\$312,000	\$624,000	\$1,986,400	\$4,378,400
	2023	\$312,000	\$936,000	\$1,641,640	\$6,020,040
	2024	\$312,000	\$1,248,000	\$1,348,594	\$7,368,634
	2025	\$312,000	\$1,560,000	\$1,099,505	\$8,468,139
	2026	\$312,000	\$1,872,000	\$887,779	\$9,355,918
	2027	\$312,000	\$2,184,000	\$707,812	\$10,063,730
	2028	\$312,000	\$2,496,000	\$554,840	\$10,618,571
	2029	\$312,000	\$2,808,000	\$424,814	\$11,043,385
	2030	\$312,000	\$3,120,000	\$314,292	\$11,357,677
Maintain Viable Presence (5 Years)	2031	\$540,800	\$3,660,800	\$0	\$11,357,677
	2032	\$540,800	\$4,201,600	\$0	\$11,357,677
	2033	\$540,800	\$4,742,400	\$0	\$11,357,677
	2034	\$540,800	\$5,283,200	\$0	\$11,357,677
	2035	\$540,800	\$5,824,000	\$0	\$11,357,677
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$540,800	\$6,364,800	\$0	\$11,357,677
	2037	\$540,800	\$6,905,600	\$0	\$11,357,677
	2038	\$540,800	\$7,446,400	\$0	\$11,357,677
	2039	\$540,800	\$7,987,200	\$0	\$11,357,677
	2040	\$540,800	\$8,528,000	\$0	\$11,357,677
	2041	\$540,800	\$9,068,800	\$0	\$11,357,677
	2042	\$540,800	\$9,609,600	\$0	\$11,357,677
	2043	\$540,800	\$10,150,400	\$0	\$11,357,677
	2044	\$540,800	\$10,691,200	\$0	\$11,357,677
	2045	\$540,800	\$11,232,000	\$0	\$11,357,677

\$11,232,000
 is less than **\$11,357,677**

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?	No

Source: CPA, Crane I Solar Electric LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2019	300	270	570	\$14,323,800	\$22,676,200	\$37,000,000	1899719.2	-1045227.1	\$2,944,946
2020	300	278	578	\$14,323,800	\$27,676,200	\$42,000,000	1998901.4	-633239.7	\$2,632,141
2021	2	21	23	\$120,074	\$6,879,926	\$7,000,000	267028.8	740051.3	-\$473,023
2022	2	(2)	0	\$120,074	\$3,879,926	\$4,000,000	129699.7	694274.9	-\$564,575
2023	2	(14)	-12	\$120,074	\$1,879,926	\$2,000,000	38147	579834	-\$541,687
2024	2	(22)	-20	\$120,074	-\$120,074	\$0	22888.2	511169.4	-\$488,281
2025	2	(18)	-16	\$120,074	-\$120,074	\$0	-38147	404357.9	-\$442,505
2026	2	(20)	-18	\$120,074	-\$120,074	\$0	-38147	312805.2	-\$350,952
2027	2	(18)	-16	\$120,074	-\$1,120,074	-\$1,000,000	-53405.8	213623	-\$267,029
2028	2	(12)	-10	\$120,074	-\$1,120,074	-\$1,000,000	-30517.6	137329.1	-\$167,847
2029	2	(14)	-12	\$120,074	-\$1,120,074	-\$1,000,000	-38147	106811.5	-\$144,959
2030	2	(6)	-4	\$120,074	-\$1,120,074	-\$1,000,000	-30517.6	45776.4	-\$76,294
2031	2	(10)	-8	\$120,074	-\$1,120,074	-\$1,000,000	-76293.9	-15258.8	-\$61,035
2032	2	(6)	-4	\$120,074	-\$1,120,074	-\$1,000,000	-91552.7	-45776.4	-\$45,776
2033	2	(6)	-4	\$120,074	-\$120,074	\$0	-76293.9	-129699.7	\$53,406
2034	2	(8)	-6	\$120,074	-\$1,120,074	-\$1,000,000	-122070.3	-137329.1	\$15,259
2035	2	(6)	-4	\$120,074	-\$1,120,074	-\$1,000,000	-160217.3	-190734.9	\$30,518
2036	2	(6)	-4	\$120,074	-\$1,120,074	-\$1,000,000	-175476.1	-282287.6	\$106,812
2037	2	(8)	-6	\$120,074	-\$2,120,074	-\$2,000,000	-221252.4	-335693.4	\$114,441
2038	2	(14)	-12	\$120,074	-\$2,120,074	-\$2,000,000	-213623	-366210.9	\$152,588
2039	2	(10)	-8	\$120,074	-\$2,120,074	-\$2,000,000	-244140.6	-442504.9	\$198,364
2040	2	(14)	-12	\$120,074	-\$3,120,074	-\$3,000,000	-289917	-495910.6	\$205,994
2041	2	(14)	-12	\$120,074	-\$3,120,074	-\$3,000,000	-320434.6	-534057.6	\$213,623
2042	2	(20)	-18	\$120,074	-\$3,120,074	-\$3,000,000	-350952.1	-556945.8	\$205,994
2043	2	(20)	-18	\$120,074	-\$4,120,074	-\$4,000,000	-366210.9	-587463.4	\$221,253
2044	2	(22)	-20	\$120,074	-\$3,120,074	-\$3,000,000	-366210.9	-595092.8	\$228,882
2045	2	(18)	-16	\$120,074	-\$4,120,074	-\$4,000,000	-427246.1	-671386.7	\$244,141
2046	2	(22)	-20	\$120,074	-\$4,120,074	-\$4,000,000	-381469.7	-679016.1	\$297,546
Total							\$244,141	-\$3,997,803	\$4,241,944
							\$15,473,944	is greater than	\$11,357,677

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

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 Concho Bluff, 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:

- OnPeak Power, LLC is the developer of the project that is, internally known as the Greasewood Solar Project (The Project) which is legally known as Concho Bluff, LLC by the State of Texas. Concho Bluff, LLC is the project company for the purposes of constructing and operating the Project. OnPeak Power, LLC will develop the Project for the benefit of Concho Bluff, LLC.
- Per OnPeak Power, LLC. in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “The management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities across the country. Other states currently being evaluated include, but are not limited to, North Carolina and Montana.”
 - B. “Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive returns necessary to attract tax and sponsor equity investment.”
 - C. “Obtaining a limited asset value, provided by the Buena Vista ISD, is critical to the investment decision in Texas. Without a limitation on value, the Greasewood Solar Farm would not be able to achieve economic returns necessary to commence construction. The ability to obtain a limited asset valuation from the Buenos Vista ISD is a key determinate in progressing the project through to construction.”
- Tab 5 provided by the applicant stated the following:
 - A. Internally and with ERCOT, known as the Greasewood Solar Project which is legally known as Concho Bluff, LLC by the State of Texas.
 - B. The project received the IGNR number from ERCOT, 19INR0034 on February 20, 2017.

Supporting Information

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

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

Supporting Information

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

Supporting Information

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

Tab 5

Documentation to assist in determining if limitation is a determining factor

OnPeak Power, LLC is the developer of the project that is, internally and with ERCOT, known as the Greasewood Solar Project (The Project) which is legally known as Concho Bluff, LLC by the State of Texas. Concho Bluff, LLC is the project company for the purposes of constructing and operating the Project. OnPeak Power, LLC will develop the Project for the benefit of Concho Bluff, LLC.

The management team has developed multiple renewable projects within Texas and has extensive experience in markets across the country. Based on this experience, the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities across the country. Other states currently being evaluated include, but are not limited to, North Carolina and Montana. As such, the management team locates projects based on the economic competitiveness as it pertains to land, renewable resource and constructability. Concho Bluff, LLC has entered into long-term lease agreements with multiple land owners within the Buena Vista ISD and it has invested in an ERCOT Interconnection Agreement scheduled to be finalized in Q1 of 2019. The project is in the late stages of the development process and completing what is necessary prior to the final investment decision. Obtaining a limited asset value, provided by the Buena Vista ISD, is critical to the investment decision in Texas. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$260M needed to fund the construction and closing costs of the facility.

Concho Bluff, LLC is actively developing multiple projects within the West Texas region and the applicant requires this value limitation in order to commence construction on Concho Bluff, LLC's Greasewood project. Property tax without a limitation would be the highest operating cost to the solar facility. Without a limitation on value, the greasewood solar farm would not be able to achieve economic returns necessary to commence construction. The ability to obtain a limited asset valuation from the Buena Vista ISD is a key determinate in progressing the project through to construction. With a limited value provided by the Buena Vista ISD, the project will have the necessary development agreements to begin the construction of the facility starting in August of 2019.

Concho Bluff's Greasewood Solar Project will be located on approximately 1,982 acres, under long term lease agreements, on agricultural exempt land. On December 27, 2018 the Pecos County Commissioners Court approved the Greasewood Reinvestment Zone and executed the Tax Abatement Agreement between Pecos County, Texas and Concho Bluff, LLC. The Project has filed for a Generation Interconnection Request with ERCOT under the interconnection number 19INR0034.

The Greasewood Project is a planned project and has not been approved for financing. In order for the Greasewood project to achieve a financeable status, as stated above, a Chapter 313 Limited Asset Value Agreement is necessary. OnPeak lists all projects within the development pipeline on its website for marketing purposes and they are not intended to indicate actual projects planned for construction.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Buena Vista ISD– Concho Bluff, LLC App. #1329

Comptroller Questions (via email on February 15, 2019):

1. *Is The Sage Draw Wind Project currently known by any other project names?*
2. *Noted in Tab 5.*

Applicant Response (via email on February 15, 2019):

1. *The Applicant's wind project is not currently known by any other name.*
2. *Noted in Tab 5.*

Comptroller Questions (via email on February 15, 2019):

1. *When was the ERCOT IGNR number assigned?*

Applicant Response (via email on February 15, 2019):

1. *The IGNR number was assigned on 2/20/2017.*

Attachment D

Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED CONCHO BLUFF,
LLC PROJECT IN THE BUENA VISTA INDEPENDENT
SCHOOL DISTRICT
(PROJECT # 1329)**

PREPARED BY



FEBRUARY 21, 2019

Executive Summary

Concho Bluff, LLC (Company) has requested that the Buena Vista Independent School District (BVISD) 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 BVISD on January 22, 2019, the Company plans to invest \$260 million to construct a renewable solar electric energy production 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 Concho Bluff Greasewood 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, BVISD may offer a minimum value limitation of \$30 million. This value limitation, under the proposed application, will begin in the 2021-22 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 in 2017. 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 BVISD	\$2.0 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$9.4 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. The Completeness Letter for this project was issued on February 21, 2019.

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. After the certificate

is received, the district has until the 150th day from the receipt of the Completeness Letter to adopt an agreement.

After the Comptroller's certificate is received, O'Hanlon, Demerath & Castillo will contact the school district to discuss the value limitation agreement and begin negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees.

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

How the 313 Agreement Interacts with Texas School Finance

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

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

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

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

Underlying School District Data Assumptions

The agreement between the school district and the applicant calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. The Basic Allotment 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: 199
 Local Tax Base: \$364.6 million
 M&O Tax Rate: \$1.04 per \$100
 I&S Tax Rate: \$0.00 per \$100
 Wealth per WADA: \$703,766

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 Concho Bluff Greasewood Solar 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	2019-20	198.93	391.30	\$1.0400	\$0.0000	\$364,602,264	\$364,602,264	\$271,588,176	\$271,588,176	\$694,072	\$694,072
QTP1	2020-21	198.93	391.30	\$1.0400	\$0.0000	\$364,602,264	\$364,602,264	\$271,588,176	\$271,588,176	\$694,072	\$694,072
QTP2/VL1	2021-22	198.93	391.30	\$1.0400	\$0.0000	\$700,076,550	\$470,076,550	\$271,588,176	\$271,588,176	\$694,072	\$694,072
VL2	2022-23	198.93	391.30	\$1.0400	\$0.0000	\$656,802,836	\$465,802,836	\$607,062,462	\$377,062,462	\$1,551,411	\$963,622
VL3	2023-24	198.93	391.30	\$1.0400	\$0.0000	\$619,592,807	\$461,742,807	\$563,788,748	\$372,788,748	\$1,440,821	\$952,700
VL4	2024-25	198.93	391.30	\$1.0400	\$0.0000	\$591,415,307	\$461,742,807	\$526,578,719	\$368,728,719	\$1,345,726	\$942,324
VL5	2025-26	198.93	391.30	\$1.0400	\$0.0000	\$567,464,432	\$461,742,807	\$498,401,219	\$368,728,719	\$1,273,716	\$942,324
VL6	2026-27	198.93	391.30	\$1.0400	\$0.0000	\$547,106,188	\$461,742,807	\$474,450,344	\$368,728,719	\$1,212,507	\$942,324
VL7	2027-28	198.93	391.30	\$1.0400	\$0.0000	\$529,801,681	\$461,742,807	\$454,092,100	\$368,728,719	\$1,160,479	\$942,324
VL8	2028-29	198.93	391.30	\$1.0400	\$0.0000	\$515,092,850	\$461,742,807	\$436,787,593	\$368,728,719	\$1,116,256	\$942,324
VL9	2029-30	198.93	391.30	\$1.0400	\$0.0000	\$502,590,344	\$461,742,807	\$422,078,762	\$368,728,719	\$1,078,666	\$942,324
VL10	2030-31	198.93	391.30	\$1.0400	\$0.0000	\$491,963,213	\$461,742,807	\$409,576,256	\$368,728,719	\$1,046,715	\$942,324
VP1	2031-32	198.93	391.30	\$1.0400	\$0.0000	\$483,742,807	\$483,742,807	\$398,949,125	\$368,728,719	\$1,019,556	\$942,324
VP2	2032-33	198.93	391.30	\$1.0400	\$0.0000	\$483,742,807	\$483,742,807	\$390,728,719	\$390,728,719	\$998,548	\$998,548
VP3	2033-34	198.93	391.30	\$1.0400	\$0.0000	\$483,742,807	\$483,742,807	\$390,728,719	\$390,728,719	\$998,548	\$998,548
VP4	2034-35	198.93	391.30	\$1.0400	\$0.0000	\$483,742,807	\$483,742,807	\$390,728,719	\$390,728,719	\$998,548	\$998,548
VP5	2035-36	198.93	391.30	\$1.0400	\$0.0000	\$483,742,807	\$483,742,807	\$390,728,719	\$390,728,719	\$998,548	\$998,548

*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 Concho Bluff Greasewood Solar Project on BVISD

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 \$2.0 million over the course of the Agreement, with all the loss reflected in the first limitation year (2021-22). Nearly all reduction in M&O taxes under the limitation agreement is offset through a reduction in recapture costs owed to the state under current law.

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

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
QTP0	2019-20	\$3,521,913	\$60,541	-\$642,166	\$140,877	\$74,883	\$0	\$0	\$5,209	\$3,161,256
QTP1	2020-21	\$3,521,913	\$91,064	-\$685,916	\$140,877	\$74,883	\$0	\$0	\$5,209	\$3,148,029
QTP2/VL1	2021-22	\$6,855,561	\$60,541	-\$1,276,666	\$274,222	\$145,725	\$0	\$0	\$5,209	\$6,064,592
VL2	2022-23	\$6,423,678	\$91,064	-\$4,101,584	\$256,947	\$0	\$0	\$0	\$5,209	\$2,675,313
VL3	2023-24	\$6,052,390	\$60,541	-\$3,658,946	\$242,096	\$0	\$0	\$0	\$5,209	\$2,701,290
VL4	2024-25	\$5,770,615	\$91,064	-\$3,366,940	\$230,825	\$0	\$0	\$0	\$5,209	\$2,730,773
VL5	2025-26	\$5,531,106	\$60,541	-\$3,057,956	\$221,244	\$0	\$0	\$0	\$5,209	\$2,760,143
VL6	2026-27	\$5,327,524	\$91,064	-\$2,865,375	\$213,101	\$0	\$0	\$0	\$5,209	\$2,771,523
VL7	2027-28	\$5,154,479	\$60,541	-\$2,625,556	\$206,179	\$0	\$0	\$0	\$5,209	\$2,800,852
VL8	2028-29	\$5,007,390	\$91,064	-\$2,494,302	\$200,296	\$0	\$0	\$0	\$5,209	\$2,809,657
VL9	2029-30	\$4,882,365	\$60,541	-\$2,305,852	\$195,295	\$0	\$0	\$0	\$5,209	\$2,837,557
VL10	2030-31	\$4,776,094	\$91,064	-\$2,220,367	\$191,044	\$2,933	\$0	\$0	\$5,209	\$2,845,977
VP1	2031-32	\$4,689,490	\$60,541	-\$2,071,788	\$187,580	\$7,953	\$0	\$0	\$5,209	\$2,878,985
VP2	2032-33	\$4,689,490	\$91,064	-\$2,060,092	\$187,580	\$12,068	\$0	\$0	\$5,209	\$2,925,319
VP3	2033-34	\$4,689,490	\$60,541	-\$2,017,487	\$187,580	\$12,068	\$0	\$0	\$5,209	\$2,937,400
VP4	2034-35	\$4,689,490	\$91,064	-\$2,060,092	\$187,580	\$12,068	\$0	\$0	\$5,209	\$2,925,319
VP5	2035-36	\$4,689,490	\$60,541	-\$2,017,487	\$187,580	\$12,068	\$0	\$0	\$5,209	\$2,937,400

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 @		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	2019-20	\$3,521,913	\$60,541	-\$642,166	\$140,877	\$74,883	\$0	\$0	\$5,209	\$3,161,256
QTP1	2020-21	\$3,521,913	\$91,064	-\$685,916	\$140,877	\$74,883	\$0	\$0	\$5,209	\$3,148,029
QTP2/VL1	2021-22	\$4,555,561	\$60,541	-\$835,224	\$182,222	\$96,813	\$0	\$0	\$5,209	\$4,065,122
VL2	2022-23	\$4,513,678	\$91,064	-\$1,890,940	\$180,547	\$18,589	\$0	\$0	\$5,209	\$2,918,146
VL3	2023-24	\$4,473,890	\$60,541	-\$1,801,936	\$178,956	\$20,679	\$0	\$0	\$5,209	\$2,937,338
VL4	2024-25	\$4,473,890	\$91,064	-\$1,815,991	\$178,956	\$22,864	\$0	\$0	\$5,209	\$2,955,992
VL5	2025-26	\$4,473,890	\$60,541	-\$1,772,917	\$178,956	\$22,864	\$0	\$0	\$5,209	\$2,968,542
VL6	2026-27	\$4,473,890	\$91,064	-\$1,815,991	\$178,956	\$22,864	\$0	\$0	\$5,209	\$2,955,992
VL7	2027-28	\$4,473,890	\$60,541	-\$1,772,917	\$178,956	\$22,864	\$0	\$0	\$5,209	\$2,968,542
VL8	2028-29	\$4,473,890	\$91,064	-\$1,815,991	\$178,956	\$22,864	\$0	\$0	\$5,209	\$2,955,992
VL9	2029-30	\$4,473,890	\$60,541	-\$1,772,917	\$178,956	\$22,864	\$0	\$0	\$5,209	\$2,968,542
VL10	2030-31	\$4,473,890	\$91,064	-\$1,815,991	\$178,956	\$22,864	\$0	\$0	\$5,209	\$2,955,992
VP1	2031-32	\$4,689,490	\$60,541	-\$1,860,241	\$187,580	\$23,995	\$0	\$0	\$5,209	\$3,106,573
VP2	2032-33	\$4,689,490	\$91,064	-\$2,060,092	\$187,580	\$12,068	\$0	\$0	\$5,209	\$2,925,319
VP3	2033-34	\$4,689,490	\$60,541	-\$2,017,487	\$187,580	\$12,068	\$0	\$0	\$5,209	\$2,937,400
VP4	2034-35	\$4,689,490	\$91,064	-\$2,060,092	\$187,580	\$12,068	\$0	\$0	\$5,209	\$2,925,319
VP5	2035-36	\$4,689,490	\$60,541	-\$2,017,487	\$187,580	\$12,068	\$0	\$0	\$5,209	\$2,937,400

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	2019-20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2020-21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2021-22	-\$2,300,000	\$0	\$441,441	-\$92,000	-\$48,912	\$0	\$0	\$0	-\$1,999,471
VL2	2022-23	-\$1,910,000	\$0	\$2,210,644	-\$76,400	\$18,589	\$0	\$0	\$0	\$242,833
VL3	2023-24	-\$1,578,500	\$0	\$1,857,009	-\$63,140	\$20,679	\$0	\$0	\$0	\$236,048
VL4	2024-25	-\$1,296,725	\$0	\$1,550,949	-\$51,869	\$22,864	\$0	\$0	\$0	\$225,219
VL5	2025-26	-\$1,057,216	\$0	\$1,285,039	-\$42,288	\$22,864	\$0	\$0	\$0	\$208,399
VL6	2026-27	-\$853,634	\$0	\$1,049,384	-\$34,145	\$22,864	\$0	\$0	\$0	\$184,469
VL7	2027-28	-\$680,589	\$0	\$852,638	-\$27,223	\$22,864	\$0	\$0	\$0	\$167,690
VL8	2028-29	-\$533,500	\$0	\$678,311	-\$21,340	\$22,864	\$0	\$0	\$0	\$146,335
VL9	2029-30	-\$408,475	\$0	\$532,935	-\$16,339	\$22,864	\$0	\$0	\$0	\$130,985
VL10	2030-31	-\$302,204	\$0	\$404,376	-\$12,088	\$19,931	\$0	\$0	\$0	\$110,015
VP1	2031-32	\$0	\$0	\$211,547	\$0	\$16,042	\$0	\$0	\$0	\$227,589
VP2	2032-33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2033-34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2035-36	\$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 \$11.4 million over the life of the agreement. The BVISD revenue losses are expected to total approximately \$2.0 million over the course of the agreement. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$9.4 million, prior to any negotiations with Concho Bluff Greasewood Solar on supplemental payments.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with BVISD not currently levying an I&S rate. Local taxpayers could benefit from the addition of the Greasewood Solar project to the local I&S tax roll if there is future consideration of a bond issue.

The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. 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 Concho Bluff Greasewood Solar Project Property Value Limitation Request Submitted to BVISD 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	2019-20	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0	
QTP1	2020-21	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0	
QTP2/VL1	2021-22	\$260,000,000	\$30,000,000	\$230,000,000	\$1.040	\$2,704,000	\$312,000	\$2,392,000	-\$1,999,471	\$392,529	
VL2	2022-23	\$221,000,000	\$30,000,000	\$191,000,000	\$1.040	\$2,298,400	\$312,000	\$1,986,400	\$0	\$1,986,400	
VL3	2023-24	\$187,850,000	\$30,000,000	\$157,850,000	\$1.040	\$1,953,640	\$312,000	\$1,641,640	\$0	\$1,641,640	
VL4	2024-25	\$159,672,500	\$30,000,000	\$129,672,500	\$1.040	\$1,660,594	\$312,000	\$1,348,594	\$0	\$1,348,594	
VL5	2025-26	\$135,721,625	\$30,000,000	\$105,721,625	\$1.040	\$1,411,505	\$312,000	\$1,099,505	\$0	\$1,099,505	
VL6	2026-27	\$115,363,381	\$30,000,000	\$85,363,381	\$1.040	\$1,199,779	\$312,000	\$887,779	\$0	\$887,779	
VL7	2027-28	\$98,058,874	\$30,000,000	\$68,058,874	\$1.040	\$1,019,812	\$312,000	\$707,812	\$0	\$707,812	
VL8	2028-29	\$83,350,043	\$30,000,000	\$53,350,043	\$1.040	\$866,840	\$312,000	\$554,840	\$0	\$554,840	
VL9	2029-30	\$70,847,537	\$30,000,000	\$40,847,537	\$1.040	\$736,814	\$312,000	\$424,814	\$0	\$424,814	
VL10	2030-31	\$60,220,406	\$30,000,000	\$30,220,406	\$1.040	\$626,292	\$312,000	\$314,292	\$0	\$314,292	
VP1	2031-32	\$52,000,000	\$52,000,000	\$0	\$1.040	\$540,800	\$540,800	\$0	\$0	\$0	
VP2	2032-33	\$52,000,000	\$52,000,000	\$0	\$1.040	\$540,800	\$540,800	\$0	\$0	\$0	
VP3	2033-34	\$52,000,000	\$52,000,000	\$0	\$1.040	\$540,800	\$540,800	\$0	\$0	\$0	
VP4	2034-35	\$52,000,000	\$52,000,000	\$0	\$1.040	\$540,800	\$540,800	\$0	\$0	\$0	
VP5	2035-36	\$52,000,000	\$52,000,000	\$0	\$1.040	\$540,800	\$540,800	\$0	\$0	\$0	
							\$17,181,677	\$5,824,000	\$11,357,677	-\$1,999,471	\$9,358,207

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 Assistance

2017 ISD Summary Worksheet
186/Pecos
186-901/Buena Vista ISD

Category	Local Tax Roll Value	2017 WTD Mean Ratio	2017 PTAD Value Estimate	2017 Value Assigned
A. Single-Family Residences	3,453,150	N/A	3,453,150	3,453,150
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	186,180	N/A	186,180	186,180
C2. Colonia Lots	410	N/A	410	410
D1. Rural Real(Taxable)	3,996,270	.8558	4,669,817	3,996,270
D2. Real Prop Farm & Ranch	1,362,920	N/A	1,362,920	1,362,920
E. Real Prop NonQual Acres	10,023,110	.4192	23,910,091	10,023,110
F1. Commercial Real	1,143,820	N/A	1,143,820	1,143,820
F2. Industrial Real	93,814,130	N/A	93,814,130	93,814,130
G. Oil, Gas, Minerals	40,860,000	1.0293	39,696,881	40,860,000
J. Utilities	58,153,130	.9725	59,797,563	58,153,130
L1. Commercial Personal	468,440	N/A	468,440	468,440
L2. Industrial Personal	159,336,214	N/A	159,336,214	159,336,214
M. Other Personal	1,021,100	N/A	1,021,100	1,021,100
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	373,818,874		388,860,716	373,818,874
Less Total Deductions	98,069,304		98,069,304	98,069,304
Total Taxable Value	275,749,570		290,791,412	275,749,570 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
276,320,540	275,749,570	275,952,615	275,381,645

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
570,970	367,925

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
371,260,540	370,689,570	370,892,615	370,321,645

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

BUENA VISTA INDEPENDENT SCHOOL DISTRICT

and

CONCHO BLUFF, LLC

(Texas Taxpayer ID # 32060313171)

Comptroller Application # 1329

Dated

July 11, 2019

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

STATE OF TEXAS §

COUNTY OF PECOS §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **BUENA VISTA INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **CONCHO BLUFF, LLC**, Texas Taxpayer Identification Number 32060313171, hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on January 10, 2019, the Superintendent of Schools of the Buena Vista Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on January 10, 2019, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

WHEREAS, the Application was delivered to the Texas Comptroller's Office for review pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, the District and the Texas Comptroller's Office have determined that the Application is complete and February 21, 2019 is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Pecos County Appraisal District established in Pecos County, Texas (the "Pecos County Appraisal District"), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on April 9, 2019, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, on July 11, 2019, 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 July 11, 2019, 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 July 11, 2019, 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 July 1, 2019, 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 July 11, 2019, 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 Concho Bluff, LLC, (Texas Taxpayer ID #32060313171) 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 January 10, 2019 (as amended on February 16, 2019 and on March 27, 2019). 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 Pecos County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Buena Vista Independent School District.

“Commercial Operation” means the date the Project is able to generate electricity and 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 Pecos, Texas.

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

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

“Force Majeure” means those causes generally recognized under Texas law as constituting impossible conditions. Each Party must inform the other in writing with proof of receipt within sixty (60) business days of the existence of such Force Majeure or otherwise waive this right as a defense.

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

“Maintain Viable Presence” means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant’s maintenance of jobs and wages as required by the Act and as set forth in its Application.

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

“New Qualifying Jobs” means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller’s Rules.

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

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

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

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

“State” means the State of Texas.

“Supplemental Payment” means any payments or transfers of things of value made to the District or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the Agreement and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

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

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

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

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

Section 1.2 NEGOTIATED DEFINITIONS. Wherever used in Articles IV, V, and VI, the following

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

"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.

"Cumulative Unadjusted Tax Benefit" means for each Tax Year of this Agreement, the Unadjusted Tax Benefit for such Tax Year added to the Unadjusted Tax Benefit for all previous Tax Years during the term of this Agreement.

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

"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 would have actually received for such school year if calculated using prior year taxable values.

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

“Original M&O Revenue” means the total State and local Maintenance and Operations Revenue that District would have received for the Tax Year, under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant’s Qualified Property been subject to the ad valorem maintenance & operations tax at the rate applicable for such Tax Year. For purposes of this calculation, the Third Party will base its calculations upon actual local taxable values for the prior school 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 for the prior school year 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.)

“Unadjusted Tax Benefit” means for each year of this Agreement the total of all gross tax savings calculated for each year of the Agreement by multiplying the Applicant’s taxable value for debt service taxes for each applicable Tax Year, minus the Tax Limitation Amount defined, multiplied by the District’s Maintenance & Operations tax rate for the applicable Tax Year.

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 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 February 21, 2019, 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 July 11, 2019.

C. The Qualifying Time Period for this Agreement:

- i. Starts on July 11, 2019, the Application Approval Date; and
- ii. Ends on December 31, 2021, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2021, the first complete Tax Year that begins after the date of the commencement of Commercial Operation; and
- ii. Ends on December 31, 2030.

E. The Final Termination Date for this Agreement is December 31, 2035.

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 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 \$905 for all New Non-Qualifying Jobs created by the Applicant.

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

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

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

ARTICLE III **QUALIFIED PROPERTY**

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

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

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

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

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies

for a tax limitation agreement under Section 313.024(b)(5) of the TEXAS TAX CODE as 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 this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was a sole and direct cause, all as calculated in Section 4.2 below. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement.

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

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject only to the provisions of 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 for each Tax Year starting in the year of the Application Review Start Date and ending on the Final Termination Date 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.

Notwithstanding anything contained in this Agreement to the contrary, for each Tax Year of the Tax Limitation Period (beginning with Tax Year 2021), amounts due to be paid by Applicant under this Article IV for any Tax Year during the Limitation Period shall not exceed an amount equal to One Hundred Percent (100%) of Applicant's Cumulative Unadjusted Tax Benefit under this Agreement. Beginning with the first Tax Year of the Tax Limitation Period (Tax Year 2021) and for each subsequent year of this Agreement through the third Tax Year after the end of the Tax Limitation Period (2033), any amounts due and owing by Applicant to the District pursuant to Article IV of this Agreement which, by virtue of the payment limitation set forth in this Section 4.2, were not paid in prior years, shall be carried forward and added to the amounts due pursuant to Articles IV for each subsequent Tax Year until the third Tax Year after the end of the Tax Limitation Period (2033) at which time any such carried forward but unpaid amounts shall be cancelled and not owed by Applicant. In no event shall the amounts paid by the Applicant, calculated under Article IV for each Tax Year, including unpaid amounts carried forward from prior years, be in excess of (i) an amount equal to One Hundred Percent (100%) of Applicant's Cumulative Unadjusted Tax Benefit under this Agreement from the first day of the Qualifying Time Period through the current Tax Year, less (ii) all amounts paid by Applicant for all previous Tax Years under Article IV of this Agreement. The amounts described in this Section 4.2 shall be included in all calculations made pursuant to Section 4.3.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") approved each year by the District. The District agrees that for all Tax Years the Third Party selected by the District shall be either RM School Finance Consulting or Moak Casey & Associates. If the District desires to select a Third Party other than RM School Finance Consulting or Moak Casey & Associates, such selection must receive the Applicant's consent, which consent shall not be unreasonably withheld, delayed, or conditioned. 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, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, subject to the provisions of Section 4.6. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.6. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party, plus any reasonable and necessary out-of-pocket third party legal expenses incurred by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas, for any audits conducted by the State Auditor's Office, or for other legal expenses which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Fifteen Thousand Dollars (\$15,000.00). For any Tax Year outside of the Tax Limitation Period, Applicant shall not be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Eight Thousand Dollars (\$8,000.00).

Section 4.7. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records and other information in accordance with Section 4.6 for purposes of auditing

or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the final determination of certification containing the calculations, and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.8. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Property by the Appraisal District.

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

Section 4.9. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in 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 within thirty (30) days of receipt of written notice, up to the revenue protection amount limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a result of its participation in this Agreement. Such calculation shall be completed using the methodology described in Section 4.2 and 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. The District shall use reasonable efforts to mitigate the economic effects of any such statutory change or administrative interpretation, and if the Applicant disagrees with any calculation or determination by the District of any adverse impact described in this Article IV, the Applicant shall have the right to appeal such calculation or determination in accordance with the procedures set forth in Section 4.7.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section

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

ARTICLE VI

SUPPLEMENTAL PAYMENTS

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

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

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

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

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

B. Supplemental Payments may only be made during the period starting the first year of the

Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period;

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

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District’s Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District’s 2016-2017 Average Daily Attendance of 192, rounded to the nearest whole number.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO ANNUAL PAYMENT LIMIT.

The District shall receive Supplemental Payments on in the dates set forth on the following schedule.

TAX YEAR	PAYMENT DUE DATE	AMOUNT OF ANNUAL PAYMENT LIMIT
2021	January 31, 2022	\$62,500
2022	January 31, 2023	\$62,500
2023	January 31, 2024	\$62,500
2024	January 31, 2025	\$62,500
2025	January 31, 2026	\$62,500
2026	January 31, 2027	\$62,500
2027	January 31, 2028	\$62,500
2028	January 31, 2029	\$62,500
2029	January 31, 2030	\$50,000
2030	January 31, 2031	\$50,000
2031	January 31, 2032	\$50,000
2032	January 31, 2033	\$50,000
2033	January 31, 2034	\$50,000

Section 6.4. 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 amount of the Supplemental Payment calculated as described in Sections 6.2 and 6.3, 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 the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment, the Applicant shall have the option, prior to the beginning of the Tax Limitation Period, to terminate this Agreement by notifying the District in writing of its exercise of such option. Additionally, in the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred.

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

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

B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

ARTICLE VIII
ADDITIONAL OBLIGATIONS OF APPLICANT

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

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

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

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

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

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

B. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards.

Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR.

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

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

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

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the

Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

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

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

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

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

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

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

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

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

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

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

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

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

G. The Applicant failed to provide the payments to the District that protect the District from the

payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

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

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

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

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

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

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

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

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

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

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

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

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;

- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and

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

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

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

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee’s Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have not greater than ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Pecos, 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 Pecos, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the ninety (90) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney’s fees to the attorneys representing the

District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

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

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

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

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

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

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

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

law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$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:

Mark Dominguez
Superintendent
Buena Vista Independent School District
P O Box 310
Imperial, TX 79743
Phone: (432) 536-2225
Email: mdominguez@bvisd.escl8.net

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

William Demas
c/o Copenhagen Infrastructure Partners, Inc.
412 W. 15th Street, 15th Floor
New York, NY 10014
Phone: (212) 403-3177
Email: wde@cip.dk

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

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

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective

if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition, or provision, or a waiver of any other term, condition, or provision of this Agreement.

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

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

a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;

b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;

c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;

ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and

iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;

ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

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

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

Section 10.3. ASSIGNMENT.

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

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

governmental authority.

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

Section 10.4. MERGER. This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 10.5. Governing Law. This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in a state district court in Pecos County.

Section 10.6. AUTHORITY TO EXECUTE AGREEMENT. Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 10.7. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree, or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 10.8. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.9. INTERPRETATION.

A. When a reference is made in this Agreement to a Section, Article, or Exhibit, such reference

shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

B. The words “include,” “includes,” and “including” when used in this Agreement shall be deemed in such case to be followed by the phrase, “but not limited to”. Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require.

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

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

Section 10.10. EXECUTION OF COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 10.11. PUBLICATION OF DOCUMENTS. The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller’s Internet website;

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

C. This Section does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant’s duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

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

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

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

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION. Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

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

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

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

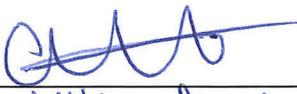
B. Delivery is deemed complete as follows:

- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
- iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
- iv. When the recipient, by an e-mail sent to the e-mail address for the executing

Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 11th day of July, 2019.

CONCHO BLUFF, LLC

By: 
Name: William Demar
Title: Secretary

BUENA VISTA INDEPENDENT SCHOOL DISTRICT

By: 
PRESIDENT, BOARD OF TRUSTEES

ATTEST:

By: 
SECRETARY, BOARD OF TRUSTEES

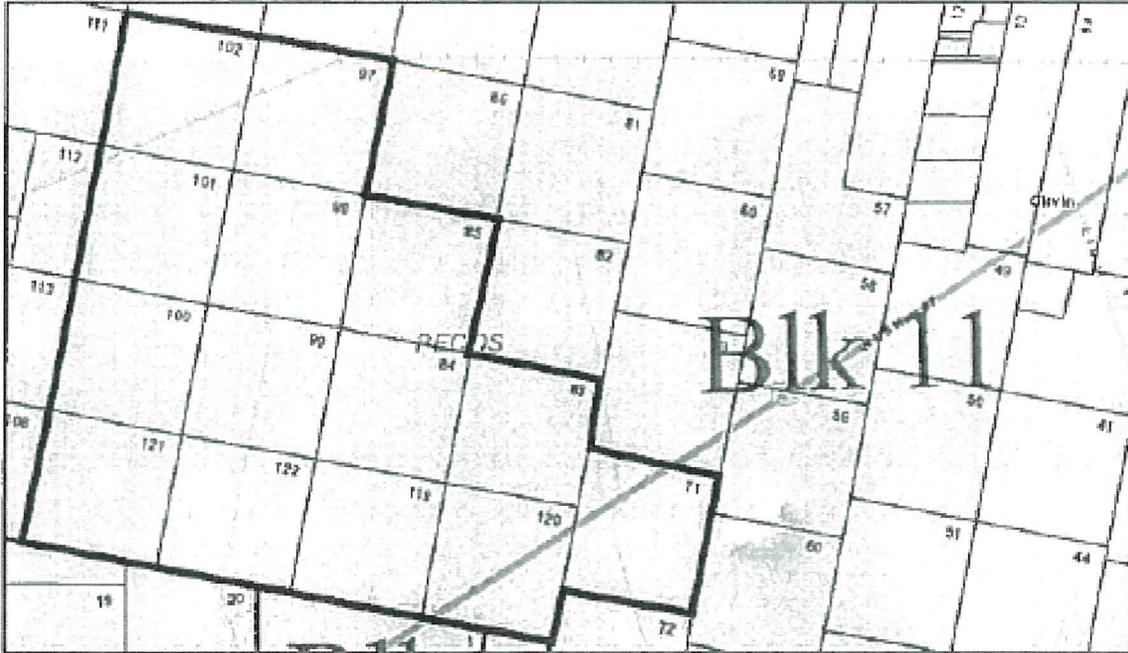
EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

At the time of the Application Approval Date, pursuant to Chapter 312 of the Texas Tax Code, the Pecos County Commissioners' Court designated the below tracts of land as Greasewood Reinvestment Zone. A map of the Greasewood Reinvestment Zone is attached as the last page of this **EXHIBIT 1** following the legal description of the Greasewood Reinvestment Zone. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the Greasewood Reinvestment Zone.

THE FOLLOWING REAL PROPERTY LOCATED IN PECOS COUNTY, TX:

Survey Name	Block Number	Section	Sub-Survey	Abstract
H&GN RR CO	BLK 11	71	H&GN RR CO	A-563
H&GN RR CO	BLK 11	83	H&GN RR CO	A-569
H&GN RR CO	BLK 11	120	R.N. MITCHELL	A-8149
H&GN RR CO	BLK 11	122	H.C. ALFORD	A-7582
H&GN RR CO	BLK 11	100	L.L. BALDRIDGE	A-5112
H&GN RR CO	BLK 11	84	D. CHILTON	A-7787
H&GN RR CO	BLK 11	99	H&GN RR CO	A-577
H&GN RR CO	BLK 11	97	H&GN RR CO	A-576
H&GN RR CO	BLK 11	101	H&GN RR CO	A-578
H&GN RR CO	BLK 11	102	W.H. LYONS	A-5890
H&GN RR CO	BLK 11	119	H&GN RR CO	A-587
H&GN RR CO	BLK 11	85	H&GN RR CO	A-570
H&GN RR CO	BLK 11	121	H&GN RR CO	A-588
H&GN RR CO	BLK 11	98	J.R. CASEY	A-6570



Agreement for Limitation on Appraised Value
Between Buena Vista ISD and Concho Bluff, LLC
July 11, 2019

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

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 shall be all tangible personal property first placed in service after July 11, 2019, that is owned by the Applicant, as more fully described in Tab #7 of the Application, and located in the reinvestment zone and project boundary of the Buena Vista Independent School District and the map attached to **Exhibit 1**.

The Project will be constructed on approximately 1,982 acres under longer term lease agreements. The Project will be located entirely within Pecos County located near Girvin Texas. The proposed Project will include, but is not limited to, the following:

- Planned up to 255 MW-AC;
- Solar PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear,
- transmission equipment, telecommunications and SCADA control equipment, breakers, meters, remote terminal unit (RTU) and protective relays;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and
- computing equipment, necessary solar facility supplies which include mounting structure pieces, combiner boxes, DC and AC cabling components, modules, motors, actuators and sensors;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

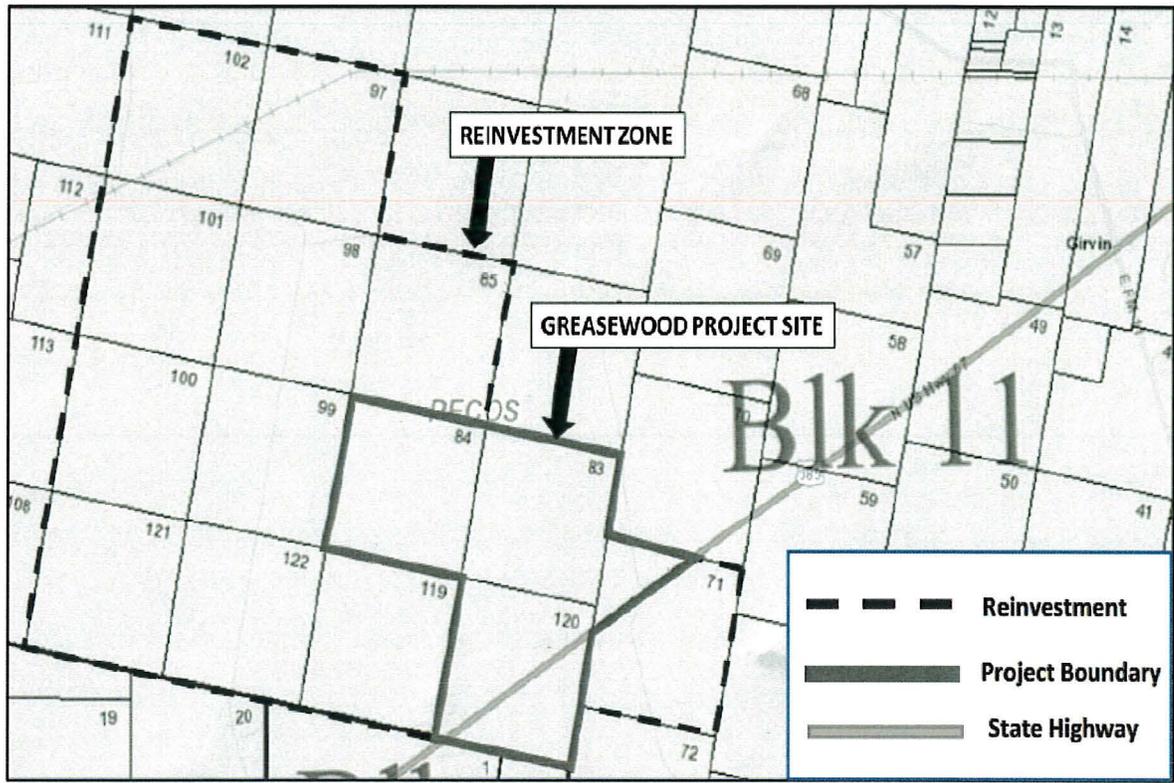
EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property in the reinvestment zone and project boundary within Buena Vista ISD necessary for the commercial operations of the solar powered electric generating facility with an operating capacity of approximately 255 megawatts-ac as more fully described in Tab #4 of the Application. Furthermore, all Qualified Property will be located within the boundaries indicated on the map attached on the last page of this **EXHIBIT 4**.

The Project will be constructed on approximately 1,982 acres under longer term lease agreements. The Project will be located entirely within Pecos County located near Girvin Texas. The proposed Project will include, but is not limited to, the following:

- Planned up to 255 MW-AC;
- Solar PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear,
- transmission equipment, telecommunications and SCADA control equipment, breakers, meters, remote terminal unit (RTU) and protective relays;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and
- computing equipment, necessary solar facility supplies which include mounting structure pieces, combiner boxes, DC and AC cabling components, modules, motors, actuators and sensors;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.



Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

July 11, 2019

President and Members
Board of Trustees
Buena Vista Independent School District
404 West Highway 11
Imperial, Texas 79743

Re: Recommendations and Findings of the Firm Concerning the Application of Concho Bluff LLC (#1329) for a 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 Buena Vista Independent School District, with respect to the pending Application of Concho Bluff 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. 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.

Because of the foregoing, it is our recommendation that the Board of Trustees approve the Application of Concho Bluff LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in blue ink that reads "Daniel T. Casey".

Daniel T. Casey
Partner

www.moakcasey.com

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW

808 WEST AVE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

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

JUSTIN DEMERATH

BENJAMIN CASTILLO

July 11, 2019

President and Members
Board of Trustees
Buena Vista Independent School District
404 West Highway 11
Imperial, Texas 79743

Re: Recommendations and Findings of the Firm Concerning Application of Concho Bluff LLC (#1329) for a 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 Buena Vista Independent School District, with respect to the pending Application of Concho Bluff 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 Concho Bluff 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 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 Concho Bluff LLC for a 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

June 28, 2019

Mark Dominguez
Superintendent
Buena Vista Independent School District
404 West Hwy 11
Imperial, Texas 79743

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Buena Vista Independent School District and Concho Bluff, LLC, Application 1329

Dear Superintendent Dominguez:

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 Buena Vista Independent School District and Concho Bluff, 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 Ginger Flowers with our office. She can be reached by email at ginger.flowers@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-0552, or at 512-475-0552.

Sincerely,

A handwritten signature in black ink that reads "Will Counihan".

Will Counihan
Director
Data Analysis & Transparency Division

cc: Dan Casey, Moak, Casey & Associates
Ian Davis, OnPeak Power, LLC

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

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

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

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

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

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

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