FINDINGS OF THE BRACKETT INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY ZIER SOLAR, LLC (#1335)

November 11, 2019

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BRACKETT INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
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NOVEMBER 11, 2019

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STATE OF TEXAS §

COUNTY OF KINNEY §

On November 11, 2019, a public meeting of the Board of Trustees of the Brackett 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 Zier Solar, LLC ("Applicant") for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On January 14, 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 April 17, 2019. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32059554918), 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 Kinney 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 July 3, 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:

> Zier Solar, LLC (Zier Solar) is requesting an appraised value limitation from Brackett Independent School District (ISD) for the Cypress Creek Renewables Project (the "Project"), a proposed solar powered electric generating facility in Kinney County. The proposed Project (this application) will be constructed entirely within Brackett ISD and Kinney County.
>
> The proposed Project is anticipated to have a capacity of approximately 160 MW-AC located in Brackett ISD. The Project will consist of 117.5 MW solar PV modules (or equivalent), connected to form strings, which are subsequently connected in parallel and mounted on rows of horizontal, single axis trackers. The Project will also feature central power inverters and transformers to convert DC power to AC electricity. In addition to the major equipment, there will be the supporting electrical collection system and supporting facilities to be constructed and improved as necessary, as well as overhead transmission lines, a collection substation to permit the interconnection and transmission of electricity generated by the Project, and an operations and maintenance building constructed within the Project's boundary.

Property used for renewable electric energy 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 three (3) new qualifying jobs. The average salary level of qualifying jobs must be at least $55,064 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(5)(B) 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 $44,149 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 $121.9 million to the tax base that would be available for debt service purposes at the peak investment level for the 2022-23 school year. While the District does not currently levy a debt service tax, this project does enhance the District's I&S tax base, especially in the early years of the project, if a bond issue is considered in the future.

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 Ten Million Dollars, which is consistent with the minimum values currently set out by Tax Code, § 313.054(a).**

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller's Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2018 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 $9,909. 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 less than $100,000, it is classified as a Category V district which can offer a minimum value limitation of $10 million.

Board Finding Number 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. 32059554918) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.**

The Applicant, (Texas Taxpayer No. 32059554918), 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 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 finance report prepared by Moak, Casey & Associates, Inc. shows that the District will incur revenue losses in the initial year that the value limitation is in effect without the proposed Agreement under current law. 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 16.

> **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 17.

> **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/773, 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 18.

> **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 19.

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

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

Dated the 11th day of November 2019.

BRACKETT INDEPENDENT SCHOOL DISTRICT

By: _____
Michael Paxton
President, Board of Trustees

ATTEST:

By: _____
Gracie Mata
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 23, 2019

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

RE: Application to the Brackett Independent School District from Zier Solar, LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Brackett Independent School District is notifying Zier Solar, LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. The Applicant submitted the Application to the school district on January 14, 2019. The Board voted to accept the application on January 14, 2019. The application has been determined complete as of January 23, 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 Kinney County Appraisal District.

Sincerely,

Kevin O'Hanlon
School District Consultant

Cc: Kinney County Appraisal District
Zier Solar, LLC

Application for Appraised Value Limitation

On Qualified Property

Submitted to:

Brackett Independent School District

By:

Cypress Creek Renewables, LLC

CYPRESS CREEK

RENEWABLES

Zier Solar, LLC

January 14, 2019

Tab 1

See executed application attached.

Application for Appraised Value Limitation on Qualified Property

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

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

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

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

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

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

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

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

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

SECTION 1: School District Information

1. Authorized School District Representative

January 14, 2019
Date Application Received by District

Dr. Guillermo
First Name

Mancha, Jr.
Last Name

Superintendent
Title

Brackett Independent School District
School District Name

201 N. Ann Street
Street Address

Mailing Address

Brackettville
City

TX
State

78832
ZIP

830-563-2491
Phone Number

830-563-9264
Fax Number

Mobile Number (optional)

guillermo.mancha@brackettisd.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)*

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

4. On what date did the district determine this application complete? ..... January 23, 2019

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: Geoff
Last Name: Fallon
Title: Senior Director of Development
Organization: Cypress Creek Renewables, LLC
Street Address: 3402 Pico Boulevard
Mailing Address:
City: Santa Monica
State: CA
ZIP: 90405
Phone Number: 314-651-0044
Fax Number:
Mobile Number *(optional)*:
Business Email Address: fallon@ccrenew.com

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: Nicko
Last Name: Keene
Title: Senior Project Manager
Organization: Cypress Creek Renewables, LLC
Street Address: 3402 Pico Boulevard
Mailing Address:
City: Santa Monica
State: CA
ZIP: 90405
Phone Number: 323-348-3901
Fax Number:
Mobile Number *(optional)*:
Business Email Address: keene@ccrenew.com

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant *(If Applicable)*

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

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? Zier Solar, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 *(11 digits)* 32059554918
3. List the NAICS code 221114
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☐ Yes ☑ No

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

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant *(corporation, limited liability corporation, etc)* Limited Liability Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☐ Yes ☑ No

   2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? ☑ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☐ Yes ☐ No ☑ N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. *(If necessary, attach explanation in **Tab 3**)*

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

1. Application approval by school board ..... QTR 3 2019
2. Commencement of construction ..... December 2019
3. Beginning of qualifying time period ..... January 2021
4. First year of limitation ..... January 1, 2021
5. Begin hiring new employees ..... QTR 4 2020
6. Commencement of commercial operations ..... QTR 2 2021
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date *(date your application is finally determined to be complete)*? ..... ☑ Yes ☐ No

   Note: Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? ..... QTR 4 2020

SECTION 10: The Property

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

   County: Kinney County, 0.6351, 100% *(Name, tax rate and percent of project)*

   City: N/A *(Name, tax rate and percent of project)*

   Hospital District: N/A *(Name, tax rate and percent of project)*

   Water District: Kinney County GWCD., 0.0590, 100% *(Name, tax rate and percent of project)*

   Other *(describe)*: N/A *(Name, tax rate and percent of project)*

   Other *(describe)*: County Road & Bridge, 0.0263, 100% *(Name, tax rate and percent of project)*
5. Is the project located entirely within the ISD listed in Section 1? ..... ☑ Yes ☐ No

   5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ..... ☐ Yes ☑ No

   6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 1,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 10,000,000.00

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

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
   - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
   - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**); and
   - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (**Tab 11**).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? . . . . . ☐ 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? . . . . . _____

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? 3

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 850.50

   b. 110% of the average weekly wage for manufacturing jobs in the county is ..... No Data Available

   c. 110% of the average weekly wage for manufacturing jobs in the region is 1,058.92

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? 55,063.84

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 55,063.84

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

12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ..... ☐ Yes ☑ No

    12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).

13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ..... ☐ Yes ☑ No

    13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

Tab 2

Proof of Payment of Application Fee

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

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).

Not Applicable.

Tab 4

Detailed description of the project.

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

Zier Solar, LLC, ("Zier") is the project entity formed to facilitate the development of a utility-scale photovoltaic ("PV") solar energy project (The "Project"). Zier Solar is a wholly owned subsidiary of Cypress Creek Renewables, LLC ("Cypress Creek"). Cypress Creek's team of subject matter experts in solar resource analysis, mapping systems, environmental studies, permitting, land acquisition, and power marketing places a unique emphasis on the development craft, which is unparalleled in the U.S. renewable energy market. Cypress Creek has developed over 3.2 gigawatts ("GW") of solar energy facilities across 300+ projects, which are either operating, in-construction, or are contracted to be in construction.

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

Zier seeks to develop and interconnect 160 megawatts ("MW-AC") of power into the ERCOT market. There are no existing 312 or 313 agreements in place for the Project. Zier is requesting an appraised value limitation from Brackett ISD for a proposed solar energy project using PV solar energy panels and transmission facilities. The solar energy facility and its associated infrastructure will be constructed within Kinney County, Texas. A map showing the location of the solar energy facility is included as Attachment 11a.

The Project will have an estimated capacity of 160 MW-AC. The Project is located on approximately 1,800 acres of contiguous land located entirely within Brackett ISD. Zier has signed leases and option agreements with property owners of the property needed to construct the Project. The Project will consist of 117.5 MW solar PV modules (or equivalent), connected to form strings, which are subsequently connected in parallel and mounted on rows of horizontal, single axis trackers. The Project will also feature central power inverters and transformers to convert DC power to AC electricity. In addition to the major equipment, there will be the supporting electrical collection system and supporting facilities to be constructed and improved as necessary, as well as overhead transmission lines, a collection substation to permit the interconnection and transmission of electricity generated by the Project, and an operations and maintenance building constructed within the Project's boundary.

Construction of the solar energy facility is expected to take approximately 12 to 14 months to complete, contingent upon favorable economics for the Project.

While the solar energy resource for Kinney County, Texas is excellent, there are many favorable locations for solar energy projects that could be developed across the United States. Zier Solar, LLC considers a Limitation of Appraised Value Agreement with Brackett ISD as a key and invaluable portion of the Project.

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

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

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

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

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

As of January 2019, Zier has no equipment on the Project site. Zier has invested additional capital in interconnection studies with ERCOT, environmental and wildlife studies, and in leasing land for the Project, among other development activities.

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

Tab 5

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

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

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

Zier Solar, LLC has entered into the following representative agreements and contracts for the development of a project within Brackett ISD:

- Ground lease agreement covering approximately 1,800 acres;
- Interconnect Studies and Agreement; and Environmental review;
- Third-party contracts for development-related work, such as resource estimation, legal review, and construction planning.

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

Yes. Cypress Creek's management team is uniquely qualified to develop and construct PV solar energy projects in the United States with favorable solar energy resource. With a combined 17+ years of experience in the renewable energy industries, the Cypress Creek team has a proven track record of developing, financing, and constructing local small-utility scale solar energy projects. Our experience includes over 1.0 gigawatts of solar projects in the U.S., representing over $750 million of investment in various states within the U.S. Based on this experience, the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the State of Texas as well as WITHIN the State of Texas. Other locations being evaluated include, but are not limited to:

Georgia	Minnesota
Idaho	North Carolina
Indiana	South Carolina
Maryland	Oregon

For these reasons, Cypress Creek studies various competing sites throughout the market areas outside and inside the State of Texas where solar energy development is attractive. Without a Value Limitation program, Cypress Creek would seek to move to alternative sites OUTSIDE of the State of Texas.

Zier Solar, LLC is currently in a period of evaluation to determine whether the identified site in Brackett ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the planned 160 MW-AC Zier Project could be redeployed to other renewable energy development projects in other power markets in the United States.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is on a level playing field with other solar energy projects with similar incentives. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately $145.95M needed to purchase solar modules and other infrastructure and to fund the construction of the facility.

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

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

Tab 6

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

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

All of the planned Qualified Property for the Project is solely located within geographical boundaries of Brackett ISD.

Tab 7

Description of Qualified Investment

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

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

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

- PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project substation, consisting of a high voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

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

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

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

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

Tab 8

Description of Qualified Property

Zier Solar, LLC plans to construct an estimated 160 MW-AC photovoltaic solar energy facility in Kinney County, located entirely within Brackett ISD. The additional improvements of Qualified Property includes:

- Solar PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project substation, consisting of a high voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

The exact placement of units is subject to ongoing planning, solar energy resource evaluation, engineering, and land leasing. All equipment outlined above is expected to be located within Brackett ISD. The final number and location of units and supporting structures will be determined before construction begins. Current plans are to install all equipment in one phase. Shakes intends to connect to Hamilton Road – Brackettville 138 kV LCRA Texas transmission line. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

Tab 9

Description of Land

Not Applicable.

Tab 10

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

Not Applicable.

Tab 11

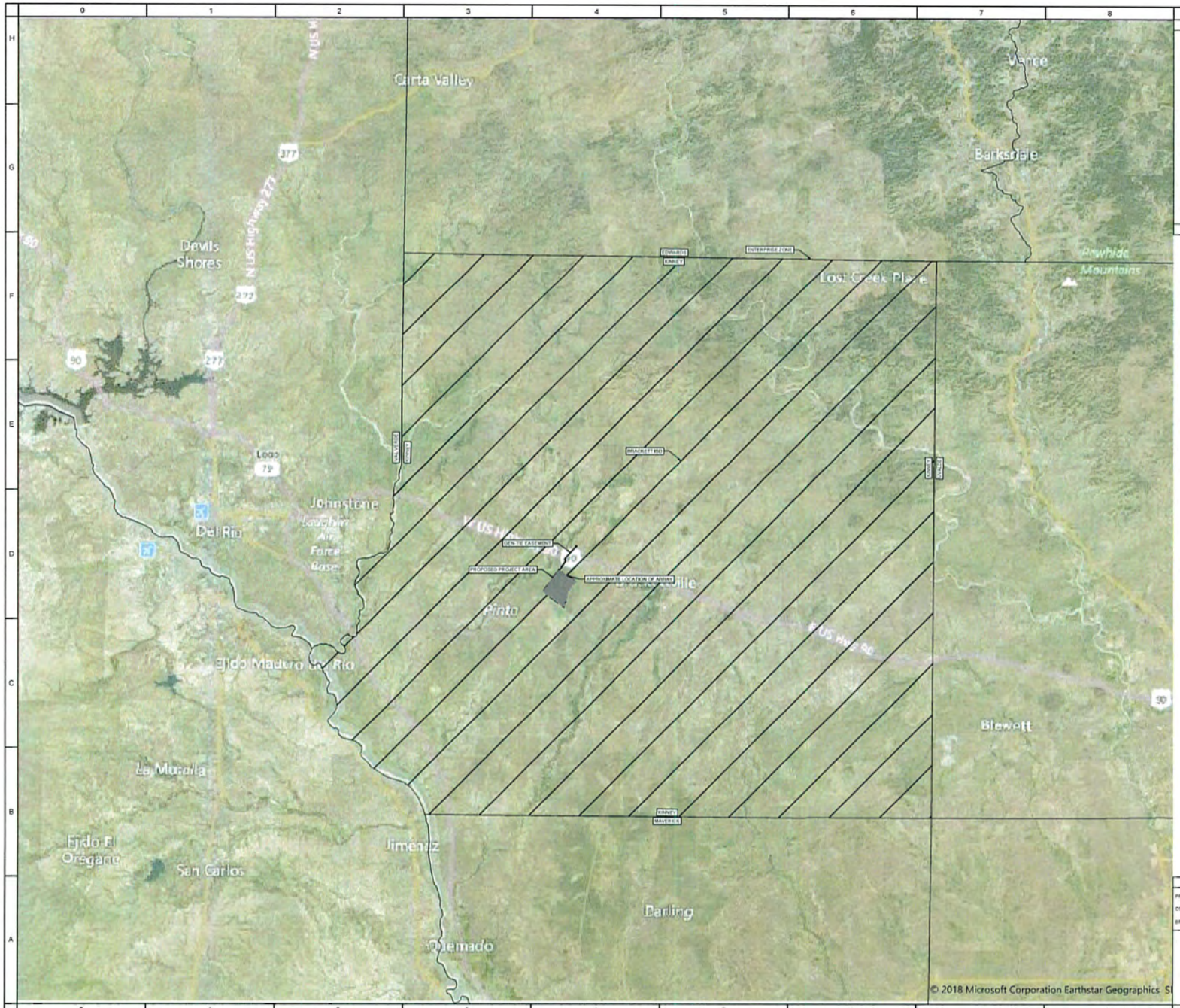
Maps that clearly show:

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***

Tab 11a

a. Project vicinity

Please see attached map.



LEGEND

PROJECT AREA

COUNTY BOUNDARY

BRACKETT ISD BOUNDARY

1" = 15000'

N

CYPRESS CREEK RENEWABLES

3250 OCEAN PARK BLVD :: SUITE 355 :: SANTA MONICA, CA 90405
5310 S ALSTON AVE :: BLDG 300 :: CARRBORO, NC 27713
35 A Smithfield Blvd., #330 | Plattsburgh, NY 12901

PERMIT DRAWING - NOT RELEASED FOR CONSTRUCTION

REVISIONS

NO	DATE	DESCRIPTION
1		

ZIER SOLAR, LLC
168 PONY BARN ROAD
LAWNDALE, NC 28090

DATE	01-07-19
DRAWN BY	AR
CHECKED BY	--

VICINITY MAP

Z 1.0

CYPRESS CREEK
RENEWABLES
www.ccrenew.com

January 14, 2019

Re: Confidentiality of Maps Submitted with Zier Solar, LLC Chapter 313 Appraised Value limitation Application with Brackett ISD

To Whom It May Concern:

As an attachment to the Zier Solar, LLC Chapter 313 Appraised Value Limitation Application submitted to Brackett ISD on January 14, 2019 ("Application"), we designated certain maps, the Qualified Investment and Qualified Property maps, attached thereto ("Maps") as "Confidential". We submit this letter to comply with the requirements by which both Brackett ISD and the Comptroller's office can withhold confidential or proprietary information from public release while the Application is pending. This letter is submitted to identify the documents for which confidentiality is sought and provide the specific reasons, stating why the material is believed to be confidential.

The Maps reflect the proposed specific site plan and the location of tangible personal property to be located on real property covered by the Application- all of which continue to be refined. In addition and at this time, disclosure of the Maps could be potentially valuable to our competitors and any disclosure could negatively impact the project. The Maps include commercially valuable geological or geophysical information regarding the exploration or development of natural resources and is protected from disclosure under Section 552.113 of the Texas Government Code.

As required, the Maps were submitted as segregated in the application from other information in the application and specifically notated as "Confidential".

It is our intention to complete negotiations relating to both the location of the property and the tangible personal property during the time the Application is pending and understand that the Maps can only remain confidential and withheld from public release unless and until the governing body of the school district acts on the application.

To the extent you have any questions regarding this letter, please contact me for further clarification.

Sincerely,

Geoff Fallon
Senior Director of Development
Cypress Creek Renewables, LLC

Tab 11b

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

CONFIDENTIAL – FOR SEPARATE FILING

Tab 11c

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

CONFIDENTIAL – FOR SEPARATE FILING

Tab 11d

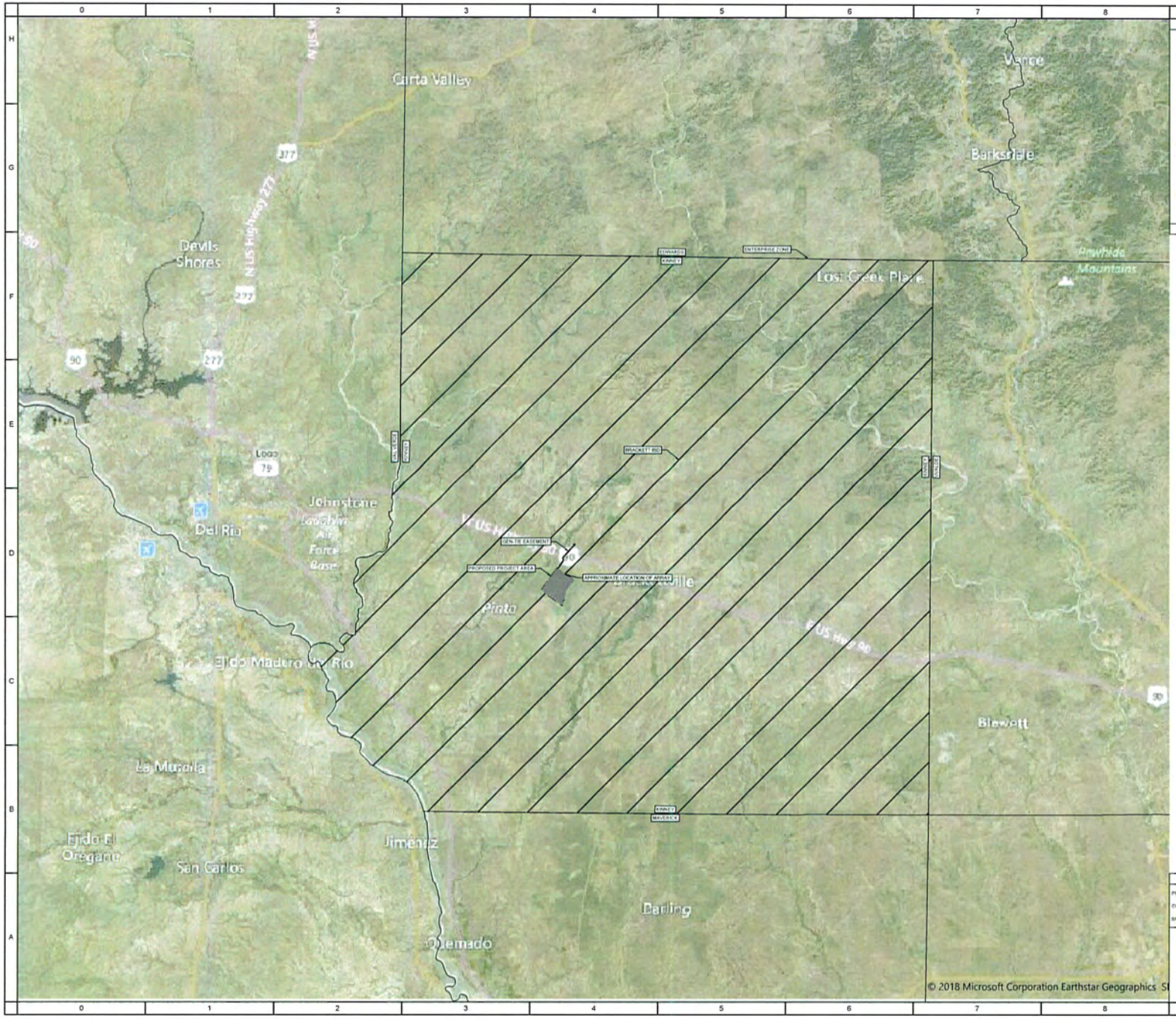
d. Existing property

Not Applicable.

Tab 11e

e. Land location within vicinity map

Please see attached map.



LEGEND

PROJECT AREA

COUNTY BOUNDARY

BRACKETT ISD BOUNDARY

1" = 15000'

N

CYPRESS CREEK RENEWABLES

3250 OCEAN PARK BLVD :: SUITE 355 :: SANTA MONICA, CA 90405
5310 S ALSTON AVE :: BLDG 300 :: CARRBORO, NC 27713
35 A Smithfield Blvd., #330 | Plattsburgh, NY 12901

PERMIT DRAWING - NOT RELEASED FOR CONSTRUCTION

REVISIONS

NO	DATE	DESCRIPTION

ZIER SOLAR, LLC
168 PONY BARN ROAD
LAWNDALE, NC 28090

DATE	01-07-19
DRAWN BY	AR
CHECKED BY	--

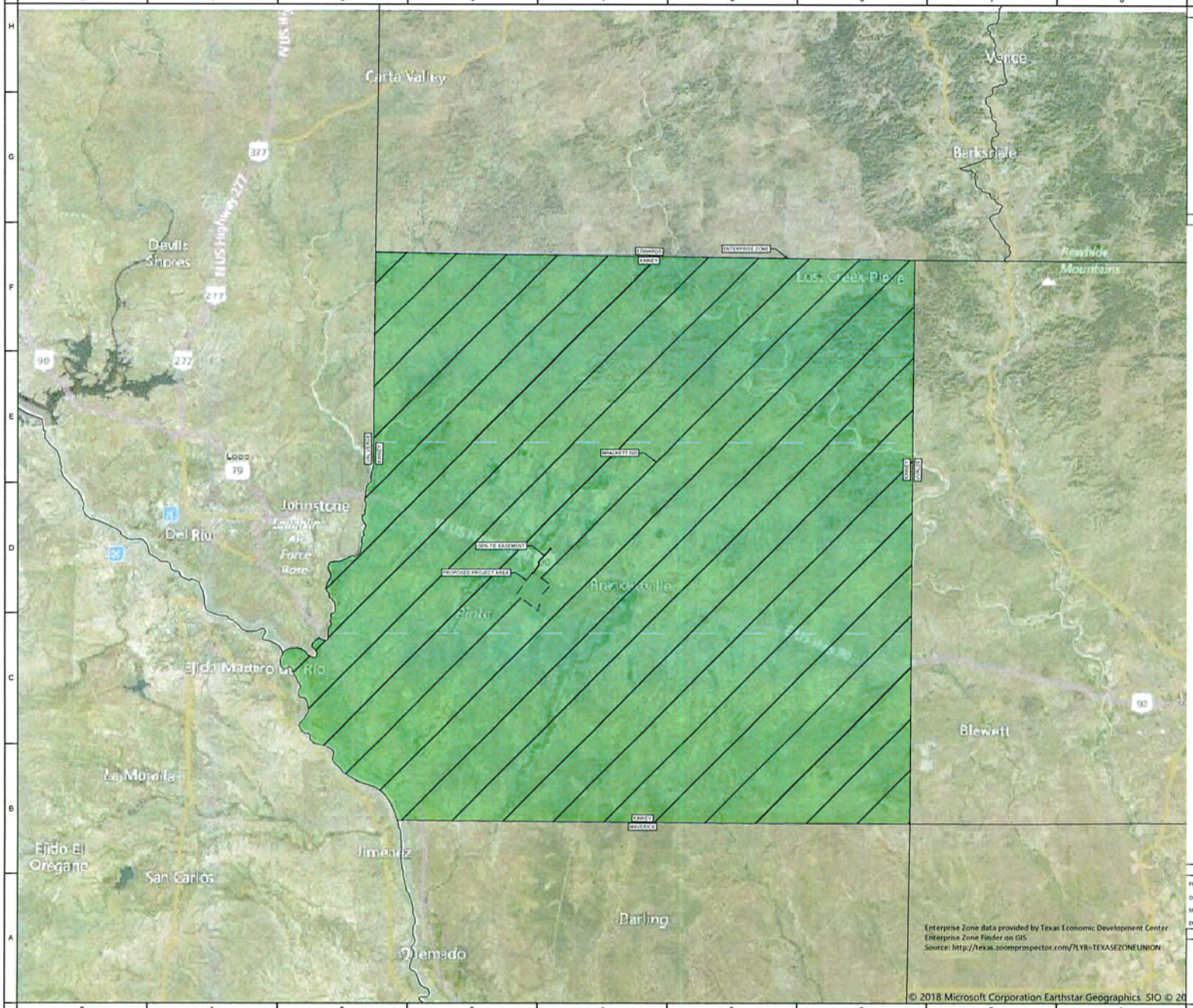
VICINITY MAP

Z 1.0

Tab 11f

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

Please see attached map.



LEGEND

PROJECT AREA	
COUNTY BOUNDARY	
BRACKETT ISD BOUNDARY	
ENTERPRISE ZONE	

GRAPHIC SCALE

1" = 15000'

NORTH

N

CYPRESS CREEK RENEWABLES

3250 OCEAN PARK BLVD :: SUITE 355 :: SANTA MONICA, CA 90405
5310 S ALSTON AVE :: BLDG 300 :: CARRBORO, NC 27713
35 A Smithfield Blvd., #330 | Plattsburgh, NY 12901

PERMIT DRAWING - NOT RELEASED FOR CONSTRUCTION

REVISIONS

NO	DATE	DESCRIPTION
-		

ZIER SOLAR, LLC
168 PONY BARN ROAD
LAWNDALE, NC 28090

DATE	01-07-19
DRAWN BY	AR
CHECKED BY	--

ENTERPRISE ZONE SITE PLAN

Z 1.0

Tab 12

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

See attached waiver request.

CYPRESS CREEK
RENEWABLES
www.ccrenew.com

January 14, 2019

Dr. Guillermo Mancha Jr.
Superintendent
Brackett Independent School District 201 N. Ann Street
Brackettville, TX 78832

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

Dear Dr. Mancha,

This letter is to advise you that Zier Solar, LLC is submitting its Chapter 313 Application for Appraised Value Limitation on Qualified Property with a request for a waiver of the jobs creationrequirement.

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

As background information on the creation of the full-time jobs by solar energy projects, these types of projects create a large number of full-time, temporary jobs during the construction phase, but require a small number of highly skilled technicians to operate a solar energy project once construction operations cease and commercial operations begin. The permanent employees of a solar energy project maintain, and service solar energy units, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. Typically, solar PV projects of 100 to 200 MW in size require three (3) full-time onsite employees, although this number varies depending on the units selected as well as the support and technical assistance offered by the PV manufacturer. In addition to the onsite employees described, there may be asset managers or technicians who supervise, monitor, and support the solar energy project operations from offsite locations.

Sincerely,

Geoff Fallon
Senior Director of Development
Cypress Creek Renewables, LLC

Tab 13

Calculation of Wage Requirements – Kinney County

Supporting data for Section 14(7)(a)

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

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2018	1st Qtr	Kinney County	Total All	0	0	10	Total, All Industries	$878.00
2018	2nd Qtr	Kinney County	Total All	0	0	10	Total, All Industries	$828.00
2017	3rd Qtr	Kinney County	Total All	0	0	10	Total, All Industries	$889.00
2017	4th Qtr	Kinney County	Total All	0	0	10	Total, All Industries	$807.00
Average weekly wage for previous four quarters								**$850.50**

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

Supporting Data for Section 14(7)(b)

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

TAC §9.1051(21)(A) data for NAICS cods 31-33 is not available for Kinney County

NO DATA AVAILABLE

Supporting Data for Section 14(7)(c)

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

Average Hourly Wages	$24.07
Average Annual Wages	$50,058.00
Average Weekly Wages @40hrs/week	$962.65
110% of Average Weekly Wages	**$1,058.92**

Source: 2017 Manufacturing Average Wages by Council of Government Region Wages for All Occupations. Project location region: 24. Middle Rio Grande Valley Development Council. http://www.tracer2.com/admin/uploadedPublications/COGWages.pdf

Quarterly Employment and Wages (QCEW)

Back

D.PERIODYEAR

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2018	1st Qtr	Kinney County	Total All	00	0	10	Total, all industries	$878
2018	2nd Qtr	Kinney County	Total All	00	0	10	Total, all industries	$828
2017	1st Qtr	Kinney County	Total All	00	0	10	Total, all industries	$862
2017	2nd Qtr	Kinney County	Total All	00	0	10	Total, all industries	$820
2017	3rd Qtr	Kinney County	Total All	00	0	10	Total, all industries	$889
2017	4th Qtr	Kinney County	Total All	00	0	10	Total, all industries	$807

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

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

Please see attached Schedules.

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

Date 1/3/2019
Applicant Name Zier Solar, LLC
ISD Name Brackett ISD

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS

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

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	Column B New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Column C Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E **Total Investment** (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	2018-2019	2018	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				0.00	0.00	0.00	0.00	0.00
Complete tax years of qualifying time period	QTP1	2019-2020	2019	$ 105,000,000.00	0.00	0.00	0.00	$ 105,000,000.00
	QTP2	2020-2021	2020	$ 40,950,000.00	0.00	0.00	0.00	$ 40,950,000.00
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				$ 145,950,000.00	0.00	0.00	0.00	$ 145,950,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				$ 145,950,000.00				

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

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

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

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

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

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

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

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

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

Date 1/3/2019
Applicant Name Zier Solar
ISD Name Brackett ISD

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Other investment made during this year that will not become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	**Total Investment** (A+B+C+D)
				Enter amounts from TOTAL row in Schedule A1 in the row below				
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		$ 145,950,000.00	0.00	0.00	0.00	$ 145,950,000.00
Each year prior to start of value limitation period**	0	2018-2019	2018		$ -	$ -	$ -	$ -
	1	2019-2020	2019	$ 105,000,000.00				$ 105,000,000.00
	2	2020-2021	2020	$ 40,950,000.00	$ -	$ -	$ -	$ 40,950,000.00
Value limitation period***	1	2021-2022	2021					
	2	2022-2023	2022	$ -	$ -	$ -	$ -	$ -
	3	2023-2024	2023	$ -	$ -	$ -	$ -	$ -
	4	2024-2025	2024	$ -	$ -	$ -	$ -	$ -
	5	2025-2026	2025	$ -	$ -	$ -	$ -	$ -
	6	2026-2027	2026	$ -	$ -	$ -	$ -	$ -
	7	2027-2028	2027	$ -	$ -	$ -	$ -	$ -
	8	2028-2029	2028	$ -	$ -	$ -	$ -	$ -
	9	2029-2030	2029	$ -	$ -	$ -	$ -	$ -
	10	2030-2031	2030	$ -	$ -	$ -	$ -	$ -
Total Investment made through limitation				$ 145,950,000.00	$ -	$ -	$ -	$ 145,950,000.00
Continue to maintain viable presence	11	2031-2032	2031			$ -		$ -
	12	2032-2033	2032			$ -		$ -
	13	2033-2034	2033			$ -		$ -
	14	2034-2035	2034			$ -		$ -
	15	2035-2036	2035			$ -		$ -
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036			$ -		$ -
	17	2037-2038	2037			$ -		$ -
	18	2038-2039	2038			$ -		$ -
	19	2039-2040	2039			$ -		$ -
	20	2040-2041	2040			$ -		$ -
	21	2041-2042	2041			$ -		$ -
	22	2042-2043	2042			$ -		$ -
	23	2043-2044	2043			$ -		$ -
	24	2044-2045	2044			$ -		$ -
	25	2045-2046	2045			$ -		$ -

* All investments made through the qualifying time

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

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

Column A: This represents the total dollar amount of planned
Only tangible personal property that is specifically
Column B: The total dollar amount of planned investment
Column C: Dollar value of other investment that may affect
Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

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

Date 1/3/2019

Applicant Name Zier Solar, LLC

ISD Name Brackett ISD

Form 50-296A

Revised May 2014

				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	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
Pre-Year	0	2018-2019	2018						
Qualified Investment Period	1	2019-2020	2019			$ 105,000,000.00	$ 105,000,000.00	$ 105,000,000.00	
	2	2020-2021	2020	N/A		$ 40,950,000.00	$ 40,950,000.00	$ 40,950,000.00	$ -
Value Limitation Period	1	2021-2022	2021	N/A	$ -	$ 121,868,250.00	$ 121,868,250.00	$ 121,868,250.00	$ 10,000,000.00
	2	2022-2023	2022	N/A	$ -	$ 101,759,988.75	$ 101,759,988.75	$ 101,759,988.75	$ 10,000,000.00
	3	2023-2024	2023	N/A	$ -	$ 84,969,590.61	$ 84,969,590.61	$ 84,969,590.61	$ 10,000,000.00
	4	2024-2025	2024	N/A	$ -	$ 70,949,608.16	$ 70,949,608.16	$ 70,949,608.16	$ 10,000,000.00
	5	2025-2026	2025	N/A	$ -	$ 59,242,922.81	$ 59,242,922.81	$ 59,242,922.81	$ 10,000,000.00
	6	2026-2027	2026	N/A	$ -	$ 49,467,840.55	$ 49,467,840.55	$ 49,467,840.55	$ 10,000,000.00
	7	2027-2028	2027	N/A	$ -	$ 41,305,646.86	$ 41,305,646.86	$ 41,305,646.86	$ 10,000,000.00
	8	2028-2029	2028	N/A	$ -	$ 34,490,215.13	$ 34,490,215.13	$ 34,490,215.13	$ 10,000,000.00
	9	2029-2030	2029	N/A	$ -	$ 28,799,329.63	$ 28,799,329.63	$ 28,799,329.63	$ 10,000,000.00
	10	2030-2031	2030	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 10,000,000.00
Continue to maintain viable presence	11	2031-2032	2031	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	12	2032-2033	2032	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	13	2033-2034	2033	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	14	2034-2035	2034	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	15	2035-2036	2035	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	17	2037-2038	2037	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	18	2038-2039	2038	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	19	2039-2040	2039	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	20	2040-2041	2040	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	21	2041-2042	2041	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	22	2042-2043	2042	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	23	2043-2044	2043	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	24	2044-2045	2044	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	25	2045-2046	2045	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date 1/9/2019

Applicant Name Zier Solar, LLC

ISD Name Brackett ISD

Form 50-296A

Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	**Column B**	**Column C**	**Column D**	**Column E**
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	**Average** annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	**Average** annual wage of new qualifying jobs
Pre-Year	0	2018-2019	2018					
Qualified Investment Period	1	2019-2020	2019	200 FTE's	$ 29,718.00	0	3	$ 55,063.84
	2	2020-2021	2020	200 FTE's	$ 29,718.00	0	3	$ 55,063.84
Value Limitation Period *The qualifying time period could overlap the value limitation period*	1	2021-2022	2021	N/A	N/A	0	3	$ 55,063.84
	2	2022-2023	2022	N/A	N/A	0	3	$ 55,063.84
	3	2023-2024	2023	N/A	N/A	0	3	$ 55,063.84
	4	2024-2025	2024	N/A	N/A	0	3	$ 55,063.84
	5	2025-2026	2025	N/A	N/A	0	3	$ 55,063.84
	6	2026-2027	2026	N/A	N/A	0	3	$ 55,063.84
	7	2027-2028	2027	N/A	N/A	0	3	$ 55,063.84
	8	2028-2029	2028	N/A	N/A	0	3	$ 55,063.84
	9	2029-2030	2029	N/A	N/A	0	3	$ 55,063.84
	10	2030-2031	2030	N/A	N/A	0	3	$ 55,063.84
Years Following Value Limitation Period	11 through 25	2031-2046	2031-2045	N/A	N/A	0	3	$ 55,063.84

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 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) ■ Yes ☐ No

If yes, answer the following two questions:

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

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

Schedule D: Other Incentives (Estimated)

Date 1/9/2019

Applicant Name Zier Solar, LLC

ISD Name Brackett ISD

Form 50-296A

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	**Taxing Entity (as applicable)**	**Beginning Year of Benefit**	**Duration of Benefit**	**Annual Tax Levy without Incentive**	**Annual Incentive**	**Annual Net Tax Levy**
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Kinney County	2021	10 Years	$ 926,928.45	85%	$ 139,039.27
	City: N/A					
	Other: Kinney County GWCD	2021	10 Years	$ 8,611.05	85%	$ 1,291.66
	Other: Kinney County Road & Bridge	2021	10 Years	$ 38,384.85	85%	$ 5,757.73
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
			TOTAL	$ 973,924.35	85%	$ 146,088.65

Additional information on incentives for this project:

Tab 15

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

Not applicable.

Tab 16

Description of Reinvestment or Enterprise Zone, including:

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

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

Tab 16a

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

Kinney County is a designated enterprise zone county as defined under the Texas Governor's "Governor's Economic Development Finance department online" link provided by Texas Comptroller website under "The Texas Enterprise Zone Program." The Governor's website "Texas Enterprise Zone Program"- "Economic Zone Program Rules, 10 TAC 176" according to Section (b), subsection (11); which defines a distressed county as: "a county that has a poverty rate above 15.4 percent based on the most recent decennial census; in which at least 25.4 percent of the adult population does not hold a high school diploma or high school equivalency certificate based on the most recent decennial census; and that has an unemployment rate that has remained above 4.9 percent during the preceding five years, based on Texas Workforce Commission data."

Source: https://businessintexas.com/services/tax-incentives?view=texas%20enterprise%20zone%20program

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

(A) The Poverty rate in Kinney County is currently 20.1%.

All Topics	Kinney County, Texas	UNITED STATES
Median household income (in 2017 dollars), 2013-2017	**$34,926**	**$57,652**
Income & Poverty		
Median household income (in 2017 dollars), 2013-2017	**$34,926**	**$57,652**
Per capita income in past 12 months (in 2017 dollars), 2013-2017	$21,395	$31,177
Persons in poverty, percent	20.1%	12.3%

Source: https://www.census.gov/quickfacts/fact/table/kinneycountytexas,US/INC110217

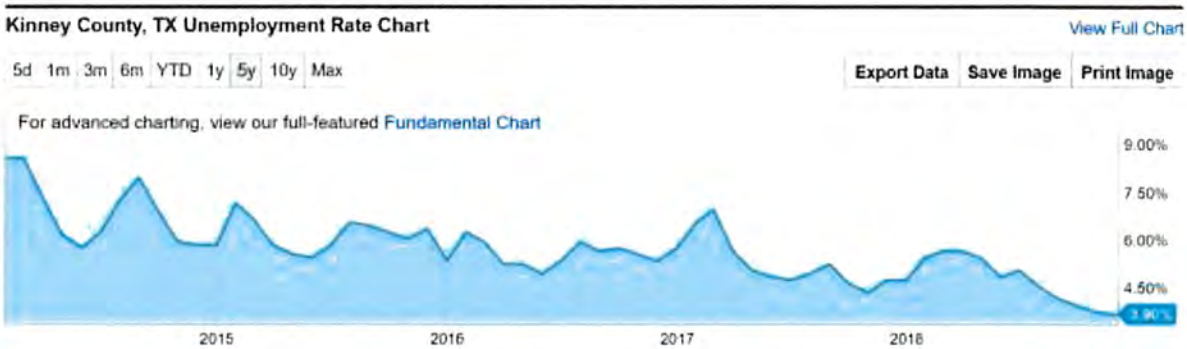
(B) The adult population that does not hold a high school diploma or high school equivalency certificate in Kinney County; persons of age 25 years+ were: 25.7%* during 2013-2017.

*(100% of Kinney County population – 74.3% of Kinney County population that is a High school graduate or higher)

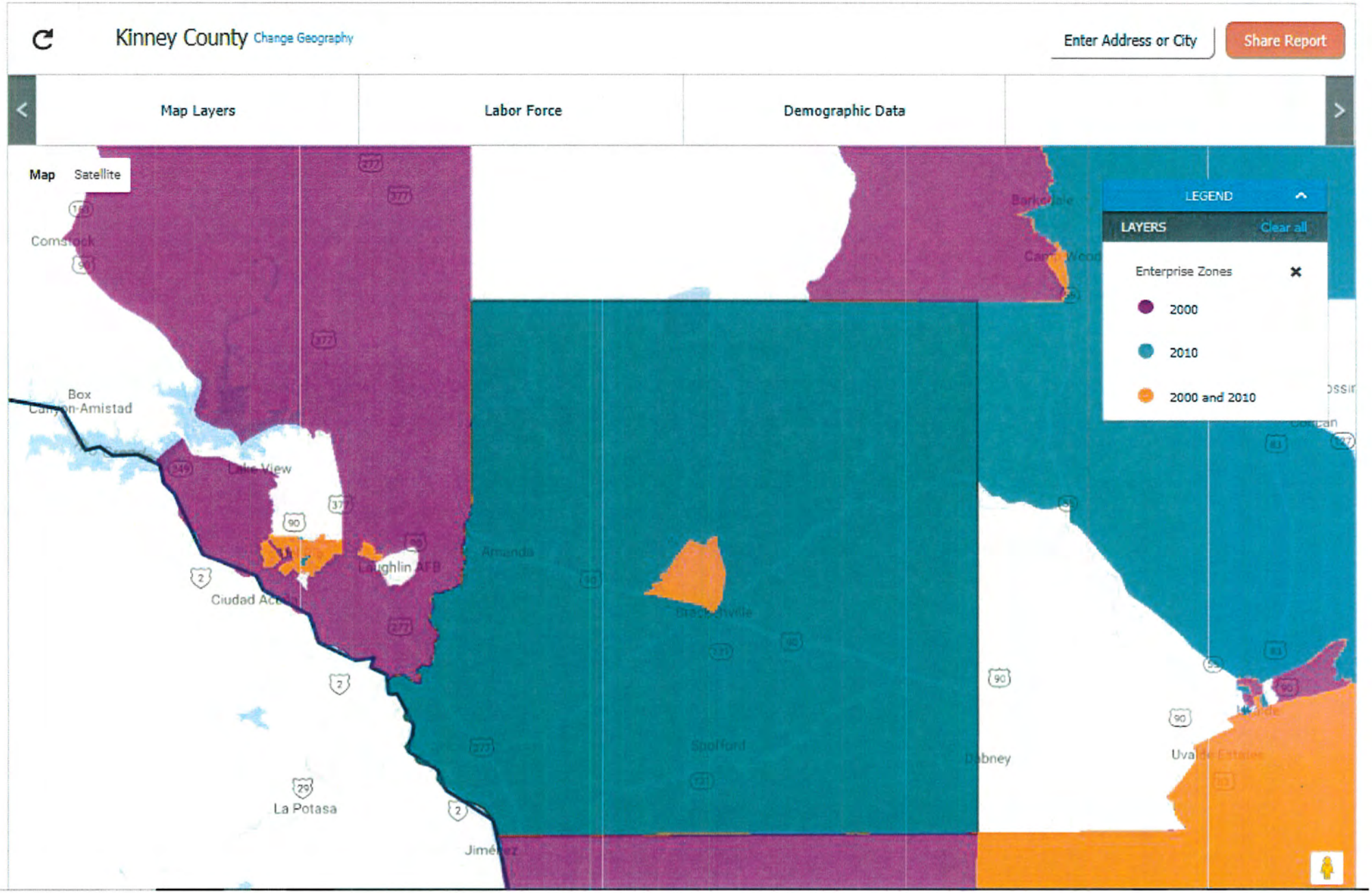
All Topics	Kinney County, Texas	UNITED STATES
Median household income (in 2017 dollars), 2013-2017	**$34,926**	**$57,652**
Education		
High school graduate or higher, percent of persons age 25 years+, 2013-2017	74.3%	87.3%
Bachelor's degree or higher, percent of persons age 25 years+, 2013-2017	11.5%	30.9%

Source: https://www.census.gov/quickfacts/fact/table/kinneycountytexas,US/INC110217

(C) The unemployment rate in Kinney County during the preceding 5 years has been from 2014 at 8.80% to 2019 at 3.90%.



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



Source: Texas EDC I Texas Enterprise Zones on GIS: http://texas.zoomprospector.com/?LYR=TEXASEZONEUNION

Tab 16b

b. Legal description of Project Area within Enterprise Zone

Please see attached.

TRACT ONE

That certain tract of land containing 1,250.000 acres, more or less, situated, in Kinney County, Texas, about seven miles west of the City of Brackettville, the County Seat, and containing 1,138.686 acres lying within the Dolores Soto de Beales Grant, Abstract No. 1 and 111.324 acres lying within the Meliton Valdez Grant, Abstract No. 3. Said 1,250.000 acre tract being a middle east portion of a 4,192.120 acre tract as conveyed to R. Schott Ranch Ltd., by Montgomery Land Co., Inc., by Warranty Deed dated November 9, 2016, and recorded in Vol. 221, Pages 856-869, of the Official Public Records of said County. Said 1,250.000 acre tract also being Tract 1 of the lands conveyed to Pinto Creek Energy, LLC by R. Schott Ranch Ltd. in Warranty Deed dated May 3, 2018, recorded in Vol A-230, Pages 705 -721, of the Official Public Records of said County, and being more fully described by metes and bounds on the survey dated March 13 and April 20, 2018, prepared by Hilmar A. Koch, Land Surveyor, and attached to said Warranty Deed.

TRACT TWO

That certain 12.503 acre, 130.00 ft. wide tract of land, lying and situated on and south of U. S. Hwy. No. 90, in Kinney County Texas, about seven miles west of the City of Brackettville, the County Seat, all within the Meliton Valdez Grant, Abstract No. 3. Said 12.503 acre tract being the upper east portion of a 4,192.00 acre tract as conveyed to R. Schott Ranch Ltd., by Montgomery Land Co., Inc., by Warranty Deed dated November 9, 2016, and recorded in Vol. 221, Pages 856-869, also being Tract 2 of the lands conveyed to Pinto Creek Energy, LLC by R. Schott Ranch Ltd. in Warranty Deed dated May 3, 2018, recorded in Vol A-230, Pages 705 -721, both of the Official Public Records of said County, Said 12.503 acre tract being bounded on the north and northeast, from west to east, by the south R.O.W. line of said U. S. Hwy. No. 90, and a 1.462 acre triangular tract (under R. Schott Ranch, Ltd, fence but having no record title found); on the southeast, from northeast to southeast, by the Candace R. Bader, et vir. 2,626.95 acres, as recorded in Vol 170, Pages 201-210, of the Official Public Records of said County, and the remainder of said Schott 4,192.120 acre tract; on the lower southwest by the 1,250.00 acre tract described hereinabove, and on the northwest, upper southwest, and west by the remainder of said Schott 4,192.120 acre tract, and being more fully described by metes and bounds on the survey dated March 13 and April 20, 2018, prepared by Hilmar A. Koch, Land Surveyor, and attached to Warranty Deed dated May 3, 2018, recorded in Vol A-230, Pages 705 -721, of the Official Public Records of Kinney County, Texas.

TRACT THREE

Being 600 acres out for the 4,192.120 acre tract of land described in Volume A-0221, Page 0856 of the Deed Records of Kinney County, Tx, as shown in exhibit below.

Tab 16c

c. Order, resolution or ordinance establishing the reinvestment zone

Not Applicable.

Tab 16d

d. Guidelines and criteria for creating the zone

Not Applicable.

Tab 17

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

Please see attached.

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here Guillermo Mancha, Jr.
Print Name *(Authorized School District Representative)*

Superintendent
Title

sign here
Signature *(Authorized School District Representative)*

1/14/19
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 Geoff Fallon
Print Name *(Authorized Company Representative (Applicant))*

Senior Director of Development
Title

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

1/7/2019
Date

GIVEN under my hand and seal of office this, the

_____ day of _____, _____

Notary Public in and for the State of Texas

(Notary Seal)

My Commission expires: _____

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

See Attached Notary Jurat Certificate

CALIFORNIA JURAT WITH AFFIANT STATEMENT **GOVERNMENT CODE § 8202**

☒See Attached Document (Notary to cross out lines 1-6 below)

☐See Statement Below (Lines 1-6 to be completed only by document signer[s], not Notary)

Signature of Document Signer No. 1 *Signature of Document Signer No. 2 (if any)*

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

State of California

County of Los Angeles

Subscribed and sworn to (or affirmed) before me

on this 7 day of January, 20 19,
by *Date* *Month* *Year*

(1) Geoff Fallon

(and (2) _____),
Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

KAREN R. ELMORE
Notary Public - California
Los Angeles County
Commission # 2206802
My Comm. Expires Aug 22, 2021

Signature _____
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Texas Comptroller of Public Accounts- Tax Abatement Agreement (Zier Solar)

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

©2017 National Notary Association

O'HANLON, DEMERATH & CASTILLO
ATTORNEYS AND COUNSELORS AT LAW

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

April 1, 2019

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

RE: Amendment001 of the Application to Brackett Independent School District from Zier Solar, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed is Amendment001 of the Application to Brackett Independent School District from Zier Solar, LLC. The following changes have been made:

1. Section 9 – Q3: Updated date
2. Section 14: Wage and Employment – Updated Regional Wage
3. Tab 8 – Updated last paragraph
4. Tab 11: Updated Maps
5. Tab 16: Updated Enterprise Zone Map

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

Sincerely,

Kevin O'Hanlon
School District Consultant

Cc: Kinney County Appraisal District
Zier Solar, LLC

Tab 1

See executed application attached.

SECTION 9: Projected Timeline

1. Application approval by school board ..... QTR 3 2019
2. Commencement of construction ..... December 2019
3. Beginning of qualifying time period ..... December 1, 2019
4. First year of limitation ..... January 1, 2021
5. Begin hiring new employees ..... QTR 4 2020
6. Commencement of commercial operations ..... QTR 2 2021
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date *(date your application is finally determined to be complete)*? ..... ☑ Yes ☐ No

   Note: Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? ..... QTR 2 2021

SECTION 10: The Property

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

   County: Kinney County, 0.6351, 100% *(Name, tax rate and percent of project)*

   City: N/A *(Name, tax rate and percent of project)*

   Hospital District: N/A *(Name, tax rate and percent of project)*

   Water District: Kinney County GWCD., 0.0590, 100% *(Name, tax rate and percent of project)*

   Other *(describe)*: N/A *(Name, tax rate and percent of project)*

   Other *(describe)*: County Road & Bridge, 0.0263, 100% *(Name, tax rate and percent of project)*
5. Is the project located entirely within the ISD listed in Section 1? ..... ☑ Yes ☐ No

   5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ..... ☐ Yes ☑ No

   6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 1,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 10,000,000.00

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

SECTION 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? 3

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 849.00

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

   c. 110% of the average weekly wage for manufacturing jobs in the region is 1,058.92

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? 55,063.84

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 55,063.84

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 8

Description of Qualified Property

Zier Solar, LLC plans to construct an estimated 160 MW-AC photovoltaic solar energy facility in Kinney County, located entirely within Brackett ISD. The additional improvements of Qualified Property includes:

- Solar PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project substation, consisting of a high voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

The exact placement of units is subject to ongoing planning, solar energy resource evaluation, engineering, and land leasing. All equipment outlined above is expected to be located within Brackett ISD. The final number and location of units and supporting structures will be determined before construction begins. Current plans are to install all equipment in one phase. Zier intends to connect to Hamilton Road – Brackettville 138 kV LCRA Texas transmission line. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

Tab 11

Maps that clearly show:

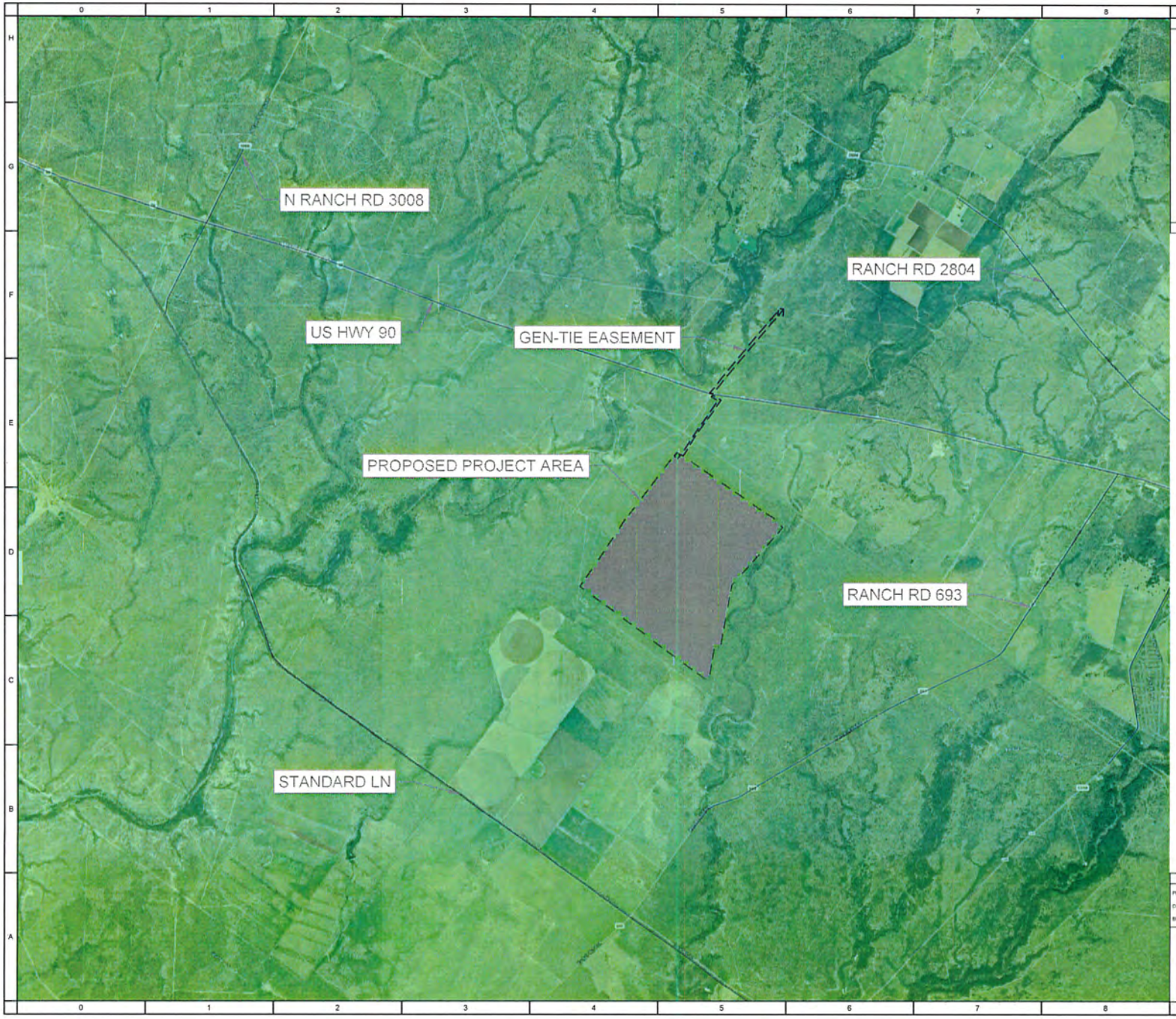
a. ***Project vicinity***
b. ***Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period***
c. ***Qualified property including location of new buildings or new improvements***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

Tab 11a

a. Project vicinity

Please see attached map.

1335 - Brackett ISD - Zier Solar, LLC – Amendment No. 001 – March 27, 2019



LEGEND

PROJECT AREA

COUNTY BOUNDARY

BRACKETT ISD BOUNDARY

1" = 2500'

N

CYPRESS CREEK RENEWABLES

3250 OCEAN PARK BLVD :: SUITE 355 :: SANTA MONICA, CA 90405
5310 S ALSTON AVE :: BLDG 300 :: CARRBORO, NC 27713
35 A Smithfield Blvd., #330 | Plattsburgh, NY 12901

PERMIT DRAWING - NOT RELEASED FOR CONSTRUCTION

REVISIONS

NO	DATE	DESCRIPTION
1	03-25-19	

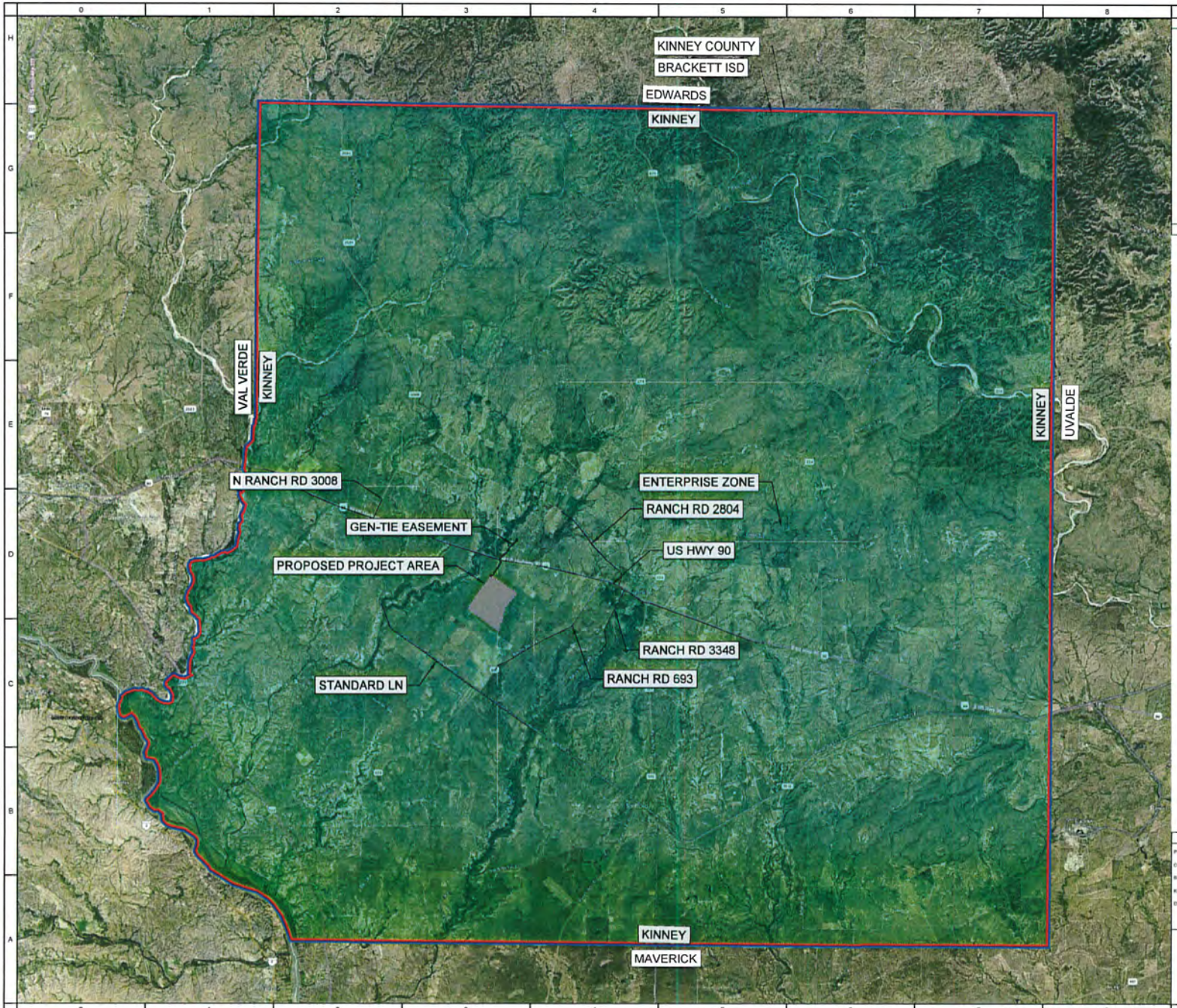
ZIER SOLAR, LLC
168 PONY BARN ROAD
LAWNDALE, NC 28090

DATE:	03-25-19
DRAWN BY:	AR
CHECKED BY:	--

ZOOM VICINITY MAP

Z 1.1

1335 - Brackett ISD - Zier Solar, LLC – Amendment No. 001 – March 27, 2019



LEGEND

PROJECT AREA	
COUNTY BOUNDARY	
BRACKETT ISD BOUNDARY	
KINNEY COUNTY	
ENTERPRISE ZONE	

1" = 10000'

N

CYPRESS CREEK RENEWABLES

3750 OCEAN PARK BLVD :: SUITE 355 :: SANTA MONICA, CA 90405
5310 S ALSTON AVE :: BLDG 300 :: CARRBORO, NC 27713
35 A Smithfield Blvd, #330 | Plattsburgh, NY 12901

SEAL

PERMIT DRAWING - NOT RELEASED FOR CONSTRUCTION

CONSULTANT

REVISIONS

NO	DATE	DESCRIPTION
1		

ZIER SOLAR, LLC
168 PONY BARN ROAD
LAWNDALE, NC 28090

DATE	03-25-19
DRAWN BY	AR
CHECKED BY	--

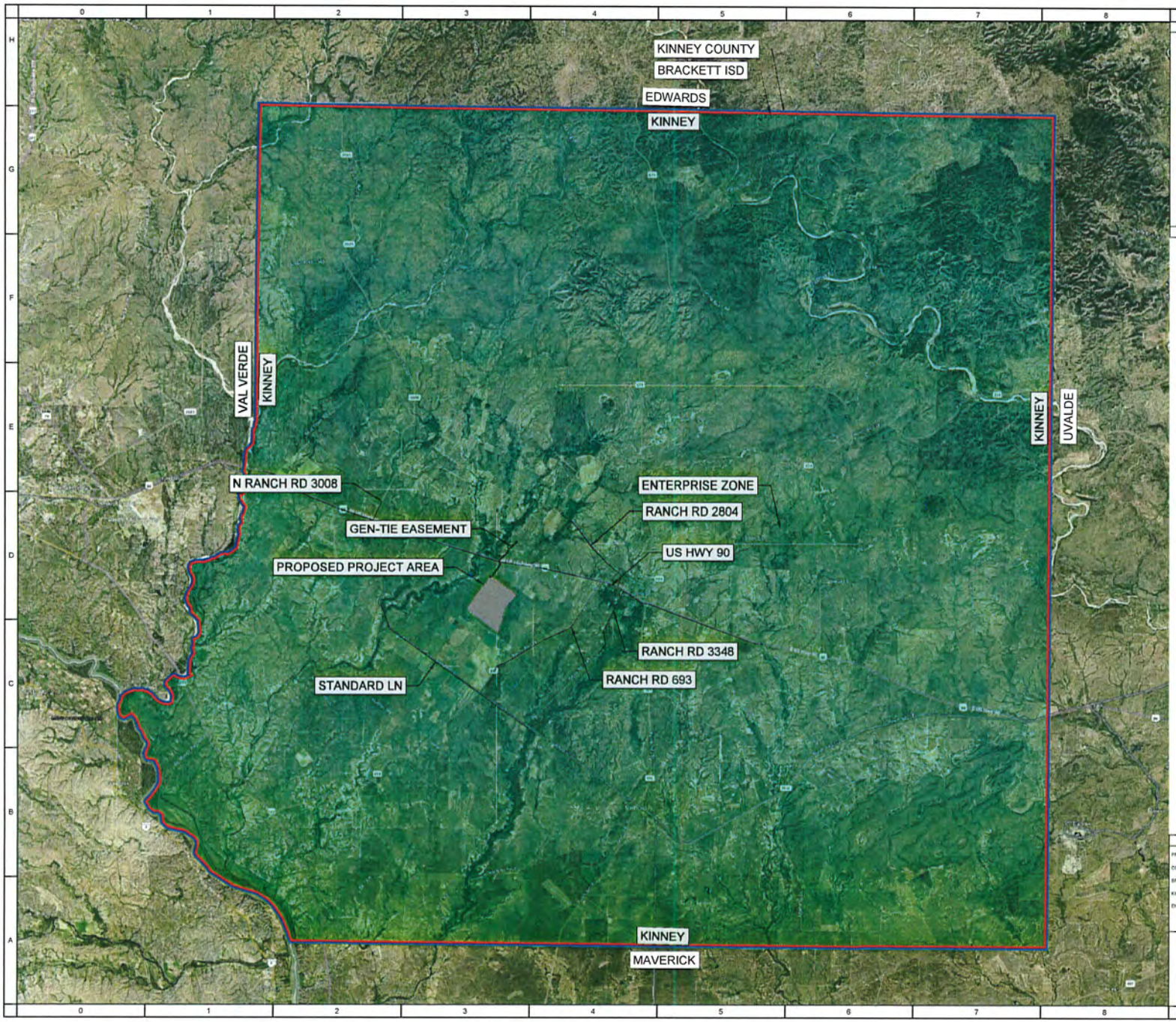
VICINITY MAP

Z 1.0

Tab 11e

b. Land location within vicinity map

Please see attached map.



LEGEND

PROJECT AREA	
COUNTY BOUNDARY	
BRACKETT ISD BOUNDARY	
KINNEY COUNTY	
ENTERPRISE ZONE	

1" = 10000'

N

CYPRESS CREEK RENEWABLES

3750 OCEAN PARK BLVD :: SUITE 355 :: SANTA MONICA, CA 90405
5310 S ALSTON AVE :: BLDG 300 :: CARRBORO, NC 27713
35 A Smithfield Blvd., #330 | Plattsburgh, NY 12901

PERMIT DRAWING - NOT RELEASED FOR CONSTRUCTION

REVISIONS

NO	DATE	DESCRIPTION
1	03-25-19	

ZIER SOLAR, LLC
168 PONY BARN ROAD
LAWNDALE, NC 28090

DATE	03-25-19
DRAWN BY	AR
CHECKED BY	--

VICINITY MAP

Z 1.0

Tab 13

Calculation of Wage Requirements – Kinney County

Supporting data for Section 14(7)(a)

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

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2018	1st Qtr	Kinney County	Total All	0	0	10	Total, All Industries	$878.00
2018	2nd Qtr	Kinney County	Total All	0	0	10	Total, All Industries	$828.00
2018	3rd Qtr	Kinney County	Total All	0	0	10	Total, All Industries	$883.00
2017	4th Qtr	Kinney County	Total All	0	0	10	Total, All Industries	$807.00
Average weekly wage for previous four quarters								**$849.00**

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

Supporting Data for Section 14(7)(b)

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

TAC §9.1051(21)(A) data for NAICS cods 31-33 is not available for Kinney County

NO DATA AVAILABLE

Supporting Data for Section 14(7)(c)

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

Average Hourly Wages	$24.07
Average Annual Wages	$50,058.00
Average Weekly Wages @40hrs/week	$962.65
110% of Average Weekly Wages	**$1,058.92**

Source: 2017 Manufacturing Average Wages by Council of Government Region Wages for All Occupations. Project location region: 24. Middle Rio Grande Valley Development Council.
http://www.tracer2.com/admin/uploadedPublications/COGWages.pdf

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2017	04	Kinney	Total All	10	Total, All Industries	0	807
2018	01	Kinney	Total All	10	Total, All Industries	0	878
2018	02	Kinney	Total All	10	Total, All Industries	0	828
2018	03	Kinney	Total All	10	Total, All Industries	0	883

Tab 14

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

Please see attached Schedules.

Date 3/12/2019
Applicant Name Zier Solar, LLC
ISD Name Brackett ISD

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

1335 - Brackett ISD - Zier Solar, LLC – Amendment No. 001 – March 27, 2019

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS

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

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	Column B New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Column C Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E **Total Investment** (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	–	2019-2020	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								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				0.00	0.00	0.00	0.00	0.00
Complete tax years of qualifying time period	QTP1	2020-2021	2020	$ 105,000,000.00	0.00	0.00	0.00	$ 105,000,000.00
	QTP2	2021-2022	2021	$ 40,950,000.00	0.00	0.00	0.00	$ 40,950,000.00
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				$ 145,950,000.00	0.00	0.00	0.00	$ 145,950,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				$ 145,950,000.00				

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

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

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

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

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

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

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

Date 3/12/2019
Applicant Name Zier Solar
ISD Name Brackett ISD

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

1335 - Brackett ISD - Zier Solar, LLC – Amendment No. 001 – March 27, 2019

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 investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other investment made during this year that will become Qualified Property [SEE NOTE]	Column E **Total Investment** (A+B+C+D)
				Enter amounts from TOTAL row in Schedule A1 in the row below				
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		$ 145,950,000.00	0.00	0.00	0.00	$ 145,950,000.00
Each year prior to start of value limitation period**	0	2019-2020	2019		$ -	$ -	$ -	$ -
	1	2020-2021	2020	$ 105,000,000.00				$ 105,000,000.00
	2	2021-2022	2021	$ 40,950,000.00	$ -	$ -	$ -	$ 40,950,000.00
Value limitation period***	1	2022-2023	2022	$ -	$ -	$ -	$ -	$ -
	2	2023-2024	2023	$ -	$ -	$ -	$ -	$ -
	3	2024-2025	2024	$ -	$ -	$ -	$ -	$ -
	4	2025-2026	2025	$ -	$ -	$ -	$ -	$ -
	5	2026-2027	2026	$ -	$ -	$ -	$ -	$ -
	6	2027-2028	2027	$ -	$ -	$ -	$ -	$ -
	7	2028-2029	2028	$ -	$ -	$ -	$ -	$ -
	8	2029-2030	2029	$ -	$ -	$ -	$ -	$ -
	9	2030-2031	2030	$ -	$ -	$ -	$ -	$ -
	10	2031-2032	2031	$ -	$ -	$ -	$ -	$ -
Total Investment made through limitation				$ 145,950,000.00	$ -	$ -	$ -	$ 145,950,000.00
Continue to maintain viable presence	11	2032-2033	2032			$ -		$ -
	12	2033-2034	2033			$ -		$ -
	13	2034-2035	2034			$ -		$ -
	14	2035-2036	2035			$ -		$ -
	15	2036-2037	2036			$ -		$ -
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037			$ -		$ -
	17	2038-2039	2038			$ -		$ -
	18	2039-2040	2039			$ -		$ -
	19	2040-2041	2040			$ -		$ -
	20	2041-2042	2041			$ -		$ -
	21	2042-2043	2042			$ -		$ -
	22	2043-2044	2043			$ -		$ -
	23	2044-2045	2044			$ -		$ -
	24	2045-2046	2045			$ -		$ -
	25	2046-2047	2046			$ -		$ -

* All investments made through the qualifying time period are captured and totaled on Schedule A1

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

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

Column A: This represents the total dollar amount of planned
Only tangible personal property that is specifically
Column B: The total dollar amount of planned investment
Column C: Dollar value of other investment that may affect
Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

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

1335 - Brackett ISD - Zier Solar, LLC – Amendment No. 001 – March 27, 2019

Date 1/3/2019

Applicant Name Zier Solar, LLC

ISD Name Brackett ISD

Form 50-296A

Revised May 2014

				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	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
Pre-Year	0	2019-2020	2019						
Qualified Investment Period	1	2020-2021	2020			$ 105,000,000.00	$ 105,000,000.00	$ 105,000,000.00	$ -
	2	2021-2022	2021	N/A		$ 40,950,000.00	$ 40,950,000.00	$ 40,950,000.00	$ -
Value Limitation Period	1	2022-2023	2022	N/A	$ -	$ 121,868,250.00	$ 121,868,250.00	$ 121,868,250.00	$ 10,000,000.00
	2	2023-2024	2023	N/A	$ -	$ 101,759,988.75	$ 101,759,988.75	$ 101,759,988.75	$ 10,000,000.00
	3	2024-2025	2024	N/A	$ -	$ 84,969,590.61	$ 84,969,590.61	$ 84,969,590.61	$ 10,000,000.00
	4	2025-2026	2025	N/A	$ -	$ 70,949,608.16	$ 70,949,608.16	$ 70,949,608.16	$ 10,000,000.00
	5	2026-2027	2026	N/A	$ -	$ 59,242,922.81	$ 59,242,922.81	$ 59,242,922.81	$ 10,000,000.00
	6	2027-2028	2027	N/A	$ -	$ 49,467,840.55	$ 49,467,840.55	$ 49,467,840.55	$ 10,000,000.00
	7	2028-2029	2028	N/A	$ -	$ 41,305,646.86	$ 41,305,646.86	$ 41,305,646.86	$ 10,000,000.00
	8	2029-2030	2029	N/A	$ -	$ 34,490,215.13	$ 34,490,215.13	$ 34,490,215.13	$ 10,000,000.00
	9	2030-2031	2030	N/A	$ -	$ 28,799,329.63	$ 28,799,329.63	$ 28,799,329.63	$ 10,000,000.00
	10	2031-2032	2031	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 10,000,000.00
Continue to maintain viable presence	11	2032-2033	2032	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	12	2033-2034	2033	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	13	2034-2035	2034	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	14	2035-2036	2035	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	15	2036-2037	2036	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	17	2038-2039	2038	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	18	2039-2040	2039	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	19	2040-2041	2040	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	20	2041-2042	2041	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	21	2042-2043	2042	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	22	2043-2044	2043	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	23	2044-2045	2044	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	24	2045-2046	2045	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	25	2046-2047	2046	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24

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 3/12/2019
Applicant Name Zier Solar, LLC
ISD Name Brackett ISD

Form 50-296A
Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	**Column B**	**Column C**	**Column D**	**Column E**
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	**Average** annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	**Average** annual wage of new qualifying jobs
Pre-Year	0	2019-2020	2019					
Qualified Investment Period	1	2020-2021	2020	200 FTE's	$ 29,718.00	0	3	$ 55,063.84
	2	2021-2022	2021	200 FTE's	$ 29,718.00	0	3	$ 55,063.84
Value Limitation Period *The qualifying time period could overlap the value limitation period.*	1	2022-2023	2022	N/A	N/A	0	3	$ 55,063.84
	2	2023-2024	2023	N/A	N/A	0	3	$ 55,063.84
	3	2024-2025	2024	N/A	N/A	0	3	$ 55,063.84
	4	2025-2026	2025	N/A	N/A	0	3	$ 55,063.84
	5	2026-2027	2026	N/A	N/A	0	3	$ 55,063.84
	6	2027-2028	2027	N/A	N/A	0	3	$ 55,063.84
	7	2028-2029	2028	N/A	N/A	0	3	$ 55,063.84
	8	2029-2030	2029	N/A	N/A	0	3	$ 55,063.84
	9	2030-2031	2030	N/A	N/A	0	3	$ 55,063.84
	10	2031-2032	2031	N/A	N/A	0	3	$ 55,063.84
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2046	N/A	N/A	0	3	$ 55,063.84

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 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) ■ Yes ☐ No

If yes, answer the following two questions:

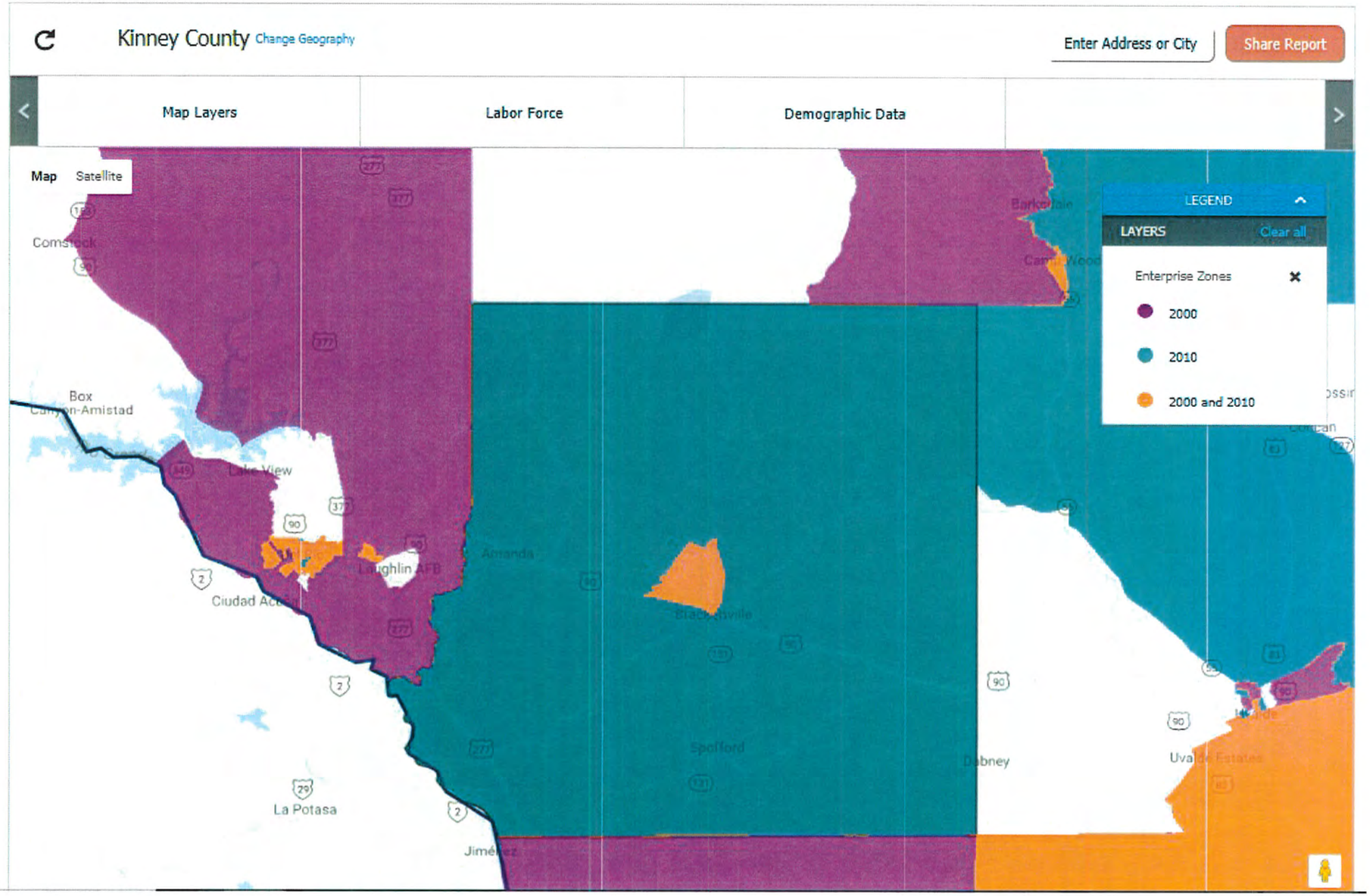
C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? ■ Yes ☐ No

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

Tab 16a

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

Kinney County is a designated enterprise zone county. A map provided by the Texas Economic Development Corporation depicting the designated enterprise zones can be found by following the link provided "http://texas.zoomprospector.com/?LYR=TEXASEZONEUNION". See attached map for Kinney County Enterprise Zones.



Source: Texas EDC I Texas Enterprise Zones on GIS: http://texas.zoomprospector.com/?LYR=TEXASEZONEUNION

Tab 17

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

Please see attached.

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here Guillermo Mancha, Jr.
Print Name *(Authorized School District Representative)*

Superintendent
Title

sign here
Signature *(Authorized School District Representative)*

4/1/19
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 Geoff Fallon
Print Name *(Authorized Company Representative (Applicant))*

Senior Director of Development
Title

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

3/11/19
Date

See Attached Notary Jurat Certificate

GIVEN under my hand and seal of office this, the

_____ day of _____, _____

_____
Notary Public in and for the State of Texas

(Notary Seal)

My Commission expires: _____

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

CALIFORNIA JURAT WITH AFFIANT STATEMENT **GOVERNMENT CODE § 8202**

☒ See Attached Document (Notary to cross out lines 1–6 below)
☐ See Statement Below (Lines 1–6 to be completed only by document signer[s], not Notary)

2
3
4
5
6 _____ _____
Signature of Document Signer No. 1 *Signature of Document Signer No. 2 (if any)*

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

State of California

County of Los Angeles

Subscribed and sworn to (or affirmed) before me

on this 11 day of March, 2019,
by *Date* *Month* *Year*

(1) Geoff Fallon

(and (2) _____),
Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

KAREN R. ELMORE
Notary Public - California
Los Angeles County
Commission # 2206900
My Comm. Expires Aug 22, 2021

Signature _____
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Texas Comptroller of Public Accounts- 1335-Brackett ISD- Zier Solar, LLC

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

©2017 National Notary Association

O'HANLON, DEMERATH & CASTILLO
ATTORNEYS AND COUNSELORS AT LAW

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

June 5, 2019

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

RE: Amendment002 of the Application to Brackett Independent School District from Zier Solar, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed is Amendment002 of the Application to Brackett Independent School District from Zier Solar, LLC. In response to your request for information, the following responses have been provided:

1. Section 9: Question 3: Updated to December 1, 2019
2. Section 14: Question 7a: Updated Average Weekly Wage to $878.00
3. Tab 11: Updated maps 11b and 11c
4. Tab 13: Updated Average Weekly Wage to $878.00
5. New Signature Page

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

Sincerely,

Kevin O'Hanlon
School District Consultant

Cc: Kinney County Appraisal District
Zier Solar, LLC

Tab 1

See executed application attached.

SECTION 9: Projected Timeline

1. Application approval by school board ..... QTR 3 2019
2. Commencement of construction ..... December 2019
3. Beginning of qualifying time period ..... December 1, 2019
4. First year of limitation ..... January 1, 2022
5. Begin hiring new employees ..... QTR 4 2020
6. Commencement of commercial operations ..... QTR 2 2021
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date *(date your application is finally determined to be complete)*? ..... ☑ Yes ☐ No

   Note: Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? ..... QTR 2 2021

SECTION 10: The Property

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

   County: Kinney County, 0.6351, 100% *(Name, tax rate and percent of project)*

   City: N/A *(Name, tax rate and percent of project)*

   Hospital District: N/A *(Name, tax rate and percent of project)*

   Water District: Kinney County GWCD., 0.0590, 100% *(Name, tax rate and percent of project)*

   Other *(describe)*: N/A *(Name, tax rate and percent of project)*

   Other *(describe)*: County Road & Bridge, 0.0263, 100% *(Name, tax rate and percent of project)*
5. Is the project located entirely within the ISD listed in Section 1? ..... ☑ Yes ☐ No

   5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ..... ☐ Yes ☑ No

   6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 1,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 10,000,000.00

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

SECTION 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 2019 (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? 3

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 878.00

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

   c. 110% of the average weekly wage for manufacturing jobs in the region is 1,058.92

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? 55,063.84

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 55,063.84

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.

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.

Zier Solar, LLC, ("Zier") is the project entity formed to facilitate the development of a utility-scale photovoltaic ("PV") solar energy project (The "Project"). Zier Solar is a wholly owned subsidiary of Cypress Creek Renewables, LLC ("Cypress Creek"). Cypress Creek's team of subject matter experts in solar resource analysis, mapping systems, environmental studies, permitting, land acquisition, and power marketing places a unique emphasis on the development craft, which is unparalleled in the U.S. renewable energy market. Cypress Creek has developed over 3.2 gigawatts ("GW") of solar energy facilities across 300+ projects, which are either operating, in-construction, or are contracted to be in construction.

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

Zier seeks to develop and interconnect 160 megawatts ("MW-AC") of power into the ERCOT market. There are no existing 312 or 313 agreements in place for the Project. Zier is requesting an appraised value limitation from Brackett ISD for a proposed solar energy project using PV solar energy panels and transmission facilities. The solar energy facility and its associated infrastructure will be constructed within Kinney County, Texas. A map showing the location of the solar energy facility is included as Attachment 11a.

The Project will have an estimated capacity of 160 MW-AC. The Project is located on approximately 1,800 acres of contiguous land located entirely within Brackett ISD. Zier has signed leases and option agreements with property owners of the property needed to construct the Project. The Project will consist of 117.5 MW solar PV modules (or equivalent), connected to form strings, which are subsequently connected in parallel and mounted on rows of horizontal, single axis trackers. The Project will also feature central power inverters and transformers to convert DC power to AC electricity. In addition to the major equipment, there will be the supporting electrical collection system and supporting facilities to be constructed and improved as necessary, as well as overhead transmission lines, a collection substation to permit the interconnection and transmission of electricity generated by the Project, and an operations and maintenance building constructed within the Project's boundary.

Construction of the solar energy facility is expected to take approximately 12 to 14 months to complete, contingent upon favorable economics for the Project.

While the solar energy resource for Kinney County, Texas is excellent, there are many favorable locations for solar energy projects that could be developed across the United States. Zier Solar, LLC considers a Limitation of Appraised Value Agreement with Brackett ISD as a key and invaluable portion of the Project.

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

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

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

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

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

As of January 2019, Zier has no equipment on the Project site. Zier has invested additional capital in interconnection studies with ERCOT, environmental and wildlife studies, and in leasing land for the Project.

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

Tab 11

Maps that clearly show:

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

Tab 11b

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

CONFIDENTIAL – FOR SEPARATE FILING

Tab 11c

b. Qualified property including location of new buildings or new improvements

CONFIDENTIAL – FOR SEPARATE FILING

Tab 13

Calculation of Wage Requirements – Kinney County

Supporting data for Section 14(7)(a)

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

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2018	1st Qtr	Kinney County	Total All	0	0	10	Total, All Industries	$878.00
2018	2nd Qtr	Kinney County	Total All	0	0	10	Total, All Industries	$828.00
2018	3rd Qtr	Kinney County	Total All	0	0	10	Total, All Industries	$883.00
2018	4th Qtr	Kinney County	Total All	0	0	10	Total, All Industries	$923.00
Average weekly wage for previous four quarters								**$878.00**

Source: Quarterly Employment and Wages (QCEW) data for Kinney County,
https://texaslmi.com/LMIbyCategory/QCEW

Supporting Data for Section 14(7)(b)

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

TAC §9.1051(21)(A) data for NAICS cods 31-33 is not available for Kinney County

NO DATA AVAILABLE

Supporting Data for Section 14(7)(c)

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

Average Hourly Wages	$24.07
Average Annual Wages	$50,058.00
Average Weekly Wages @40hrs/week	$962.65
110% of Average Weekly Wages	**$1,058.92**

Source: 2017 Manufacturing Average Wages by Council of Government Region Wages for All Occupations. Project location region: 24. Middle Rio Grande Valley Development Council.
http://www.tracer2.com/admin/uploadedPublications/COGWages.pdf

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2018	01	Kinney	Total All	10	Total, All Industries	0	$ 878.00
2018	02	Kinney	Total All	10	Total, All Industries	0	$ 828.00
2018	03	Kinney	Total All	10	Total, All Industries	0	$ 883.00
2018	04	Kinney	Total All	10	Total, All Industries	0	$ 923.00

Tab 17

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

Please see attached.

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here Guillermo Mancha, Jr.
Print Name *(Authorized School District Representative)*

Superintendent
Title

sign here
Signature *(Authorized School District Representative)*

6/4/19
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 Geoff Fallon
Print Name *(Authorized Company Representative (Applicant))*

Senior Director of Development
Title

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

5/14/19
Date

GIVEN under my hand and seal of office this, the

_____ day of _____, _____

_____
Notary Public in and for the State of Texas

(Notary Seal) See Attached Notary Acknowledgment Certificate

My Commission expires: _____

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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE § 1189**

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

State of California)
County of Los Angeles)

On May 14 , 2019 before me, Karen R. Elmore, Notary Public ,
Date *Here Insert Name and Title of the Officer*

personally appeared Geoff Fallon
Name(s) of Signer(s)

,

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

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

WITNESS my hand and official seal.

KAREN R. ELMORE
Notary Public - California
Los Angeles County
Commission # 2206882
My Comm. Expires Aug 22, 2021

Signature Karen R. Elmore
~~Signature of Notary Public~~

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Texas Comptroller- 1335 Brackett ISD Zier Solar, LLC Amendment # 2
Document Date: Number of Pages:
Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:
☐ Corporate Officer — Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other:
Signer Is Representing:

Signer's Name:
☐ Corporate Officer — Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other:
Signer Is Representing:

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O'HANLON, DEMERATH & CASTILLO
ATTORNEYS AND COUNSELORS AT LAW

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

June 13, 2019

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

RE: Supplement001 of the Application to Brackett Independent School District from Zier Solar, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed is Supplement001 of the Application to Brackett Independent School District from Zier Solar, LLC. In response to your request for information, the following responses have been provided:

1. Updated Schedule B

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

Sincerely,

Kevin O'Hanlon
School District Consultant

Cc: Kinney County Appraisal District
Zier Solar, LLC

Tab 14

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

Please see attached Schedules.

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

1335-Brackett ISD-Zier Solar, LLC-Supplement No. 001- June 12, 2019

Date 6/12/2019
Applicant Name Zier Solar, LLC
ISD Name Brackett ISD

Form 50-296A
Revised May 2014

				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	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
Pre-Year	0	2019-2020	2019						
Qualified Investment	1	2020-2021	2020			$ 105,000,000.00	$ 105,000,000.00	$ 105,000,000.00	$ 105,000,000.00
	2	2021-2022	2021	N/A		$ 40,950,000.00	$ 40,950,000.00	$ 40,950,000.00	$ 40,950,000.00
Value Limitation Period	1	2022-2023	2022	N/A	$ -	$ 121,868,250.00	$ 121,868,250.00	$ 121,868,250.00	$ 10,000,000.00
	2	2023-2024	2023	N/A	$ -	$ 101,759,988.75	$ 101,759,988.75	$ 101,759,988.75	$ 10,000,000.00
	3	2024-2025	2024	N/A	$ -	$ 84,969,590.61	$ 84,969,590.61	$ 84,969,590.61	$ 10,000,000.00
	4	2025-2026	2025	N/A	$ -	$ 70,949,608.16	$ 70,949,608.16	$ 70,949,608.16	$ 10,000,000.00
	5	2026-2027	2026	N/A	$ -	$ 59,242,922.81	$ 59,242,922.81	$ 59,242,922.81	$ 10,000,000.00
	6	2027-2028	2027	N/A	$ -	$ 49,467,840.55	$ 49,467,840.55	$ 49,467,840.55	$ 10,000,000.00
	7	2028-2029	2028	N/A	$ -	$ 41,305,646.86	$ 41,305,646.86	$ 41,305,646.86	$ 10,000,000.00
	8	2029-2030	2029	N/A	$ -	$ 34,490,215.13	$ 34,490,215.13	$ 34,490,215.13	$ 10,000,000.00
	9	2030-2031	2030	N/A	$ -	$ 28,799,329.63	$ 28,799,329.63	$ 28,799,329.63	$ 10,000,000.00
	10	2031-2032	2031	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 10,000,000.00
Continue to maintain viable presence	11	2032-2033	2032	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	12	2033-2034	2033	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	13	2034-2035	2034	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	14	2035-2036	2035	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	15	2036-2037	2036	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	17	2038-2039	2038	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	18	2039-2040	2039	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	19	2040-2041	2040	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	20	2041-2042	2041	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	21	2042-2043	2042	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	22	2043-2044	2043	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	23	2044-2045	2044	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	24	2045-2046	2045	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24
	25	2046-2047	2046	N/A	$ -	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24	$ 24,047,440.24

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.

Attachment B

Franchise Tax Account Status

Franchise Tax Account Status

As of : 11/05/2019 09:01:06

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

ZIER SOLAR, LLC

Texas Taxpayer Number	32059554918
Mailing Address	211 E 7TH ST STE 620 AUSTIN, TX 78701-3218
Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	02/09/2016
Texas SOS File Number	0802387062
Registered Agent Name	CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

Attachment C

State Comptroller's Certification

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

July 3, 2019

Dr. Guillermo Mancha Jr.
Superintendent
Brackett Independent School District
P.O. Box 586
Brackettville, Texas 78832

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Brackett Independent School District and Zier Solar, LLC, Application 1335

Dear Superintendent Mancha:

On April 17, 2019 the Comptroller issued written notice that Zier Solar, LLC (applicant) submitted a completed application (Application 1335) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on January 14, 2019, to the Brackett 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 1335.

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 April 17, 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,

for Lisa Craven

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Zier Solar, LLC (project) applying to Brackett 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 Zier Solar, LLC.

Applicant	Zier Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Brackett ISD
2017-2018 Average Daily Attendance	540
County	Kinney
Proposed Total Investment in District	$145,950,000
Proposed Qualified Investment	$145,950,000
Limitation Amount	$10,000,000
Qualifying Time Period (Full Years)	2020-2021
Number of new qualifying jobs committed to by applicant	3*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	$1,059
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$1,059
Minimum annual wage committed to by applicant for qualified jobs	$55,064
Minimum weekly wage required for non-qualifying jobs	$849
Minimum annual wage required for non-qualifying jobs	$44,149
Investment per Qualifying Job	$48,650,000
Estimated M&O levy without any limit (15 years)	$9,184,116
Estimated M&O levy with Limitation (15 years)	$3,808,347
Estimated gross M&O tax benefit (15 years)	$5,375,769

** 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 Zier Solar, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	203	218	421	$6,108,792	$21,086,208	$27,195,000
2021	203	228	431.14	$6,108,792	$24,767,208	$30,876,000
2022	3	30	33	$165,192	$6,127,808	$6,293,000
2023	3	15	18	$165,192	$4,055,808	$4,221,000
2024	3	(0)	3	$165,192	$2,217,808	$2,383,000
2025	3	(7)	-4	$165,192	$1,146,808	$1,312,000
2026	3	(9)	-6	$165,192	$588,808	$754,000
2027	3	(8)	-5	$165,192	$384,808	$550,000
2028	3	(5)	-2	$165,192	$424,808	$590,000
2029	3	(1)	2	$165,192	$598,808	$764,000
2030	3	2	5	$165,192	$833,808	$999,000
2031	3	4	7	$165,192	$1,086,808	$1,252,000
2032	3	6	9	$165,192	$1,288,808	$1,454,000
2033	3	8	11	$165,192	$1,472,808	$1,638,000
2034	3	8	11	$165,192	$1,620,808	$1,786,000
2035	3	9	12	$165,192	$1,729,808	$1,895,000
2036	3	9	12	$165,192	$1,764,808	$1,930,000

Source: CPA REMI, Zier Solar, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Brackett ISD I&S Tax Levy	Brackett ISD M&O Tax Levy	M&O and I&S Tax Levies	Kinney County Tax Levy	Kinney County GWCD Tax Levy	County Road & Bridge Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0000	1.0400		0.6351	0.0590	0.0263	
2020	$105,000,000	$105,000,000		$0	$1,092,000	$1,092,000	$666,855	$61,950	$27,615	$1,848,420
2021	$40,950,000	$40,950,000		$0	$425,880	$425,880	$260,073	$24,161	$10,770	$720,884
2022	$121,868,250	$121,868,250		$0	$1,267,430	$1,267,430	$773,985	$71,902	$32,051	$2,145,369
2023	$101,759,989	$101,759,989		$0	$1,058,304	$1,058,304	$646,278	$60,038	$26,763	$1,791,383
2024	$84,969,591	$84,969,591		$0	$883,684	$883,684	$539,642	$50,132	$22,347	$1,495,805
2025	$70,949,608	$70,949,608		$0	$737,876	$737,876	$450,601	$41,860	$18,660	$1,248,997
2026	$59,242,923	$59,242,923		$0	$616,126	$616,126	$376,252	$34,953	$15,581	$1,042,912
2027	$49,467,841	$49,467,841		$0	$514,466	$514,466	$314,170	$29,186	$13,010	$870,832
2028	$41,305,647	$41,305,647		$0	$429,579	$429,579	$262,332	$24,370	$10,863	$727,145
2029	$34,490,215	$34,490,215		$0	$358,698	$358,698	$219,047	$20,349	$9,071	$607,166
2030	$28,799,330	$28,799,330		$0	$299,513	$299,513	$182,905	$16,992	$7,574	$506,983
2031	$24,047,440	$24,047,440		$0	$250,093	$250,093	$152,725	$14,188	$6,324	$423,331
2032	$24,047,440	$24,047,440		$0	$250,093	$250,093	$152,725	$14,188	$6,324	$423,331
2033	$24,047,440	$24,047,440		$0	$250,093	$250,093	$152,725	$14,188	$6,324	$423,331
2034	$24,047,440	$24,047,440		$0	$250,093	$250,093	$152,725	$14,188	$6,324	$423,331
2035	$24,047,440	$24,047,440		$0	$250,093	$250,093	$152,725	$14,188	$6,324	$423,331
2036	$24,047,440	$24,047,440		$0	$250,093	$250,093	$152,725	$14,188	$6,324	$423,331
			Total	$0	$9,184,116	$9,184,116	$5,608,492	$521,022	$232,252	$15,545,882

Source: CPA, Zier Solar, LLC
*Tax Rate per $100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Kinney 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		Brackett ISD I&S Tax Levy	Brackett ISD M&O Tax Levy	M&O and I&S Tax Levies	Kinney County Tax Levy	Kinney County GWCD Tax Levy	County Road & Bridge Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0000	1.0400		0.6351	0.0590	0.0263	
2020	$105,000,000	$105,000,000		$0	$1,092,000	$1,092,000	$666,855	$61,950	$27,615	$1,820,805
2021	$40,950,000	$40,950,000		$0	$425,880	$425,880	$260,073	$24,161	$10,770	$710,114
2022	$121,868,250	$10,000,000		$0	$104,000	$104,000	$116,098	$10,785	$4,808	$230,883
2023	$101,759,989	$10,000,000		$0	$104,000	$104,000	$96,942	$9,006	$4,014	$209,947
2024	$84,969,591	$10,000,000		$0	$104,000	$104,000	$80,946	$7,520	$3,352	$192,466
2025	$70,949,608	$10,000,000		$0	$104,000	$104,000	$67,590	$6,279	$2,799	$177,869
2026	$59,242,923	$10,000,000		$0	$104,000	$104,000	$56,438	$5,243	$2,337	$165,681
2027	$49,467,841	$10,000,000		$0	$104,000	$104,000	$47,126	$4,378	$1,952	$155,503
2028	$41,305,647	$10,000,000		$0	$104,000	$104,000	$39,350	$3,656	$1,630	$147,005
2029	$34,490,215	$10,000,000		$0	$104,000	$104,000	$32,857	$3,052	$1,361	$139,909
2030	$28,799,330	$10,000,000		$0	$104,000	$104,000	$27,436	$2,549	$1,136	$133,984
2031	$24,047,440	$10,000,000		$0	$104,000	$104,000	$22,909	$2,128	$949	$129,037
2032	$24,047,440	$24,047,440		$0	$250,093	$250,093	$152,725	$14,188	$6,324	$417,007
2033	$24,047,440	$24,047,440		$0	$250,093	$250,093	$152,725	$14,188	$6,324	$417,007
2034	$24,047,440	$24,047,440		$0	$250,093	$250,093	$152,725	$14,188	$6,324	$417,007
2035	$24,047,440	$24,047,440		$0	$250,093	$250,093	$152,725	$14,188	$6,324	$417,007
2036	$24,047,440	$24,047,440		$0	$250,093	$250,093	$152,725	$14,188	$6,324	$417,007
			Total	$0	$3,808,347	$3,808,347	$2,278,245	$211,646	$94,344	$6,298,239
			Diff	$0	$5,375,769	$5,375,769	$3,330,247	$309,376	$137,908	$9,247,643

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Zier Solar, LLC

*Tax Rate per $100 Valuation

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

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

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2019	$0	$0	$0	$0
	2020	$1,092,000	$1,092,000	$0	$0
	2021	$425,880	$1,517,880	$0	$0
Limitation Period (10 Years)	2022	$104,000	$1,621,880	$1,163,430	$1,163,430
	2023	$104,000	$1,725,880	$954,304	$2,117,734
	2024	$104,000	$1,829,880	$779,684	$2,897,417
	2025	$104,000	$1,933,880	$633,876	$3,531,293
	2026	$104,000	$2,037,880	$512,126	$4,043,420
	2027	$104,000	$2,141,880	$410,466	$4,453,885
	2028	$104,000	$2,245,880	$325,579	$4,779,464
	2029	$104,000	$2,349,880	$254,698	$5,034,162
	2030	$104,000	$2,453,880	$195,513	$5,229,675
	2031	$104,000	$2,557,880	$146,093	$5,375,769
Maintain Viable Presence (5 Years)	2032	$250,093	$2,807,973	$0	$5,375,769
	2033	$250,093	$3,058,067	$0	$5,375,769
	2034	$250,093	$3,308,160	$0	$5,375,769
	2035	$250,093	$3,558,254	$0	$5,375,769
	2036	$250,093	$3,808,347	$0	$5,375,769
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	$250,093	$4,058,440	$0	$5,375,769
	2038	$250,093	$4,308,534	$0	$5,375,769
	2039	$250,093	$4,558,627	$0	$5,375,769
	2040	$250,093	$4,808,720	$0	$5,375,769
	2041	$250,093	$5,058,814	$0	$5,375,769
	2042	$250,093	$5,308,907	$0	$5,375,769
	2043	$250,093	$5,559,001	$0	$5,375,769
	2044	$250,093	$5,809,094	$0	$5,375,769
	2045	$250,093	$6,059,187	$0	$5,375,769
	2046	$250,093	$6,309,281	$0	$5,375,769

$6,309,281 is greater than **$5,375,769**

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

Source: CPA, Zier Solar, LLC

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

Attachment C – Limitation as a Determining Factor

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

Methodology

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

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

Determination

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

- Zier Solar, LLC, ("Zier") is the project entity formed to facilitate the development of a utility-scale photovoltaic ("PV") solar energy project (The "Project"). Zier Solar is a wholly owned subsidiary of Cypress Creek Renewables, LLC ("Cypress Creek").
- Per Zier Solar, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. "Our experience includes over 1.0 gigawatts of solar projects in the U.S., representing over $750 million of investment in various states within the U.S. Based on this experience, the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the State of Texas as well as WITHIN the State of Texas. Other locations being evaluated include, but are not limited to: Georgia, Idaho, Indianan, Maryland, Minnesota, North Carolina, South Carolina and Oregon. Without a Value Limitation program, Cypress Creek would seek to move to alternative sites OUTSIDE of the State of Texas."
  - B. "A 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the project is on a level playing field with other solar energy projects with similar incentives. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment."
- Supplemental information provided by the applicant stated the following:
  - A. In ERCOT's records, the project is known as Zier Solar, LLC.
  - B. The project received the IGNR number 21INR0019 from ERCOT in May 2018. In August 2018 ERCOT separated the storage component from the solar component and the storage portion of the project is now known as 21INR0027.

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 IAC 9.1051	Yes	✓ No
3. Are you requesting that any of the land be classified as qualified investment?	Yes	✓ No
4. Will any of the proposed qualified investment be leased under a capitalized lease?	Yes	✓ No
5. Will any of the proposed qualified investment be leased under an operating lease?	Yes	✓ No
6. Are you including property that is owned by a person other than the applicant?	Yes	✓ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?	Yes	✓ No

SECTION 7: Project Description

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

2. Check the project characteristics that apply to the proposed project:

- ✓ Land has no existing improvements
- ☐ Land has existing improvements *(complete Section 13)*
- ☐ Expansion of existing operation on the land *(complete Section 13)*
- ☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

Supporting Information

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

Tab 5

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

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

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

Zier Solar, LLC has entered into the following representative agreements and contracts for the development of a project within Brackett ISD:

- Ground lease agreement covering approximately 1,800 acres;
- Interconnect Studies and Agreement; and Environmental review;
- Third-party contracts for development-related work, such as resource estimation, legal review, and construction planning.

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

Yes. Cypress Creek's management team is uniquely qualified to develop and construct PV solar energy projects in the United States with favorable solar energy resource. With a combined 17+ years of experience in the renewable energy industries, the Cypress Creek team has a proven track record of developing, financing, and constructing local small-utility scale solar energy projects. Our experience includes over 1.0 gigawatts of solar projects in the U.S., representing over $750 million of investment in various states within the U.S. Based on this experience, the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the State of Texas as well as WITHIN the State of Texas. Other locations being evaluated include, but are not limited to:

Georgia	Minnesota
Idaho	North Carolina
Indiana	South Carolina
Maryland	Oregon

For these reasons, Cypress Creek studies various competing sites throughout the market areas outside and inside the State of Texas where solar energy development is attractive. Without a Value Limitation program, Cypress Creek would seek to move to alternative sites OUTSIDE of the State of Texas.

Zier Solar, LLC is currently in a period of evaluation to determine whether the identified site in Brackett ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the planned 160 MW-AC Zier Project could be redeployed to other renewable energy development projects in other power markets in the United States.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is on a level playing field with other solar energy projects with similar incentives. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately $145.95M needed to purchase solar modules and other infrastructure and to fund the construction of the facility.

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

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

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Brackett ISD– Zier Solar, LLC App. #1335

Comptroller Questions (via email on March 7, 2019):

1. *Is the Zier Solar, LLC currently known by any other project names?*

2. *Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number.*

3. *Please also list any other names by which this project may have been known in the past – in media reports, investor presentations or any listings with the federal or state agency..*

Applicant Response (via email on March 29, 2019):

1. *No.*

2. *21INR0019 was assigned in May 2018, in August 2018 ERCOT separated the storage component from the solar component and the storage portion of the project is now known as 21INR0027.*

3. *None.*

Attachment D

Summary of Financial Impact

CHAPTER 313 PROPERTY VALUE LIMITATION FINANCIAL IMPACT OF THE PROPOSED ZIER SOLAR, LLC PROJECT IN THE BRACKETT INDEPENDENT SCHOOL DISTRICT (PROJECT # 1335)

PREPARED BY

MOAK, CASEY & ASSOCIATES

SCHOOL FINANCE & ACCOUNTABILITY EXPERTS

AUGUST 15, 2019

Executive Summary

Zier Solar, LLC (Company) has requested that the Brackett Independent School District (BISD) 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 BISD on January 14, 2019 the Company plans to invest $121.9 million in new taxable value to construct a solar renewable energy electric generation facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Zier 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, BISD may offer a minimum value limitation of $10 million. This value limitation, under the proposed application, will begin in the 2022-23 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. This analysis incorporates to the fullest extent possible the changes approved in House Bill 3 as approved in 2019, the most significant school finance revisions in more than 30 years. 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 BISD	$1.1 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	$3.8 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 April 17, 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. The Certificate for the Zier Solar project was issued on July 3, 2019.

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

Prior to final board meeting, ODC 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 be asked to consider the adoption of a job waiver during this meeting.

How the 313 Agreement Interacts with Texas School Finance

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).

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). Recapture costs are primarily a Tier I issue, although Tier II also can involve recapture costs for some school districts.

The basic allotment is now set at $6,160 per weighted ADA (WADA) and is the basis for Tier I calculations. In the case of Tier II, the first eight cents of additional tax effort can be used to generate state aid of up to $98.56 per WADA for what are known as "golden" pennies. Tax effort for golden pennies is not subject to recapture. Up to an additional nine cents may be levied to generate $49.28 per WADA for what are known as "copper" pennies (generating half the revenue per WADA of the golden pennies).

Changes in the recapture calculation are an important part of HB 3. Rather than being tied to property wealth exceeding an equalized wealth level per WADA, recapture is now defined as the amount of revenue collected in excess of a district's Tier I allotment, or for Tier II the amount of collections in excess of the entitlement provided for tax effort generating copper-penny level state aid. (Golden pennies are not subject to recapture.) The changes in the recapture methodology may affect the results of revenue protection payments relative to what was calculated when the equalized wealth level was used to determine the amount of recapture owed the state by school districts subject to recapture. Recapture does not appear to be an issue in the consideration of this Application in the case of Brackett ISD.

Another significant school funding change is establishing current-year property values to determine state funding and recapture under the Foundation School Program. The traditional approach for the last 30 years has been to rely upon prior-year state property values as determined annually under the Comptroller's State Property Value Study (Section 403 of the Government Code). The change in House Bill 3 calls for using current-year property values as

determined by the Comptroller's Property Value Study, without an explanation as to how the property value study is to be completed on a real-time basis.

While school district funding will now be determined based on current-year property values, House Bill 3 included language that addressed the property values to be used in determining calculating revenue protection payments under Chapter 313 agreements. This information is contained in Section 48.256(d), Education Code, as shown below:

d) This subsection applies to a school district in which the board of trustees entered into a written agreement with a property owner under Section 313.027, Tax Code, for the implementation of a limitation on appraised value under Subchapter B or C, Chapter 313, Tax Code. For purposes of determining "DPV" under Subsection (a) for a school district to which this subsection applies, the commissioner shall exclude a portion of the market value of property not otherwise fully taxable by the district under Subchapter B or C, Chapter 313, Tax Code, before the expiration of the subchapter. The comptroller shall provide information to the agency necessary for this subsection. **A revenue protection payment required as part of an agreement for a limitation on appraised value shall be based on the district's taxable value of property for the preceding tax year [emphasis added].**

Given the directive regarding the use of preceding-tax-year values to calculate revenue protection payments required under Chapter 313 agreements, the amounts collected are expected to be consistent with the patterns shown since these calculations were first calculated under the standard Chapter 313 agreement language, dating back to 2004. The most significant impact is typically in the first limitation year, although major value increases in project values in later limitation years may also trigger a revenue protection payment. The additional factor that may generate a variance with the traditional pattern of revenue protection amounts is the new methodology in the calculation of recapture, as noted previously.

The calculations shown below are based on the Section 48.254(d), Education Code directive to use preceding-tax-year property values to determine the revenue protection payment, if any, owed to the school district under the terms of the Chapter 313 Agreement between the Applicant and the School District. These calculations are to be made for each of the 10 limitation years under the terms of the Agreement. Chapter 313 will be subject to legislative renewal in 2021 and any changes made may impact these calculations moving forward.

(For more detailed information on the school finance funding system, please review the Texas Education Agency's (TEA) website. The current information is expected to be updated as the details of House Bill 3 implementation are determined by TEA.

The implementation of recent legislative action on school funding in House Bill 3 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 is now set to $6,160, the Tier II golden penny yield is set to $98.56 per WADA for up to eight cents, while the copper penny yield is $49.28 per WADA for up to nine cents of local tax effort. These are maintained for future years at this time.

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.

ADA:	593
Local M&O Tax Base	$437.2 million
2019-20 M&O Tax Rate:	$0.9700 per $100 of Taxable Value
2020-21 Projected M*O Tax Rate:	$0.9565 per $100 of Taxable Value
I&S Tax Rate:	$0.0000

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 Zier Solar Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	Sec. 48.256(d) District Revenue Protection District Property Value with Project	Sec. 48.256(d) District Revenue Protection District Property Value with Limitation	DPV Value with Project per WADA	DPV Value with Limitation per WADA
QTP0	2019-20	593.16	1,016.48	$0.9700	$0.0000	$315,676,875	$315,676,875	$310,558	$310,558
QTP1	2020-21	593.16	1,001.74	$0.9565	$0.0000	$315,676,875	$315,676,875	$315,128	$315,128
QTP2	2021-22	593.16	1,001.74	$0.9565	$0.0000	$484,490,259	$484,490,259	$483,647	$483,647
VL1	2022-23	593.16	1,001.74	$0.9565	$0.0000	$416,627,707	$416,627,707	$415,903	$415,903
VL2	2023-24	593.16	1,001.74	$0.9565	$0.0000	$493,733,405	$381,865,155	$492,874	$381,201
VL3	2024-25	593.16	1,001.74	$0.9565	$0.0000	$473,625,144	$381,865,155	$472,801	$381,201
VL4	2025-26	593.16	1,001.74	$0.9565	$0.0000	$480,998,479	$406,028,888	$480,162	$405,322
VL5	2026-27	593.16	1,001.74	$0.9565	$0.0000	$464,965,397	$404,015,789	$464,156	$403,313
VL6	2027-28	593.16	1,001.74	$0.9565	$0.0000	$451,406,661	$402,163,738	$450,621	$401,464
VL7	2028-29	593.16	1,001.74	$0.9565	$0.0000	$441,631,579	$402,163,738	$440,863	$401,464
VL8	2029-30	593.16	1,001.74	$0.9565	$0.0000	$433,469,385	$402,163,738	$432,715	$401,464
VL9	2030-31	593.16	1,001.74	$0.9565	$0.0000	$426,653,953	$402,163,738	$425,912	$401,464
VL10	2031-32	593.16	1,001.74	$0.9565	$0.0000	$420,963,068	$402,163,738	$420,231	$401,464
VP1	2032-33	593.16	1,001.74	$0.9565	$0.0000	$416,211,178	$402,163,738	$415,487	$401,464
VP2	2033-34	593.16	1,001.74	$0.9565	$0.0000	$416,211,178	$416,211,178	$415,487	$415,487
VP3	2034-35	593.16	1,001.74	$0.9565	$0.0000	$416,211,178	$416,211,178	$415,487	$415,487
VP4	2035-36	593.16	1,001.74	$0.9565	$0.0000	$416,211,178	$416,211,178	$415,487	$415,487
VP5	2036-37	593.16	1,001.74	$0.9565	$0.0000	$416,211,178	$416,211,178	$415,487	$415,487

***Basic Allotment: $6,160; Golden Penny Yield: $98.56; Copper Penny Yield: $49.28**

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

M&O Impact of the Zier Solar Project on BISD

A model is established to make a calculation of the "Baseline Revenue Model" (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the "Value Limitation Revenue Model" (Table 3) by adding the project's limited value of $10 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of $1.13 million over the course of the Agreement, with all the loss reflected in the first limitation year (2022-23).

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
QTP0	2019-20	$4,027,147	$3,352,489	$0	$173,211	$376,706	$0	$0	$7,929,553
QTP1	2020-21	$5,487,370	$3,395,110	$0	$239,493	$509,775	$0	$0	$9,631,748
QTP2	2021-22	$4,877,850	$1,847,939	$0	$212,891	$220,742	$0	$0	$7,159,422
VL1	2022-23	$5,590,895	$2,469,898	$0	$244,011	$334,424	$0	$0	$8,639,228
VL2	2023-24	$5,406,603	$1,763,225	$0	$235,968	$235,933	$0	$0	$7,641,729
VL3	2024-25	$5,469,750	$1,947,517	$0	$238,724	$258,901	$0	$0	$7,914,892
VL4	2025-26	$5,323,176	$1,879,941	$0	$232,327	$244,553	$0	$0	$7,679,997
VL5	2026-27	$5,199,250	$2,026,884	$0	$226,918	$254,908	$0	$0	$7,707,960
VL6	2027-28	$5,109,662	$2,151,149	$0	$223,008	$264,740	$0	$0	$7,748,559
VL7	2028-29	$5,034,855	$2,240,738	$0	$219,743	$271,751	$0	$0	$7,767,087
VL8	2029-30	$4,972,392	$2,315,544	$0	$217,017	$277,478	$0	$0	$7,782,431
VL9	2030-31	$4,920,235	$2,378,007	$0	$214,741	$282,014	$0	$0	$7,794,997
VL10	2031-32	$4,876,684	$2,430,164	$0	$212,840	$286,576	$0	$0	$7,806,264
VP1	2032-33	$4,874,109	$2,473,715	$0	$212,727	$291,835	$0	$0	$7,852,386
VP2	2033-34	$4,874,109	$2,473,715	$0	$212,727	$291,835	$0	$0	$7,852,386
VP3	2034-35	$4,874,109	$2,473,715	$0	$212,727	$291,835	$0	$0	$7,852,386
VP4	2035-36	$4,874,109	$2,473,715	$0	$212,727	$291,835	$0	$0	$7,852,386
VP5	2036-37	$4,874,109	$2,473,715	$0	$212,727	$291,835	$0	$0	$7,852,386

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 $4.9 million over the life of the agreement. The BISD revenue losses are expected to total approximately $1.13 million. The total potential net tax benefits (after hold-harmless payments are made) are estimated to reach $3.8 million, prior to any negotiations with Zier Solar on supplemental payments. (See Table 5.)

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with BISD not currently levying an I&S rate. The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. 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 3– "Value Limitation Revenue Model" --Project Value Added to DPV with Value Limitation in Effect

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
QTP0	2019-20	$4,027,147	$3,352,489	$0	$173,211	$376,706	$0	$0	$7,929,553
QTP1	2020-21	$5,487,370	$3,395,110	$0	$239,493	$509,775	$0	$0	$9,631,748
QTP2	2021-22	$4,877,850	$1,847,939	$0	$212,891	$220,742	$0	$0	$7,159,422
VL1	2022-23	$4,565,624	$2,469,898	$0	$199,264	$272,790	$0	$0	$7,507,576
VL2	2023-24	$4,565,624	$2,788,496	$0	$199,264	$316,046	$0	$0	$7,869,430
VL3	2024-25	$4,782,655	$2,788,496	$0	$208,736	$331,183	$0	$0	$8,111,070
VL4	2025-26	$4,764,574	$2,567,036	$0	$207,947	$297,620	$0	$0	$7,837,177
VL5	2026-27	$4,747,940	$2,585,486	$0	$207,221	$299,234	$0	$0	$7,839,881
VL6	2027-28	$4,747,940	$2,602,460	$0	$207,221	$301,355	$0	$0	$7,858,976
VL7	2028-29	$4,747,940	$2,602,460	$0	$207,221	$301,355	$0	$0	$7,858,976
VL8	2029-30	$4,747,940	$2,602,460	$0	$207,221	$301,355	$0	$0	$7,858,976
VL9	2030-31	$4,747,940	$2,602,460	$0	$207,221	$301,355	$0	$0	$7,858,976
VL10	2031-32	$4,747,940	$2,602,460	$0	$207,221	$301,355	$0	$0	$7,858,976
VP1	2032-33	$4,874,109	$2,602,460	$0	$212,727	$309,546	$0	$0	$7,998,842
VP2	2033-34	$4,874,109	$2,473,715	$0	$212,727	$291,835	$0	$0	$7,852,386
VP3	2034-35	$4,874,109	$2,473,715	$0	$212,727	$291,835	$0	$0	$7,852,386
VP4	2035-36	$4,874,109	$2,473,715	$0	$212,727	$291,835	$0	$0	$7,852,386
VP5	2036-37	$4,874,109	$2,473,715	$0	$212,727	$291,835	$0	$0	$7,852,386

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

Table 4 – Value Limitation Revenue Model Less Baseline Revenue Model with No Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
QTP0	2019-20	$0	$0	$0	$0	$0	$0	$0	$0
QTP1	2020-21	$0	$0	$0	$0	$0	$0	$0	$0
QTP2	2021-22	$0	$0	$0	$0	$0	$0	$0	$0
VL1	2022-23	-$1,025,271	$0	$0	-$44,747	-$61,634	$0	$0	-$1,131,652
VL2	2023-24	-$840,979	$1,025,271	$0	-$36,704	$80,113	$0	$0	$227,701
VL3	2024-25	-$687,095	$840,979	$0	-$29,988	$72,282	$0	$0	$196,178
VL4	2025-26	-$558,602	$687,095	$0	-$24,380	$53,067	$0	$0	$157,180
VL5	2026-27	-$451,310	$558,602	$0	-$19,697	$44,326	$0	$0	$131,921
VL6	2027-28	-$361,722	$451,311	$0	-$15,787	$36,615	$0	$0	$110,417
VL7	2028-29	-$286,915	$361,722	$0	-$12,522	$29,604	$0	$0	$91,889
VL8	2029-30	-$224,452	$286,916	$0	-$9,796	$23,877	$0	$0	$76,545
VL9	2030-31	-$172,295	$224,453	$0	-$7,520	$19,341	$0	$0	$63,979
VL10	2031-32	-$128,744	$172,296	$0	-$5,619	$14,779	$0	$0	$52,712
VP1	2032-33	$0	$128,745	$0	$0	$17,711	$0	$0	$146,456
VP2	2033-34	$0	$0	$0	$0	$0	$0	$0	$0
VP3	2034-35	$0	$0	$0	$0	$0	$0	$0	$0
VP4	2035-36	$0	$0	$0	$0	$0	$0	$0	$0
VP5	2036-37	$0	$0	$0	$0	$0	$0	$0	$0

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

Table 5 - Estimated Financial Impact of the Zier Solar Project Property Value Limitation Request Submitted to BISD at $0.9700 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	$0.9700	$0	$0	$0	$0	$0
QTP1	2020-21	$105,000,000	$105,000,000		$0.9565	$1,004,323	$1,004,323	$0	$0	$0
QTP2	2021-22	$40,950,000	$40,950,000	$0	$0.9565	$391,686	$391,686	$0	$0	$0
VL1	2022-23	$121,868,250	$10,000,000	$111,868,250	$0.9565	$1,165,668	$95,650	$1,070,018	-$1,131,652	-$61,634
VL2	2023-24	$101,759,989	$10,000,000	$91,759,989	$0.9565	$973,333	$95,650	$877,683	$0	$877,683
VL3	2024-25	$84,969,591	$10,000,000	$74,969,591	$0.9565	$812,733	$95,650	$717,083	$0	$717,083
VL4	2025-26	$70,949,608	$10,000,000	$60,949,608	$0.9565	$678,632	$95,650	$582,982	$0	$582,982
VL5	2026-27	$59,242,923	$10,000,000	$49,242,923	$0.9565	$566,658	$95,650	$471,008	$0	$471,008
VL6	2027-28	$49,467,841	$10,000,000	$39,467,841	$0.9565	$473,159	$95,650	$377,509	$0	$377,509
VL7	2028-29	$41,305,647	$10,000,000	$31,305,647	$0.9565	$395,088	$95,650	$299,438	$0	$299,438
VL8	2029-30	$34,490,215	$10,000,000	$24,490,215	$0.9565	$329,898	$95,650	$234,248	$0	$234,248
VL9	2030-31	$28,799,330	$10,000,000	$18,799,330	$0.9565	$275,465	$95,650	$179,815	$0	$179,815
VL10	2031-32	$24,047,440	$10,000,000	$14,047,440	$0.9565	$230,013	$95,650	$134,364	$0	$134,364
VP1	2032-33	$24,047,440	$24,047,440	$0	$0.9565	$230,013	$230,013	$0	$0	$0
VP2	2033-34	$24,047,440	$24,047,440	$0	$0.9565	$230,013	$230,013	$0	$0	$0
VP3	2034-35	$24,047,440	$24,047,440	$0	$0.9565	$230,013	$230,013	$0	$0	$0
VP4	2035-36	$24,047,440	$24,047,440	$0	$0.9565	$230,013	$230,013	$0	$0	$0
VP5	2036-37	$24,047,440	$24,047,440	$0	$0.9565	$230,013	$230,013	$0	$0	$0
						$8,446,722	**$3,502,574**	**$4,944,147**	**-$1,131,652**	**$3,812,495**

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, which could be significant under HB 3.**
- **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

136-Kinney

136-901/Brackett ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Estimate	2018 Value Assigned
A. SINGLE-FAMILY RESIDENCES	89,315,729	N/A	89,315,729	89,315,729
B. MULTIFAMILY RESIDENCES	1,323,368	N/A	1,323,368	1,323,368
C1. VACANT LOTS	3,920,694	N/A	3,920,694	3,920,694
C2. COLONIA LOTS	0	N/A	0	0
D1. QUALIFIED AG LAND	42,578,272	N/A	42,578,272	42,578,272
D2. REAL PROP:FARM & RANCH	13,212,915	N/A	13,212,915	13,212,915
E. REAL PROP NONQUAL ACREAGE	48,882,174	N/A	48,882,174	48,882,174
F1. COMMERCIAL REAL	8,651,295	N/A	8,651,295	8,651,295
F2. INDUSTRIAL REAL	9,909	N/A	9,909	9,909
G. OIL,GAS,MINERALS	0	N/A	0	0
J. UTILITIES	208,598,178	N/A	208,598,178	208,598,178
L1. COMMERCIAL PERSONAL	58,130,173	N/A	58,130,173	58,130,173
L2. INDUSTRIAL PERSONAL	0	N/A	0	0
M. MOBILE HOMES	65,566	N/A	65,566	65,566
N. INTANGIBLE PERSONAL PROP	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	6,148	N/A	6,148	6,148
Subtotal	474,694,421	0	474,694,421	474,694,421
Less Total Deductions	159,017,546	0	159,017,546	159,017,546
Total Taxable Value	315,676,875	0	315,676,875	315,676,875

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
323,400,418	315,676,875	323,400,418	315,676,875

Loss To the Additional $10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
7,723,543	0

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

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

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

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

Value Taxable For I & S Purposes

T7	T8	T9	T10
439,151,458	431,427,915	439,151,458	431,427,915

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

136-901-02/Brackett ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Estimate	2018 Value Assigned
A. SINGLE-FAMILY RESIDENCES	89,315,729	N/A	89,315,729	89,315,729
B. MULTIFAMILY RESIDENCES	1,323,368	N/A	1,323,368	1,323,368
C1. VACANT LOTS	3,920,694	N/A	3,920,694	3,920,694
C2. COLONIA LOTS	0	N/A	0	0
D1. QUALIFIED AG LAND	42,578,272	N/A	42,578,272	42,578,272
D2. REAL PROP:FARM & RANCH	13,212,915	N/A	13,212,915	13,212,915
E. REAL PROP NONQUAL ACREAGE	48,882,174	N/A	48,882,174	48,882,174
F1. COMMERCIAL REAL	8,651,295	N/A	8,651,295	8,651,295
F2. INDUSTRIAL REAL	9,909	N/A	9,909	9,909
G. OIL,GAS,MINERALS	0	N/A	0	0
J. UTILITIES	208,598,178	N/A	208,598,178	208,598,178
L1. COMMERCIAL PERSONAL	58,130,173	N/A	58,130,173	58,130,173
L2. INDUSTRIAL PERSONAL	0	N/A	0	0
M. MOBILE HOMES	65,566	N/A	65,566	65,566
N. INTANGIBLE PERSONAL PROP	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	6,148	N/A	6,148	6,148
Subtotal	474,694,421		474,694,421	474,694,421
Less Total Deductions	159,017,546		159,017,546	159,017,546
Total Taxable Value	315,676,875		315,676,875	315,676,875

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
323,400,418	315,676,875	323,400,418	315,676,875

Loss To the Additional $10,000 Homestead Exemption	50 % of the loss to the Local Optional Percentage Homestead Exemption
7,723,543	0

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

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

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

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

Value Taxable For I & S Purposes

T7	T8	T9	T10
439,151,458	431,427,915	439,151,458	431,427,915

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

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

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by and between

BRACKETT INDEPENDENT SCHOOL DISTRICT

and

ZIER SOLAR, LLC

(Texas Taxpayer ID #32059554918)

Comptroller Application # 1335

Dated

November 11, 2019

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

STATE OF TEXAS §
COUNTY OF KINNEY §

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 **BRACKETT 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 **ZIER SOLAR, LLC,** Texas Taxpayer Identification Number 32059554918, 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 14, 2019, the Superintendent of Schools of the BRACKETT 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 14, 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 April 17, 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 Kinney County Appraisal District established in Kinney County, Texas (the "Kinney 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 July 3, 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 District's Superintendent, approved on September 11, 2019, the extension of the statutory deadline by which the District must consider the Application until November 30, 2019 and the Comptroller was provided notice of such extension as set out under 34 TEXAS ADMIN. CODE Section 9.1054(d);

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

WHEREAS, on November 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 November 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 November 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 October 17, 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; and

WHEREAS, on November 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.

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 ZIER SOLAR, LLC, *(Texas Taxpayer ID #32059554918)* 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 14, 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 Kinney County Appraisal District.

"*Board of Trustees*" means the Board of Trustees of the BRACKETT INDEPENDENT SCHOOL DISTRICT.

"*Commercial Operation*" means the date on which the project becomes commercially operational, has installed or constructed Qualified Property on the Land, and is able to generate electricity and is connected to the grid with an interconnection agreement.

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

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

"*County*" means Kinney County, Texas.

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

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

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

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

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

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

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

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

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

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

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

"*State*" means the State of Texas.

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

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

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

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

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

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

"*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.

"*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.

"*Debt Service Tax*" means ad valorem property taxes from the application of the District's Interest and Sinking Fund tax rate, if any.

"*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.

"*Major Casualty Loss*" means the destruction or loss of Qualified Property at the Applicant's project due to an unexpected event that results in a reduction of more than five percent (5%) of the total electricity generating capacity of the project.

"*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.)

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 April 17, 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 November 11, 2019.

C. The Qualifying Time Period for this Agreement:

i. Starts on November 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, 2022, the first complete Tax Year that begins after the date of the commencement of Commercial Operation; and

ii. Ends on December 31, 2031.

E. The Final Termination Date for this Agreement is December 31, 2036.

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

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

A. The Market Value of the Applicant's Qualified Property; or

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

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

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 $10,000,000 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 $849 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) property used for renewable energy electric generation.

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

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

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

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject only to the provisions of Section 7.1 of this Agreement, the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue solely and directly resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date, the "M&O Amount" shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

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

B. In making the calculations required by this Section 4.2 of this Agreement:

i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for each year for which the calculation is made.

ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).

iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.

iv. For all calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, Subsection ii of this subsection will reflect the Tax Limitation Amount for such year.

Section 4.3. SCHEDULE OF MINIMUM PROPERTY VALUES FOR DEBT TAX PURPOSES. Applicant agrees, for each of the years set forth below in this Section, that Applicant's Qualified Property shall have at least the taxable value for debt service taxation purposes as listed on the following chart. In the event of a Major Casualty Loss, the Guaranteed Minimum Taxable Value set forth in the table below for any Tax Year after the Major Casualty Loss shall be adjusted by reducing the Guaranteed Minimum Taxable Value by the same percentage that the project's overall electricity generating capacity was reduced as a result of the Major Casualty Loss. If, in the Applicant's sole discretion, the overall electricity generating capacity is restored after a Major Casualty Loss, then the percentage adjustment in the Guaranteed Minimum Taxable Value shall not be applied to the Tax Years following such restoration.

The following minimum property values, listed for each Tax Year, represent 90% of the values set forth by the Applicant in Schedule B of the Application.

Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Guaranteed Minimum Taxable Values
1	January 1, 2022	2022-23	2022	$109,681,425
2	January 1, 2023	2023-24	2023	$91,583,990
3	January 1, 2024	2024-25	2024	$76,472,632
4	January 1, 2025	2025-26	2025	$63,854,647
5	January 1, 2026	2026-27	2026	$53,318,631
6	January 1, 2027	2027-28	2027	$44,521,056

Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Guaranteed Minimum Taxable Values
7	January 1, 2028	2028-29	2028	$37,175,082
8	January 1, 2029	2029-30	2029	$31,041,194
9	January 1, 2030	2030-31	2030	$25,919,397
10	January 1, 2031	2031-32	2031	21,642,696

Section 4.4. COMPENSATION FOR LOSS OF OTHER REVENUES CAUSED BY APPLICANT'S FAILURE TO MAINTAIN MINIMUM PROPERTY VALUES. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, beginning with Tax Year 2022 and continuing thereafter through Tax Year 2031, shall also indemnify and reimburse the District for any loss of District Debt Service Tax revenues to its Interest and Sinking (I&S) Fund, arising from Applicant's failure to maintain at least the taxable values set forth in Section 4.3 on the Qualified Property that is the subject of this Agreement for Debt Service Tax purposes.

In the event that Applicant fails to maintain the minimum annual taxable value for Debt Service Tax purposes as set forth in Section 4.3, above, Applicant shall reimburse the District for such revenue shortfall in accordance with the following formula:

Guaranteed Local Debt Service Tax Value (as listed in Section 4.3, and as adjusted for a Major Casualty Loss, if applicable) for the applicable Tax Year

Minus

Actual Taxable Value for Debt Service Tax purposes for the applicable year

Multiplied by

District's adopted Debt Service Tax rate for the applicable year.

If, for any year of this Agreement, the calculation set forth in this Section results in a negative number, the negative number will be considered to be zero.

The District specifically agrees that all payments to the District made under this Subsection shall only be deposited into the District's Interest and Sinking Fund account and may be used for no other purpose.

Section 4.5. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") approved each

year by the District. To the extent not inconsistent with a statutory change to Applicable School Finance Law, all calculations made by the Third Party under this Agreement shall be made using a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

Section 4.6. 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 4.5. 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 4.7. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Article IV, 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 Applicant, but subject to the provisions of Section 4.7, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.8. 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; provided, however, that the District and the Applicant may mutually agree in writing to extend the date of payment. By such date, the Applicant shall also pay any amount billed by the Third Party, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the 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 Seven Thousand Five Hundred Dollars ($7,500.00).

Section 4.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.6 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Property by the Appraisal District.

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

Section 4.10. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, as a sole and direct cause of its participation in this Agreement, Applicant shall make payments to District, up to the limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a sole and direct cause of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

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

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

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

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

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

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

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

C. The limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)– (2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement; 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 2017-2018 Average Daily Attendance of 540.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO ANNUAL PAYMENT LIMIT. Applicant shall pay to the District the Supplemental Payments set forth on the following schedule on the payment due dates shown on the following schedule.

TAX YEAR	PAYMENT DUE DATE	AMOUNT OF ANNUAL PAYMENT LIMIT
2019	January 31, 2021	$54,000
2020	January 31, 2021	$54,000
2021	January 31, 2022	$54,000
2022	January 31, 2023	$54,000
2023	January 31, 2024	$54,000
2024	January 31, 2025	$54,000
2025	January 31, 2026	$54,000
2026	January 31, 2027	$54,000
2027	January 31, 2028	$54,000
2028	January 31, 2029	$54,000
2029	January 31, 2030	$54,000
2030	January 31, 2031	$54,000
2031	January 31, 2032	$54,000
2032	January 31, 2033	$54,000
2033	January 31, 2034	$54,000
2034	January 31, 2035	$54,000

Section 6.4. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS.

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

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

C. The payment of all amounts due under this Article shall be made shall be paid on the date set forth in the schedule included in Section 6.3 above.

Section 6.5. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under Article VI of this agreement be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly

posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District's Board of Trustees at any time.

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

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

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

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

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

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

ARTICLE VIII
ADDITIONAL OBLIGATIONS OF APPLICANT

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

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

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

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

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

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

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

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR. By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

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

i. date of submission of the final payment;

ii. Final Termination Date; or

iii. date of resolution of all disputes or payment.

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

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly

under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

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

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

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

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

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

ARTICLE IX
MATERIAL BREACH OR EARLY TERMINATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of,

anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement; or

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

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

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

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

i. whether or not a breach of this Agreement has occurred;

ii. whether or not such breach is a Material Breach;

iii. the date such breach occurred, if any; and

iv. whether or not any such breach has been cured.

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 Trustees' Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have not greater than thirty (30) 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 thirty (30) 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 Kinney County. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Kinney County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the 30 days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

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

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

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the thirty (30) 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 $10,000,000 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:

Dr. Guillermo Mancha, Jr.
Superintendent
BRACKETT INDEPENDENT SCHOOL DISTRICT
201 N. Ann Street
Brackettville, TX 78832
Phone: 830-563-2491
Email: guillermo.mancha@brackettisd.net

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

Geoff Fallon
Senior Director of Development
Cypress Creek Renewables, LLC
3402 Pico Boulevard
Santa Monica CA, 90405
Phone: (315) 651-0044
Email: fallon@ccrenew.com

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

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

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

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

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

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

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

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

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

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

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

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

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

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

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.

Section10.3. 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 Kinney 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; and

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 November, 2019.

ZIER SOLAR, LLC

By: _____
Authorized Person

BRACKETT INDEPENDENT SCHOOL DISTRICT

By: _____
PRESIDENT, BOARD OF TRUSTEES

ATTEST:

By: _____
SECRETARY, BOARD OF TRUSTEES

IN THE EVENT OF CONFLICT

By: _____
VICE PRESIDENT, BOARD OF TRUSTEES

EXHIBIT 1

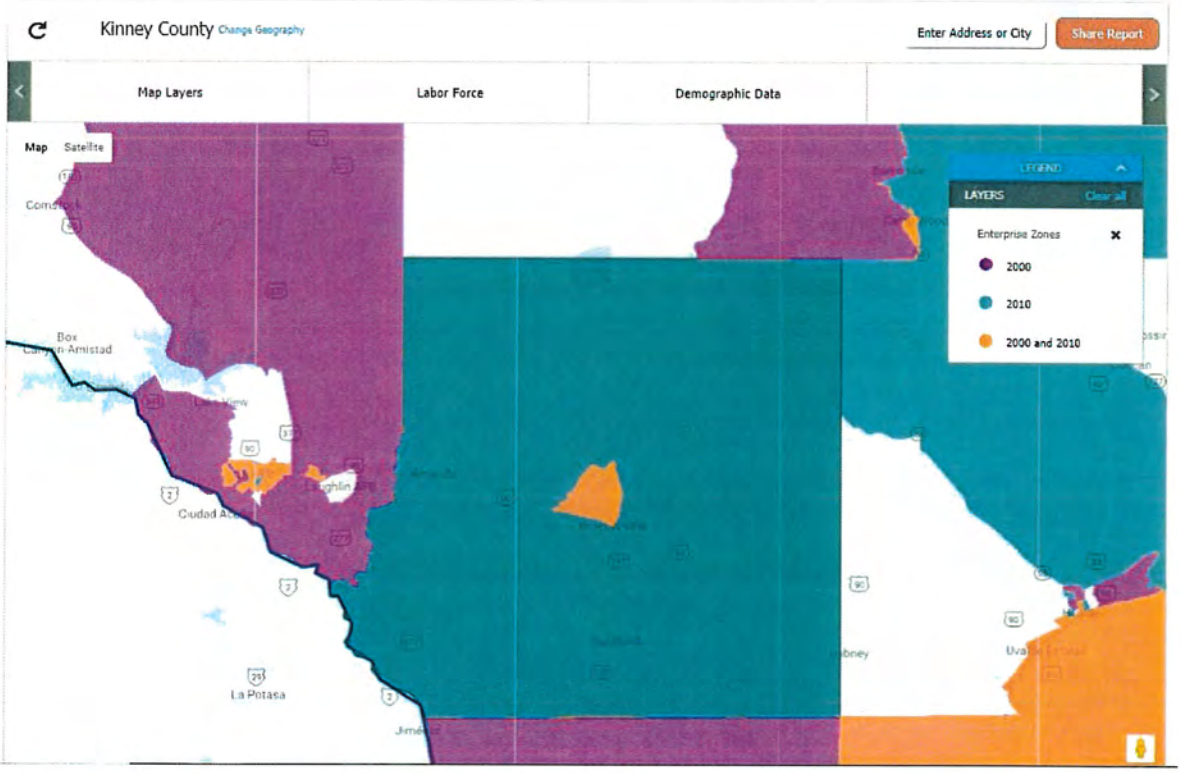
DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

At the time of the Application Approval Date, the Project is within an Enterprise as defined by the Governor's Office. All of the Applicant's Qualified Property and Applicant's Qualified Investment that is subject to this Agreement will be located within the boundaries of the Enterprise Zone and the boundaries of the Brackett Independent School District.

Evidence that the area qualifies as an enterprise zone as defined by the Governor's Office

Kinney County is a designated enterprise zone county as defined under the Texas Governor's "Governor's Economic Development Finance department online" link provided by Texas Comptroller website under "The Texas Enterprise Zone Program." The Governor's website "Texas Enterprise Zone Program"- "Economic Zone Program Rules, 10 TAC 176" according to Section (b), subsection (11); which defines a distressed county as: "a county that has a poverty rate above 15.4 percent based on the most recent decennial census; in which at least 25.4 percent of the adult population does not hold a high school diploma or high school equivalency certificate based on the most recent decennial census; and that has an unemployment rate that has remained above 4.9 percent during the preceding five years, based on Texas Workforce Commission data."

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



Source: Texas EDC | Texas Enterprise Zones on GIS: http://texas.zoomprospector.com/?LYR=TEXASEZONEUNION

EXHIBIT 1

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

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

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment that is subject to this Agreement shall be all tangible personal property first placed in service after November 11, 2019, owned by the Applicant, as more fully described in Tab 7 of the Application and **EXHIBIT 4** below, and located within the project area located Brackett ISD and the enterprise zone depicted on the map attached to **EXHIBIT 1**.

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

- PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project substation, consisting of a high voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

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

This application covers all qualified investment and qualified property necessary for the commercial operations of the Solar Farm.

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

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

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property in the enterprise zone and project boundary within Brackett ISD depicted on the map attached to this Exhibit 4 necessary for the commercial operations of a total of 160MW Solar farm in Kinney county.

The additional improvements of Qualified Property include:

- Solar PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project substation, consisting of a high voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

The exact placement of units is subject to ongoing planning, solar energy resource evaluation, engineering, and land leasing. All equipment outlined above is expected to be located within Brackett ISD. The final number and location of units and supporting structures will be determined before construction begins. Current plans are to install all equipment in one phase. Zier intends to connect to Hamilton Road – Brackettville 138 kV LCRA Texas transmission line. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

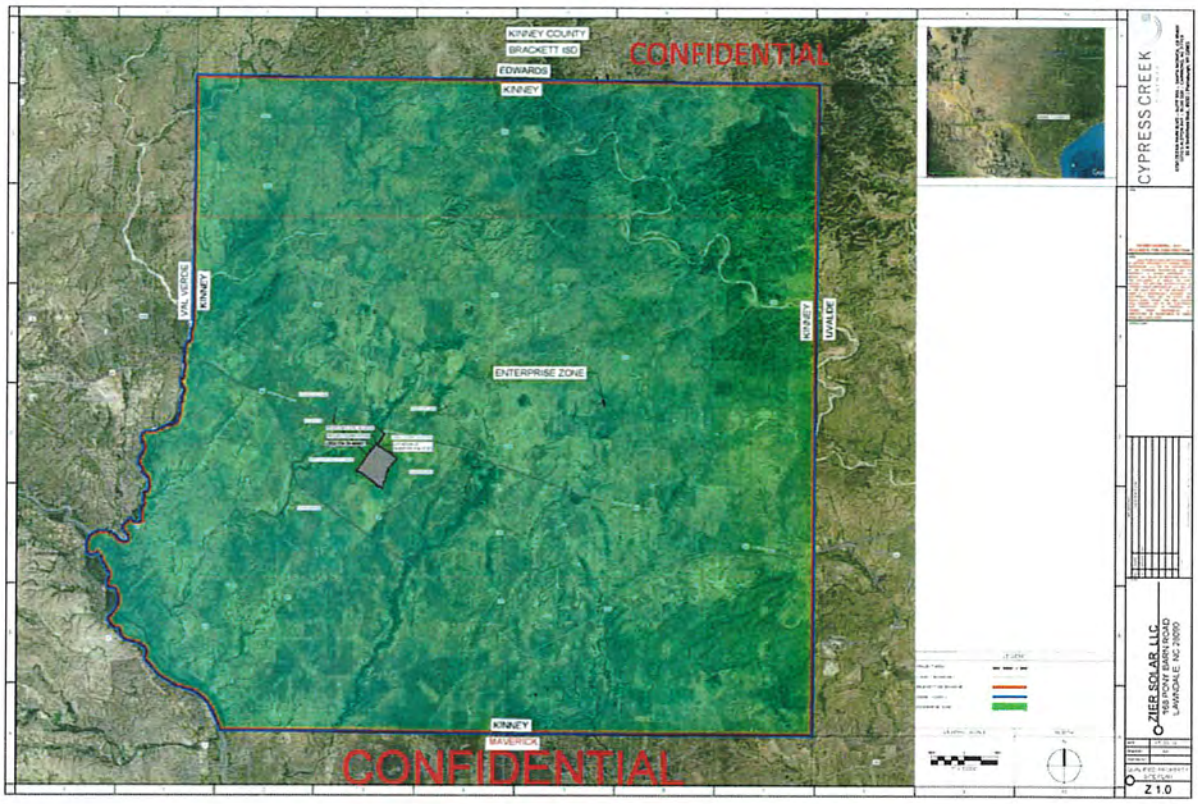

KINNEY COUNTY
BRACKETT ISD
EDWARDS
KINNEY
CONFIDENTIAL
VAL VERDE
KINNEY
KINNEY
UVALDE
ENTERPRISE ZONE
KINNEY
MAVERICK
CONFIDENTIAL
CYPRESS CREEK
ZIER SOLAR LLC
169 PONY BARN ROAD
LAWNDALE, NC 28090
Z1.0

EXHIBIT 4

Attachment H

Consultant Verification Letter

MOAK, CASEY & ASSOCIATES
SCHOOL FINANCE & ACCOUNTABILITY EXPERTS

LYNN M. MOAK, PARTNER DANIEL T. CASEY, PARTNER

November 11, 2019

President and Members
Board of Trustees
Brackett Independent School District
201 N. Ann Street
Bracketville, Texas 78832

Re: Recommendations and Findings of the Firm Concerning the Application of Zier Solar, LLC (#1335) 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 Brackett Independent School District, with respect to the pending Application of Zier Solar, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. 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 Zier Solar, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey
Partner

www.moakcasey.com

Phone 512-485-7878 901 S. Mopac Expressway ★ Bldg. III ★ Suite 310 ★ Austin, TX 78746 Fax 512-485-7888

O'HANLON, DEMERATH & CASTILLO

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

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

JUSTIN DEMERATH

BENJAMIN CASTILLO

November 11, 2019

President and Members
Board of Trustees
Brackett Independent School District
201 N. Ann Street
Bracketville, Texas 78832

Re: Recommendations and Findings of the Firm Concerning the Application of Zier Solar, LLC (#1335) 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 Brackett Independent School District, with respect to the pending Application of Zier Solar, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Zier Solar, LLC. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.

2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.

3. The Applicant has the current means and ability to complete the proposed project.

4. All applicable school finance implications arising from the contemplated Agreement have been explored.

5. The proposed Agreement contains adequate legal provisions 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 Zier Solar, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 17, 2019

Dr. Guillermo Mancha Jr.
Superintendent
Brackett Independent School District
P.O. Box 586
Brackettville, Texas 78832

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Brackett Independent School District and Zier Solar, LLC, Application 1335

Dear Superintendent Mancha:

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 Brackett Independent School District and Zier Solar, LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

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

Should you have any questions, please contact 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,

Will Counihan

Will Counihan
Director
Data Analysis & Transparency Division

cc: Daniel Casey, Moak, Casey & Associates, LLP
Geoff Fallon, Cypress Creek Renewables, LLC
Nicho Keens, Cypress Creek Renewables, LLC
Robert J. Pena, Texas Energy Consultants, LLC

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

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

1. In the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
2. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
3. A person has a substantial interest in a business entity if:

   The person owns at least:

   a. Ten percent of the voting stock or shares of the business entity, or

   b. Either ten percent or $15,000 of the fair market value of the business entity; or

   c. Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.
4. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

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

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

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

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