

**FINDINGS OF THE BRONTE
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
231RC 8ME, LLC (#1361)**



October 16, 2019

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OCTOBER 16, 2019

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LLC (#1361)

STATE OF TEXAS §

COUNTY OF RUNNELS §

On October 16, 2019, a public meeting of the Board of Trustees of the Bronte 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 231RC 8ME, 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 March 15, 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 June 7, 2019. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32068174898), 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 Runnels 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 August 16, 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:

231RC 8ME, LLC is requesting an appraised value limitation from Bronte Independent School District for a solar powered electric generating facility in Runnels County, Texas. The project will be partially located in Benjamin Independent School District and is expected to have a total capacity of 125 MW and will feature 440,000 photovoltaic panels and 38 central inverters.

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 two (2) new qualifying jobs. The average salary level of qualifying jobs must be at least \$48,596 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 \$35,868 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 \$96.25 million to the tax base that would be available for debt service purposes at the peak investment level for the 2021-22 school year. An expansion of the I&S tax base creates the potential of a benefit for the District and its taxpayers, if they decide to pursue a bond issue 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 Twenty 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 \$5,858,000. 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 \$1 million or more but less than \$90 million, it is classified as a Category III district which can offer a minimum value limitation of \$20 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. 32068174898) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32068174898), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 15.

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

Board Finding Number 16.

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

In support of this finding, the 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 17.

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

Board Finding Number 18.

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

The Board finds that with the adoption of District Policies BBFA and BBFB, both (Legal) and (Local), set forth at <https://pol.tasb.org/Home/Index/297>, that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

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

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

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

Board Finding Number 19.

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

Board Finding Number 20.

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

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

Dated the 16th day of October 2019.

BRONTE INDEPENDENT SCHOOL DISTRICT

By: Blake Braswell
Blake Braswell
President, Board of Trustees

ATTEST:

By: Ashley Braswell
Ashley Braswell
Secretary, Board of Trustees

Attachment A

Application



KE Andrews
1900 Dalrock Road
Rowlett, Texas 75088

March 15, 2019

Mr. Tom Siler
cc. Texas Comptroller of Public Accounts
210 Jefferson St.
Bronte, TX 76933

Re: Application for Texas Property Tax Code Section 313 Value Limitation Agreement

Dear Mr. Tom Siler:

Please find attached an application for a Section 313 Value Limitation Agreement. On behalf of our client, 8minutenergy Renewables, LLC and in accordance with the guidelines and principles outlined in Section 313 of the Texas Property Tax Code, it is our request that Bronte ISD consider the approval of a Section 313 Value Limitation Agreement. The approval of this agreement would undoubtedly prove beneficial to the economic development of Runnels County and Bronte ISD as well as the viability of 231RC 8me LLC to be located within the state of Texas.

231RC 8me LLC is a 125 MW solar electric generating facility, that when established will provide 2, full-time salary competitive jobs. The project is anticipated to commence in the Fourth Quarter of 2019 and will be fully operational by the Fourth Quarter of 2020.

8minutenergy Renewables LLC is the United States' largest independent solar PV and energy storage developer. Many of the nation's largest and most recognizable solar PV projects have been developed by 8minutenergy Renewables LLC. Driven by their relentless aim to be the best-in-class on levelized cost of energy and storage, 8minuteenergy LLC is focused on the production of reliable energy with consistent long-term pricing. They are dedicated to the future of renewable energy as well as building quality relationships with the stakeholders in the communities they choose to invest in. They are dedicated to the future of renewable energy as well as building quality relationships with the stakeholders in the communities they choose to invest in.

If you have any questions, please feel free to contact me at 469-298-1594 or mike@keatax.com. We look forward to working with you.

Sincerely,

A handwritten signature in cursive script that reads "Mike Fry".

Mike Fry
Director—Energy Services

AUSTIN • DALLAS • DENVER

1900 DALROCK ROAD • ROWLETT, TX 75088 • T (469) 298-1594 • F (469) 298-1595 • keatax.com



231RC 8me LLC

Chapter 313 Application for Appraised Value Limitation to Bronte ISD



Tab 1

Pages 1-9 of the application

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

March 15, 2019

Date Application Received by District

Tim

First Name

Siler

Last Name

Superintendent

Title

Bronte Independent School District

School District Name

210 Jefferson Street Bronte, TX 76933

Street Address

P.O. Box 670 Bronte, TX 76933

Mailing Address

Bronte

City

TX

State

76933

ZIP

325-473-2511

Phone Number

469-298-1595

Fax Number

tim.siler@bronteisd.net

Email Address

Mobile Number (optional)

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)

Dan <small>First Name</small> Partner <small>Title</small> Moak, Casey & Associates <small>Firm Name</small> 512-485-7878 <small>Phone Number</small> Mobile Number (optional)	Casey <small>Last Name</small> 512-482-7888 <small>Fax Number</small> dcasey@moakcasey.com <small>Email Address</small>
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4. On what date did the district determine this application complete? April 22, 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)

Dan <small>First Name</small> Vice President of Tax <small>Title</small> 250 Sutter Street, Suite 600, San Francisco, CA 94108 <small>Street Address</small> 250 Sutter Street, Suite 600 <small>Mailing Address</small> San Francisco <small>City</small> 415-309-5383 <small>Phone Number</small> Mobile Number (optional)	Nelson <small>Last Name</small> 8minutenergy Renewables LLC <small>Organization</small> CA <small>State</small> N/A <small>Fax Number</small> dnelson@8minutenergy.com <small>Business Email Address</small> 94108 <small>ZIP</small>
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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.

Tristan <small>First Name</small> Vice President of Tax <small>Title</small> 250 Sutter Street, Suite 600, San Francisco, CA 94108 <small>Street Address</small> 250 Sutter Street, Suite 600 <small>Mailing Address</small> San Francisco <small>City</small> 415-312-2924 <small>Phone Number</small> Mobile Number (optional)	Cooke <small>Last Name</small> 8minutenergy Renewables LLC <small>Organization</small> CA <small>State</small> N/A <small>Fax Number</small> tcooke@8minutenergy.com <small>Business Email Address</small> 94108 <small>ZIP</small>
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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)

Mike _____ Fry _____
 First Name Last Name
 Director--Energy Services _____
 Title
 KE Andrews _____
 Firm Name
 469-298-1594 _____ 469-331-1357 _____
 Phone Number Fax Number
 mike@keatax.com _____
 Business Email Address

SECTION 3: Fees and Payments

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

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

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

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

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

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? _____ 231RC 8ME LLC _____
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) _____ 32068174898 _____
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:

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

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

- 1. Application approval by school board September 1, 2019
- 2. Commencement of construction Q4 2019
- 3. Beginning of qualifying time period Q1 2020
- 4. First year of limitation Q1 2021
- 5. Begin hiring new employees Q3 2020
- 6. Commencement of commercial operations Q4 2020
- 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (*date your application is finally determined to be complete*)? Yes No
Note: Improvements made before that time may not be considered qualified property.
- 8. When do you anticipate the new buildings or improvements will be placed in service? Q4 2020

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Runnels County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Runnels 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: Runnels County, .615188 (100%) City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: North Runnels Hospital, .381 (100%) Water District: Lipan-Kickapoo Water, .0103 (100%)
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (*describe*): Valley Creek Wtr.Ctrl.Dis., .0103 (3%) Other (*describe*): N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
- 5. Is the project located entirely within the ISD listed in Section 1? Yes No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
- 6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
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? See Tab 16

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): \$ 189,950.00
- 5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
- 6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): \$ 0.00

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

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2018
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 2
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 a. Average weekly wage for all jobs (all industries) in the county is 681.75
 b. 110% of the average weekly wage for manufacturing jobs in the county is 930.05
 c. 110% of the average weekly wage for manufacturing jobs in the region is 934.53
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? 48,595.80
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 48,595.80
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 Application Fee

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--N/A



Tab 4

Detailed Description of the Project

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.

In compliance with the criteria and guidelines set forth in Title 3, Chapter 313 of the Texas Property Tax Code, 231RC 8me LLC requests an appraised value limitation from Bronte Independent School District. 8minutenergy Renewables, LLC is proposing to construct a solar electric generating facility in Runnels County. The facility, which will encompass 2,935 acres across 19 parcels of land, will be located in the northwestern portion of the county. Additionally, the entirety of the project will be within Bronte ISD. Please find attached in Tab 11 maps that further define the location of the facility.

The facility itself is expected to have a total capacity of 125 MW and will feature 440,000 photovoltaic panels, 38 central inverters, and feet of generation transmission tie line. Construction is anticipated to commence in the Fourth Quarter of 2019. The hiring of new employees will begin in the Third Quarter of 2020. Construction is projected to be complete by Fourth Quarter of 2020, when the plant will also be fully operational.

231RC 8me LLC requests that this application includes but is not limited to the following components of this project:

- Solar Modules & Panels
- Inverter Boxes
- Meteorological Equipment
- Operation & Maintenance Building
- Electrical Substations
- Associated Towers
- Racking & Mounting Structures
- Combiner Boxes
- Foundations
- Roadways, Paving, & Fencing
- Generation Transmission Tie Line
- Interconnection Facilities

231RC 8me LLC is a solar energy project managed by 8minutenergy Renewables, LLC. Their mission is to make solar energy abundant and be a leader in lowering the cost of dispatchable solar PV. 8minutenergy Renewables, LLC is a privately held company focused on producing reliable solar energy with consistent long-term pricing with over 7,500 MW under development, 8minutenergy Renewables, LLC is eager to continue their development of projects within the United States. Their team of experienced professionals are committed to building quality stakeholder relationships in the communities they choose to invest.



Tab 5

Limitation as a Determining Factor

Currently, 8minutenergy Renewables, LLC is considering a variety of other locations for 225DD 8me LLC but believes Runnels County, Texas, would be an ideal location for this solar facility. Due to the national footprint of 8minutenergy Renewables, LLC, there are locations across the world and other parts of the United States being evaluated for the establishment of this solar facility. In the event a 313 agreement is not permitted, 8minutenergy Renewables, LLC will relocate 225DD 8me LLC to another area more financially viable for the continuation of this project. Additional sites being evaluated for the establishment of this facility include locations throughout California where 8minutenergy Renewables, LLC is actively developing and managing additional projects. Failure to reach a 313 value-limitation agreement would unfortunately dismiss Bronte ISD and Runnels County from receiving the economic benefits associated with the development of a solar facility within their county. Therefore, it is our goal to reach a 313 value-limitation agreement for 225DD 8me LLC for the benefit of all parties.

225DD 8me LLC is a solar energy project managed by 8minutenergy Renewables, LLC. Their mission is to make solar energy abundant and be a leader in lowering the cost of dispatchable solar PV. 8minutenergy Renewables, LLC is a privately held company focused on producing reliable solar energy with consistent long-term pricing with over 7,500 MW under development, 8minutenergy Renewables, LLC is eager to continue their development of projects within the United States. Their team of experienced professionals are committed to building quality stakeholder relationships in the communities they choose to invest.

8minutenergy Renewables, LLC is the United States' largest independent solar PV and energy storage developer. Many of the nation's largest and most recognizable solar PV projects have been developed by 8minutenergy Renewables LLC, including Mount Signal Solar Farm in California, one of the world's largest solar facility.

8minutenergy Renewables, LLC is always evaluating various solar projects for development and where to commit substantial long-term investment based on economic rate of return on investment in the proposed projects. The economic benefits provided by a Chapter 313 Value Limitation is one of the most important components in their analysis.

Not only 8minutenergy Renewables, LLC, but all prudent renewable energy developers, know tax incentives play an important role in attracting capital intensive energy facilities due to the high property tax burden in Texas. Because of the direct impact on any proposed project's economic viability, the decision to invest in Texas, or any other state, requires any capital investment by 8minutenergy Renewables, LLC to be based on expected economic return on their investment.

Property tax liabilities compose a substantial ongoing cost of operation that directly impacts the rate of return on the investment for 225DD 8me LLC. Therefore, without the 313 Value



Limitation tax incentive, the economics of this project could be less competitive with other capital-intensive projects and the viability of the proposed project becomes uncertain. 8minutenergy Renewables, LLC evaluates the economic viability of proposed projects through Discounted Cash Flow models (DCF), comparing the proposed project's rate of return with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. To move forward, the model must show a rate of return where the project, with the valuation limitation agreement, would exceed the minimum rate of return required to proceed with the proposed investment. Therefore, receiving a value limitation agreement under Chapter 313 results in significant annual operating cost savings which would incentivize 8minutenergy Renewables, LLC to invest capital in the proposed project rather than making an alternative investment. This makes the ability to enter into a Chapter 313 appraised value limitation agreement with the school district "the determining factor" to invest in this project.



Tab 6

Taxing Jurisdiction	Percentage of Project located within Jurisdiction	Tax Rate
Runnels County	100%	0.6152
Bronte ISD	100%	1.0800
North Runnels Hospital	100%	0.3810
Valley Creek Water Control District	3%	0.0103
Lipan-Kickapoo Water District	100%	0.0103



Tab 7

Description of Qualified Investment

231RC 8me LLC is a proposed solar electric generating facility anticipated to be established in Runnels County, Texas. The facility, which will encompass 2,935 acres across 19 parcels of land, will be located in the northwestern portion of the county. Additionally, the entirety of the project will be within Bronte ISD. Please find attached in Tab 11 maps that further define the location of the facility.

The facility itself is expected to have a total capacity of 125 MW and will feature 440,000 photovoltaic panels, 38 central inverters, and feet of generation transmission tie line. Construction is anticipated to commence in the Fourth Quarter of 2019. The hiring of new employees will begin in the Third Quarter of 2020. Construction is projected to be complete by Fourth Quarter of 2020, when the plant will also be fully operational.

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- Meteorological Equipment
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- Electrical Substations
- Associated Towers
- Racking & Mounting Structures
- Combiner Boxes
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- Roadways, Paving, & Fencing
- Generation Transmission Tie Line
- Interconnection Facilities

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Tab 8

Description of Qualified Property

231RC 8me LLC is a proposed solar electric generating facility anticipated to be established in Runnels County, Texas. The facility, which will encompass 2,935 acres across 19 parcels of land, will be located in the northwestern portion of the county. Additionally, the entirety of the project will be within Bronte ISD. Please find attached in Tab 11 maps that further define the location of the facility.

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231RC 8me LLC requests that this application includes but is not limited to the following components of this project:

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Tab 9

Description of Land: the proceeding chart is a description of the leased parcels for 231RC 8me LLC.

Property ID	Owner Name	Legal	Acreage
R000000465	FARRIS W B III	BURNET CO, AB: 19, SU: 271	100.00
R000001902	PRUITT BRUCE A	G H & H RR, AB: 216, SU: 803	311.40
R000020721	FARRIS W B III/JANICE	J A YEARY, AB: 570, SU: 273	403.80
R000000383	FARRIS W B III/JANICE	BURNET CO, AB: 19, SU: 271	100.00
R000023440	FARRIS W B III	J A YEARY, AB: 570, SU: 273	150.00
R000021155	FARRIS W B III	BRIAN & WALL, AB: 49, SU: 272	56.85
R000022856	TIDWELL THERON KIRK/REBECCA A	G H & H RR, AB: 217, SU: 80	389.51
R000020715	TIDWELL KIRK	G W PERRYMAN, AB: 973, SU: 802	320.00
R000001904	SEAGO GREGORY	G H & H RR, AB: 216, SU: 803, UND INT: 50%	77.25
R000005787	SEAGO GREGORY	G W PERRYMAN, AB: 973, SU: 802	95.00
R000005789	SEAGO GREGORY	G W PERRYMAN, AB: 973, SU: 802, UND INT: 50%	2.50
R000001905	SEAGO JAMES	G H & H RR, AB: 216, SU: 803, UND INT: 50%	77.25
R000013700	SEAGO JAMES	G W PERRYMAN, AB: 973, SU: 802, UND INT: 50%	95.00
R000013701	SEAGO JAMES	G W PERRYMAN, AB: 973, SU: 802, UND INT: 50%	2.50
R000001901	BERTELSON JASEN/STACY	G H & H RR, AB: 216, SU: 803	147.00
R000021687	BERTELSON JASEN/STACY	J A YEARY, AB: 570, SU: 273	141.00
R000023421	BERTELSON JASEN/STACY	G H & H RR, AB: 216, SU: 803	3.60
R000005868	BERTELSON JASEN/STACY	G W FOOSHEE, AB: 997, SU: 4 1/2	61.90
R000021147	GREEN SUSAN B ETAL	BURNET CO, AB: 19, SU: 271	400.00

TOTAL ACREAGE:**2,934.56**



Tab 10

Description of Existing Improvement

The total value of existing improvements is \$189,950. Please find attached further information detailing the improvements. Note: the existing improvements are not a part of 231RC 8me, LLC.

RUNNELS COUNTY APPRAISAL DISTRICT

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Property Year 2018

Information Updated 3/7/2019

Property ID: R000013700 Geo ID: 00973.0802.00403

Property Details

Ownership

SEAGO JAMES
2118 COUNTY ROAD 26
LAMESA, TX 79331
Ownership Interest: 0.5000000
G-1 SM-11

Available Actions

Qualified Exemptions

Not Applicable

Legal Information

Legal: Acres: 5.000, G W PERRYMAN, AB: 973, SU: 802, UND INT: 50%
Situs: 214 0

Property Valuation History

Values by Year		2018	2017	2016	2015	2014	n/a
Improvements	+	\$30,330	\$27,840	\$27,250	\$27,250	\$27,250	\$0
Land	+	\$4,500	\$4,120	\$4,000	\$4,000	\$4,000	\$0
Production Market	+	\$0	\$0	\$0	\$0	\$0	\$0
Personal	+	\$0	\$0	\$0	\$0	\$0	\$0
Mineral	+	\$0	\$0	\$0	\$0	\$0	\$0
Total Market	=	\$34,830	\$31,960	\$31,250	\$31,250	\$31,250	\$0
Agricultural Loss	-	\$0	\$0	\$0	\$0	\$0	\$0
Homestead Cap Loss	-	\$0	\$0	\$0	\$0	\$0	\$0
Total Assessed	=	\$34,830	\$31,960	\$31,250	\$31,250	\$31,250	\$0

Improvement / Buildings Improvement Value: \$30,330

Group Sequence	Code	Building Description	Year Built	Square Footage	Perimeter Footage
101	RES			1,452	
102	CPF4			360	
103	APF4			288	

Land Details Market Value: \$4,500 Production Market Value: \$0 Production Value: \$0

Land Code	Acres	Sq. Ft.	Front Ft.	Rear Ft.	Depth	Mkt. Value	Prd. Value
SP1	1.000	43,560	0	0		850	0

Deed History

Sold By	Volume	Page	Deed Date	Instrument
SEAGO GREGORY				n/a

Property Tax Estimation by Entity / Jurisdiction

Code	Description	Taxable Value	Tax Rate per \$100	Tax Factor applied to Taxable Value	Estimated Tax
200	RUNNELS COUNTY	34,830	\$0.615188	0.00615188	\$214.27
36	BRONTE ISD IN RUNNELS COUNTY	34,830	\$1.08	0.0108	\$376.16
H	NORTH RUNNELS HOSPITAL	34,830	\$0.381	0.00381	\$132.70
W	LIPAN-KICKAPOO WATER	34,830	\$0.0103	0.000103	\$3.59
Total Estimation			\$2.086488	0.02086488	\$726.72

The above property tax estimation is not a tax bill. Do not pay.

Southwest Data Solutions provides this information "as is" without warranty of any kind.
Southwest Data Solutions is not responsible for any errors or omissions.

RUNNELS COUNTY APPRAISAL DISTRICT

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Property Year 2018

Information Updated 3/7/2019

Property ID: R000005789 Geo ID: 00973.0802.00401

Property Details

Ownership

Available Actions

SEAGO GREGORY
PO BOX 243
CLYDE, TX 79510
Ownership Interest: 0.5000000
G-1 SM-10

Qualified Exemptions

Not Applicable

Legal Information

Legal: Acres: 5.000, G W PERRYMAN, AB: 973, SU: 802, UND INT: 50%
Situs: 214 0

Property Valuation History

Values by Year		2018	2017	2016	2015	2014	n/a
Improvements	+	\$30,330	\$27,840	\$27,250	\$27,250	\$27,250	\$0
Land	+	\$4,500	\$4,120	\$4,000	\$4,000	\$4,000	\$0
Production Market	+	\$0	\$0	\$0	\$0	\$0	\$0
Personal	+	\$0	\$0	\$0	\$0	\$0	\$0
Mineral	+	\$0	\$0	\$0	\$0	\$0	\$0
Total Market	=	\$34,830	\$31,960	\$31,250	\$31,250	\$31,250	\$0
Agricultural Loss	-	\$0	\$0	\$0	\$0	\$0	\$0
Homestead Cap Loss	-	\$0	\$0	\$0	\$0	\$0	\$0
Total Assessed	=	\$34,830	\$31,960	\$31,250	\$31,250	\$31,250	\$0

Improvement / Buildings *Improvement Value: \$30,330*

Group Sequence	Code	Building Description	Year Built	Square Footage	Perimeter Footage
----------------	------	----------------------	------------	----------------	-------------------

Land Details *Market Value: \$4,500 Production Market Value: \$0 Production Value: \$0*

Land Code	Acres	Sq. Ft.	Front Ft.	Rear Ft.	Depth	Mkt. Value	Prd. Value
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Deed History

Sold By	Volume	Page	Deed Date	Instrument
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GENTRY NORMA JEAN

n/a

Property Tax Estimation by Entity / Jurisdiction

Code	Description	Taxable Value	Tax Rate per \$100	Tax Factor applied to Taxable Value	Estimated Tax
200	RUNNELS COUNTY	34,830	\$0.615188	0.00615188	\$214.27
36	BRONTE ISD IN RUNNELS COUNTY	34,830	\$1.08	0.0108	\$376.16
H	NORTH RUNNELS HOSPITAL	34,830	\$0.381	0.00381	\$132.70
W	LIPAN-KICKAPOO WATER	34,830	\$0.0103	0.000103	\$3.59
Total Estimation			\$2.086488	0.02086488	\$726.72

The above property tax estimation is not a tax bill. Do not pay.

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RUNNELS COUNTY APPRAISAL DISTRICT

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Property Year 2018

Information Updated 3/7/2019

Property ID: R000005868 Geo ID: 00997.0004.00100

Property Details

Ownership

Available Actions

BERTELSON JASEN/STACY

6018 WINNERS CIR
SAN ANGELO, TX 76904

Ownership Interest: 1.0000000

F-3 SM-6

Qualified Exemptions

Not Applicable

Legal Information

Legal: Acres: 61.900, G W FOOSHEE, AB: 997, SU: 4 1/2

Situs: 371 0

Property Valuation History

Values by Year		2018	2017	2016	2015	2014	n/a
Improvements	+	\$5,550	\$640	\$640	\$640	\$640	\$0
Land	+	\$2,600	\$0	\$0	\$0	\$0	\$0
Production Market	+	\$78,280	\$75,590	\$73,390	\$78,100	\$78,100	\$0
Personal	+	\$0	\$0	\$0	\$0	\$0	\$0
Mineral	+	\$0	\$0	\$0	\$0	\$0	\$0
Total Market	=	\$86,430	\$76,230	\$74,030	\$78,740	\$78,740	\$0
Agricultural Loss	-	\$71,480	\$70,060	\$67,790	\$71,850	\$71,850	\$0
Homestead Cap Loss	-	\$0	\$0	\$0	\$0	\$0	\$0
Total Assessed	=	\$14,950	\$6,170	\$6,240	\$6,890	\$6,890	\$0

Improvement / Buildings Improvement Value: \$5,550

Group Sequence	Code	Building Description	Year Built	Square Footage	Perimeter Footage
101	RES	RESIDENCE		544	100
102	SHED1	SHED		414	92
103	SEA2	SEA CONTAINER-LARGE		320	96
104	CPF2	COVERED PORCH FRAME		16	16

Land Details Market Value: \$2,600 Production Market Value: \$78,280 Production Value: \$6,800

Land Code	Acres	Sq. Ft.	Front Ft.	Rear Ft.	Depth	Mkt. Value	Prd. Value
FC	17.900	779,724	0	0		22,375	3,295
NPC	43.000	1,873,080	0	0		55,900	3,500
ST250	1.000	43,560	0	0		2,600	0

Deed History

Sold By	Volume	Page	Deed Date	Instrument
Property Tax Estimation by Entity / Jurisdiction				

Code	Description	Taxable Value	Tax Rate per \$100	Tax Factor applied to Taxable Value	Estimated Tax
200	RUNNELS COUNTY	14,950	\$0.615188	0.00615188	\$91.97
36	BRONTE ISD IN RUNNELS COUNTY	14,950	\$1.08	0.0108	\$161.46
H	NORTH RUNNELS HOSPITAL	14,950	\$0.381	0.00381	\$56.96
W	LIPAN-KICKAPOO WATER	14,950	\$0.0103	0.000103	\$1.54
Total Estimation			\$2.086488	0.02086488	\$311.93

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RUNNELS COUNTY APPRAISAL DISTRICT

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Property Year 2018

Information Updated 3/7/2019

Property ID: R000020715 Geo ID: 00973.0802.00101

Property Details

Ownership

Available Actions

TIDWELL KIRK

TIDWELL JAMES
902 MESQUITE ST
BRONTE, TX 76933

Ownership Interest: 1.0000000

G-1 SM-11

Qualified Exemptions

Not Applicable

Legal Information

Legal: Acres: 320.000, G W PERRYMAN, AB: 973, SU: 802

Situs: 214 2416

Property Valuation History

Values by Year		2018	2017	2016	2015	2014	n/a
Improvements	+	\$52,510	\$43,860	\$42,150	\$42,150	\$46,400	\$0
Land	+	\$2,100	\$2,060	\$2,000	\$2,000	\$2,000	\$0
Production Market	+	\$417,880	\$403,250	\$391,500	\$391,500	\$391,500	\$0
Personal	+	\$0	\$0	\$0	\$0	\$0	\$0
Mineral	+	\$0	\$0	\$0	\$0	\$0	\$0
Total Market	=	\$472,490	\$449,170	\$435,650	\$435,650	\$439,900	\$0
Agricultural Loss	-	\$379,590	\$365,840	\$359,330	\$359,330	\$359,330	\$0
Homestead Cap Loss	-	\$0	\$0	\$0	\$0	\$0	\$0
Total Assessed	=	\$92,900	\$83,330	\$76,320	\$76,320	\$80,570	\$0

Improvement / Buildings Improvement Value: \$52,510

Group Sequence	Code	Building Description	Year Built	Square Footage	Perimeter Footage
1	RES	RESIDENCE	1980	560	132
2	CVTG	CANOPY NO CONC TIN	1980	784	140
3	ADDN	ADDITION	1980	840	142
4	CVTB	CANOPY NO CONC TIN	1980	1,120	152
5	CVTA	CANOPY NO CONC TIN	1980	168	52
6	SEA1	SEA CONTAINER-SMALL	2013	0	
7	SWP 6	SWIMMING POOL AIR COND	2013	1	

Land Details Market Value: \$2,100 Production Market Value: \$417,880 Production Value: \$38,290

Land Code	Acres	Sq. Ft.	Front Ft.	Rear Ft.	Depth	Mkt. Value	Prd. Value
SP150	1.000	43,560	0	0		2,100	0
FB	136.000	5,924,160	0	0		173,400	25,038
IFC	64.000	2,787,840	0	0		89,600	11,782
NPB	18.000	784,080	0	0		23,580	1,465
NPC	101.000	4,399,560	0	0		131,300	0

Deed History

Sold By	Volume	Page	Deed Date	Instrument
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Property Tax Estimation by Entity / Jurisdiction

Code	Description	Taxable Value	Tax Rate per \$100	Tax Factor applied to Taxable Value	Estimated Tax
200	RUNNELS COUNTY	92,900	\$0.615188	0.00615188	\$571.51
36	BRONTE ISD IN RUNNELS COUNTY	92,900	\$1.08	0.0108	\$1,003.32
H	NORTH RUNNELS HOSPITAL	92,900	\$0.381	0.00381	\$353.95
W	LIPAN-KICKAPOO WATER	92,900	\$0.0103	0.000103	\$9.57
Total Estimation			\$2.086488	0.02086488	\$1,938.35

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RUNNELS COUNTY APPRAISAL DISTRICT

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Property Year 2018

Information Updated 3/7/2019

Property ID: R000020721 Geo ID: 00570.0273.00101

Property Details

Ownership

Available Actions

FARRIS W B III/JANICE

5362 ATLANTIC RD
SAN ANGELO, TX 76903

Ownership Interest: 1.0000000

G-2 SM-11

Qualified Exemptions

Not Applicable

Legal Information

Legal: Acres: 403.800, J A YEARY, AB: 570, SU: 273

Situs: 371 2002

Property Valuation History

Values by Year		2018	2017	2016	2015	2014	n/a
Improvements	+	\$38,090	\$29,340	\$28,860	\$28,860	\$28,860	\$0
Land	+	\$1,800	\$1,650	\$1,600	\$1,600	\$1,600	\$0
Production Market	+	\$514,770	\$489,110	\$474,860	\$474,860	\$474,860	\$0
Personal	+	\$0	\$0	\$0	\$0	\$0	\$0
Mineral	+	\$0	\$0	\$0	\$0	\$0	\$0
Total Market	=	\$554,660	\$520,100	\$505,320	\$505,320	\$505,320	\$0
Agricultural Loss	-	\$462,980	\$445,070	\$433,760	\$433,760	\$433,760	\$0
Homestead Cap Loss	-	\$0	\$0	\$0	\$0	\$0	\$0
Total Assessed	=	\$91,680	\$75,030	\$71,560	\$71,560	\$71,560	\$0

Improvement / Buildings Improvement Value: \$38,090

Group Sequence	Code	Building Description	Year Built	Square Footage	Perimeter Footage
1	RES	RESIDENCE	1945	834	134
2	CPF2	COVERED PORCH FRAME	1945	140	54
3	CPF2	COVERED PORCH FRAME	1945	24	22
4	CVTB	CANOPY NO CONC TIN	2003	576	96
5	SHED2	SHED	2003	1,530	158
6	SHED2	SHED	1945	1,632	164
7	CVTB	CANOPY NO CONC TIN	1945	64	32
8	SHED1	SHED	1945	1,096	140
9	STG3	STORAGE GOOD	1945	64	32
10	SHED1	SHED	1945	888	132

Land Details Market Value: \$1,800 Production Market Value: \$514,770 Production Value: \$51,790

Land Code	Acres	Sq. Ft.	Front Ft.	Rear Ft.	Depth	Mkt. Value	Prd. Value
SP1	1.000	43,560	0	0		1,800	0
FC	170.000	7,405,200	0	0		212,500	31,297
NPC	217.800	9,487,368	0	0		283,140	17,729
FB	15.000	653,400	0	0		19,125	2,762

Deed History

Sold By	Volume	Page	Deed Date	Instrument
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Property Tax Estimation by Entity / Jurisdiction

Code	Description	Taxable Value	Tax Rate per \$100	Tax Factor applied to Taxable Value	Estimated Tax
200	RUNNELS COUNTY	91,680	\$0.615188	0.00615188	\$564.00
36	BRONTE ISD IN RUNNELS COUNTY	91,680	\$1.08	0.0108	\$990.14
H	NORTH RUNNELS HOSPITAL	91,680	\$0.381	0.00381	\$349.30
W	LIPAN-KICKAPOO WATER	91,680	\$0.0103	0.000103	\$9.44
Total Estimation			\$2.086488	0.02086488	\$1,912.88

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RUNNELS COUNTY

APPRAISAL DISTRICT

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Property Year 2018

Information Updated 3/7/2019

Property ID: R000021147 Geo ID: 00019.0271.03100

Property Details

Ownership

GREEN SUSAN B ETAL
 2500 LINCOLN DR
 ABILENE, TX 79601
 Ownership Interest: 1.0000000
 G-3 SM-7

Available Actions

Qualified Exemptions

Not Applicable

Legal Information

Legal: Acres: 400.000, BURNET CO, AB: 19, SU: 271
 Situs: 372 1017

Property Valuation History

Values by Year		2018	2017	2016	2015	2014	n/a
Improvements	+	\$5,090	\$4,380	\$4,380	\$4,380	\$4,380	\$0
Land	+	\$1,450	\$1,340	\$1,300	\$1,300	\$1,300	\$0
Production Market	+	\$516,270	\$485,750	\$471,600	\$471,600	\$471,600	\$0
Personal	+	\$0	\$0	\$0	\$0	\$0	\$0
Mineral	+	\$0	\$0	\$0	\$0	\$0	\$0
Total Market	=	\$522,810	\$491,470	\$477,280	\$477,280	\$477,280	\$0
Agricultural Loss	-	\$467,870	\$445,270	\$432,710	\$432,710	\$432,710	\$0
Homestead Cap Loss	-	\$0	\$0	\$0	\$0	\$0	\$0
Total Assessed	=	\$54,940	\$46,200	\$44,570	\$44,570	\$44,570	\$0

Improvement / Buildings Improvement Value: \$5,090

Group Sequence	Code	Building Description	Year Built	Square Footage	Perimeter Footage
1	BARN1	BARN		600	100
2	SHED1	SHED		300	80
3	SEA2	SEA CONTAINER-LARGE		320	96
4	SEA2	SEA CONTAINER-LARGE		320	96

Land Details Market Value: \$1,450 Production Market Value: \$516,270 Production Value: \$48,400

Land Code	Acres	Sq. Ft.	Front Ft.	Rear Ft.	Depth	Mkt. Value	Prd. Value
FB	155.000	6,751,800	0	0		197,625	28,536
NPB	144.000	6,272,640	0	0		188,640	11,722
NPC	100.000	4,356,000	0	0		130,000	8,140
SP100	1.000	43,560	0	0		1,450	0

Deed History

Sold By	Volume	Page	Deed Date	Instrument
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Property Tax Estimation by Entity / Jurisdiction

Code	Description	Taxable Value	Tax Rate per \$100	Tax Factor applied to Taxable Value	Estimated Tax
200	RUNNELS COUNTY	54,940	\$0.615188	0.00615188	\$337.98
36	BRONTE ISD IN RUNNELS COUNTY	54,940	\$1.08	0.0108	\$593.35
H	NORTH RUNNELS HOSPITAL	54,940	\$0.381	0.00381	\$209.32
W	LIPAN-KICKAPOO WATER	54,940	\$0.0103	0.000103	\$5.66
Total Estimation			\$2.086488	0.02086488	\$1,146.31

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RUNNELS COUNTY

APPRAISAL DISTRICT

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Property Year 2018

Information Updated 3/7/2019

Property ID: R000021155 Geo ID: 00049.0272.00100

Property Details

Ownership

FARRIS W B III
 5362 ATLANTIC RD
 SAN ANGELO, TX 76903
 Ownership Interest: 1.0000000
 G-2 SM-11

Available Actions

Qualified Exemptions

Not Applicable

Legal Information

Legal: Acres: 56.850, BRIAN & WALL, AB: 49, SU: 272, LABEL: TEX0093284, MAKE: FLEETWOOD HOMES OF TX INC, SERIAL: TXFL1A923123435, MODEL: MHDMAN00000028, MODEL: 14X68, YR: 1984

Situs: 371 0

Property Valuation History

Values by Year		2018	2017	2016	2015	2014	n/a
Improvements	+	\$12,980	\$0	\$0	\$0	\$0	\$0
Land	+	\$2,100	\$0	\$0	\$0	\$0	\$0
Production Market	+	\$72,060	\$70,270	\$68,220	\$68,220	\$68,220	\$0
Personal	+	\$0	\$0	\$0	\$0	\$0	\$0
Mineral	+	\$0	\$0	\$0	\$0	\$0	\$0
Total Market	=	\$87,140	\$70,270	\$68,220	\$68,220	\$68,220	\$0
Agricultural Loss	-	\$65,250	\$64,580	\$62,770	\$62,770	\$62,770	\$0
Homestead Cap Loss	-	\$0	\$0	\$0	\$0	\$0	\$0
Total Assessed	=	\$21,890	\$5,690	\$5,450	\$5,450	\$5,450	\$0

Improvement / Buildings Improvement Value: \$12,980

Group Sequence	Code	Building Description	Year Built	Square Footage	Perimeter Footage
1	CVTA	CANOPY NO CONC TIN		2,304	208
2	MH	MOBILE HOME		952	164
3	DKA	DECK		400	92
4	OPF2	OPEN PORCH FRAME		48	28
5	SWP 3	SWIMMING POOL BTR		1	4

Land Details Market Value: \$2,100 Production Market Value: \$72,060 Production Value: \$6,810

Land Code	Acres	Sq. Ft.	Front Ft.	Rear Ft.	Depth	Mkt. Value	Prd. Value
NPC	33.850	1,474,506	0	0		44,005	2,755
FB	22.000	958,320	0	0		28,050	4,050
SP150	1.000	43,560	0	0		2,100	0

Deed History

Sold By	Volume	Page	Deed Date	Instrument
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Property Tax Estimation by Entity / Jurisdiction

Code	Description	Taxable Value	Tax Rate per \$100	Tax Factor applied to Taxable Value	Estimated Tax
200	RUNNELS COUNTY	21,890	\$0.615188	0.00615188	\$134.66
36	BRONTE ISD IN RUNNELS COUNTY	21,890	\$1.08	0.0108	\$236.41
H	NORTH RUNNELS HOSPITAL	21,890	\$0.381	0.00381	\$83.40
W	LIPAN-KICKAPOO WATER	21,890	\$0.0103	0.000103	\$2.25
Total Estimation			\$2.086488	0.02086488	\$456.72

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RUNNELS COUNTY

APPRAISAL DISTRICT

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Property Year 2018

Information Updated 3/7/2019

Property ID: R000022856 Geo ID: 00217.0805.00303

Property Details

Ownership

Available Actions

TIDWELL THERON KIRK/REBECCA A

516 COUNTY ROAD 21
LAMESA, TX 79331

Ownership Interest: 1.0000000

G-2 SM-11

Qualified Exemptions

Not Applicable

Legal Information

Legal: Acres: 389.510, G H & H RR, AB: 217, SU: 80 **7/17/2012 COMBINED R1909 AND R1910 SEE NOTATIONS

Situs: 214 0

Property Valuation History

Values by Year		2018	2017	2016	2015	2014	n/a
Improvements	+	\$15,070	\$13,320	\$12,940	\$12,940	\$12,940	\$0
Land	+	\$2,100	\$0	\$0	\$0	\$0	\$0
Production Market	+	\$501,190	\$496,670	\$473,400	\$473,400	\$473,400	\$0
Personal	+	\$0	\$0	\$0	\$0	\$0	\$0
Mineral	+	\$0	\$0	\$0	\$0	\$0	\$0
Total Market	=	\$518,360	\$509,990	\$486,340	\$486,340	\$486,340	\$0
Agricultural Loss	-	\$454,160	\$457,770	\$436,110	\$436,110	\$436,110	\$0
Homestead Cap Loss	-	\$0	\$0	\$0	\$0	\$0	\$0
Total Assessed	=	\$64,200	\$52,220	\$50,230	\$50,230	\$50,230	\$0

Improvement / Buildings Improvement Value: \$15,070

Group Sequence	Code	Building Description	Year Built	Square Footage	Perimeter Footage
1	RES	RESIDENCE	1950	1,616	174
2	CPF3	COVERED PORCH FRAME	1950	216	70

Land Details Market Value: \$2,100 Production Market Value: \$501,190 Production Value: \$47,030

Land Code	Acres	Sq. Ft.	Front Ft.	Rear Ft.	Depth	Mkt. Value	Prd. Value
FB	150.000	6,534,000	0	0		191,250	27,615
NPD	238.510	10,389,496	0	0		309,944	19,415
SP150	1.000	43,560	0	0		2,100	0

Deed History

Sold By	Volume	Page	Deed Date	Instrument
GENTRY EUGENE/AILSA FAM TRT/GENTRY J R&RYAN GLENDA	358	712, 716	2/3/2012	278, 279

Property Tax Estimation by Entity / Jurisdiction

Code	Description	Taxable Value	Tax Rate per \$100	Tax Factor applied to Taxable Value	Estimated Tax
200	RUNNELS COUNTY	64,200	\$0.615188	0.00615188	\$394.95
36	BRONTE ISD IN RUNNELS COUNTY	64,200	\$1.08	0.0108	\$693.36
H	NORTH RUNNELS HOSPITAL	64,200	\$0.381	0.00381	\$244.60
W	LIPAN-KICKAPOO WATER	64,200	\$0.0103	0.000103	\$6.61
Total Estimation			\$2.086488	0.02086488	\$1,339.52

The above property tax estimation is not a tax bill. Do not pay.

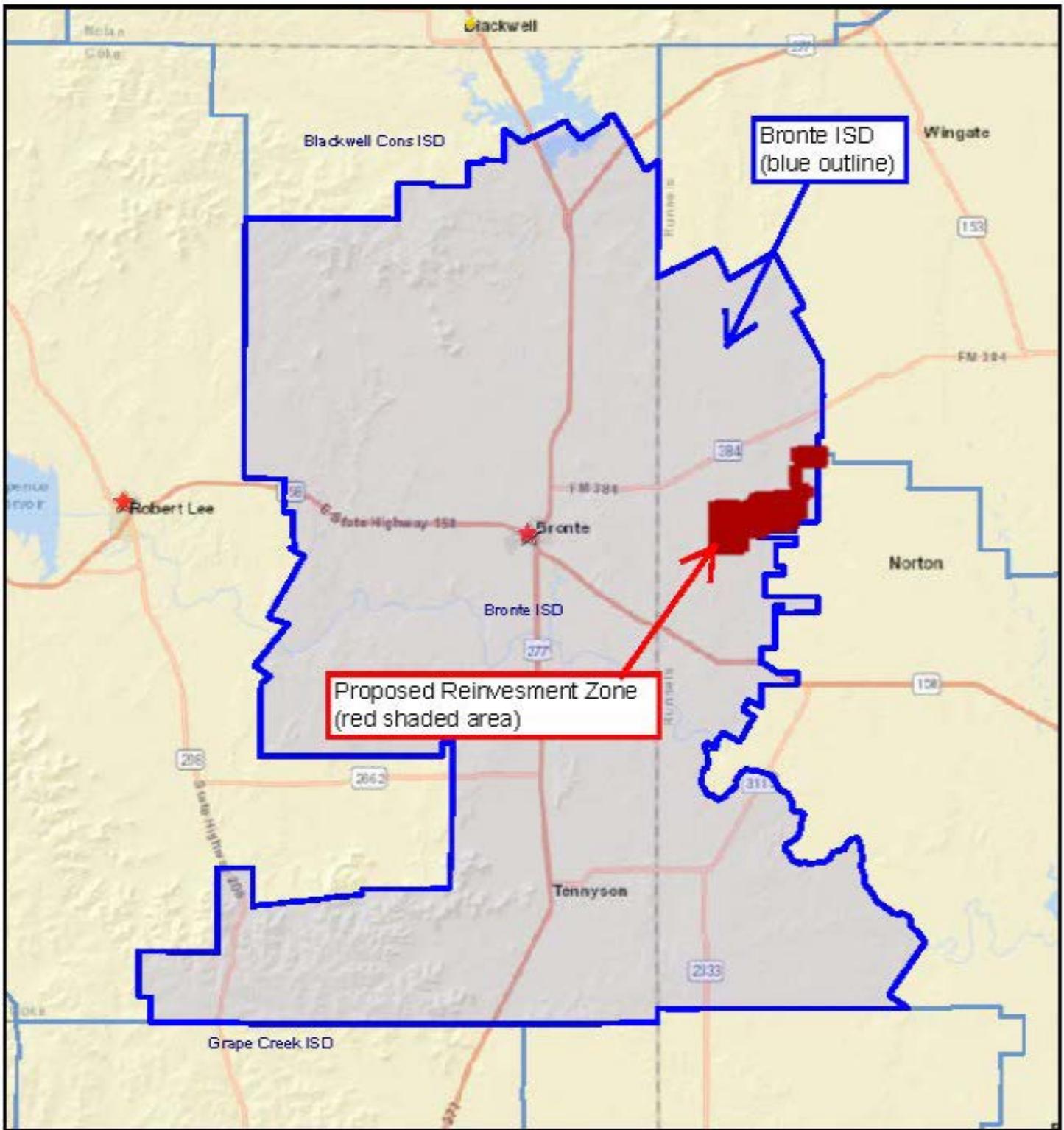
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Tab 11

Maps

Bronte ISD



March 7, 2019

- | | |
|----------------------|--------------------------|
| Current_Schools | ◆ Academy/Charter School |
| ● Elementary School | ◆ Other Schools |
| ■ Middle School | ▭ Texas_Outline |
| ■ Junior High School | ▭ Current_Districts |
| ★ High School | |

Est. HERE, Garmin, MGA, USGS, NPS

Project Boundary

Legend

-  Project Boundary

Project Boundary
(shaded yellow area)



Project Boundary

within Reinvestment Zone

Legend

-  Project Boundary
-  Proposed Reinvestment Zone

384

Project Boundary
(yellow outline)

Proposed Reinvestment Zone
(red area)

383

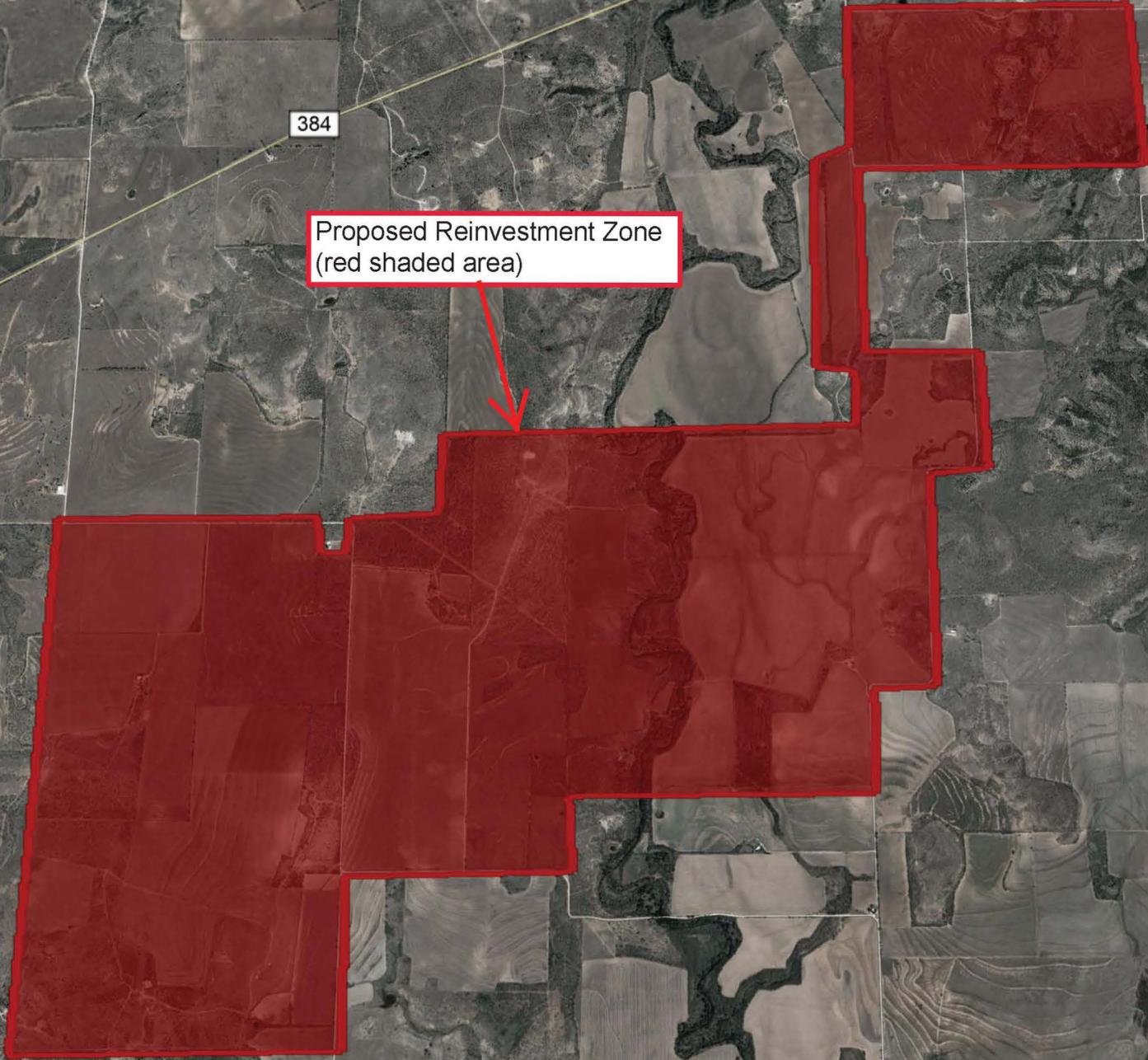


Proposed Reinvestment Zone

Legend
■ Proposed Reinvestment Zone

384

Proposed Reinvestment Zone
(red shaded area)



1 mi

A north arrow pointing upwards and a scale bar labeled '1 mi' are located in the bottom right corner of the map.

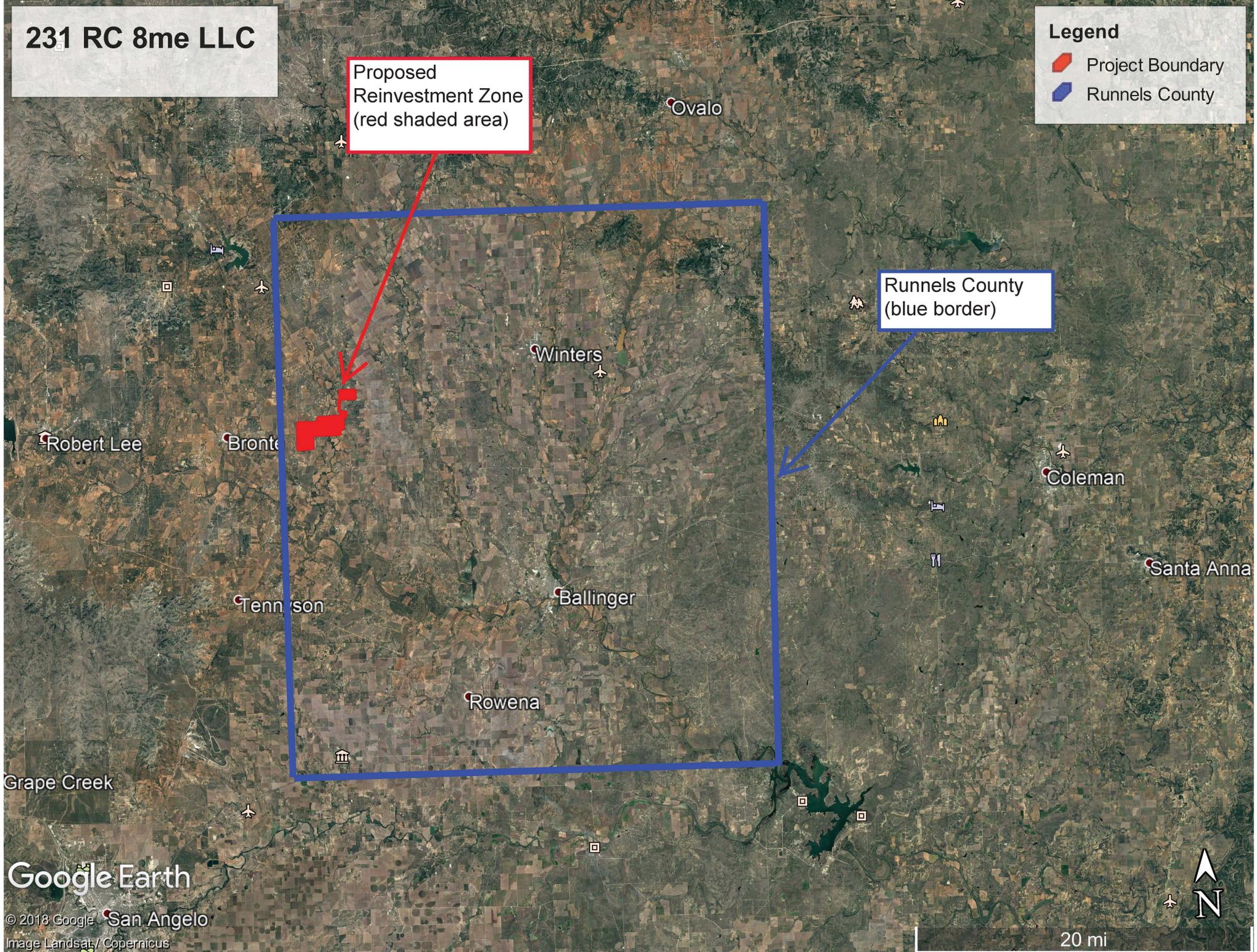
231 RC 8me LLC

Proposed Reinvestment Zone (red shaded area)

Legend

- Project Boundary
- Runnels County

Runnels County (blue border)

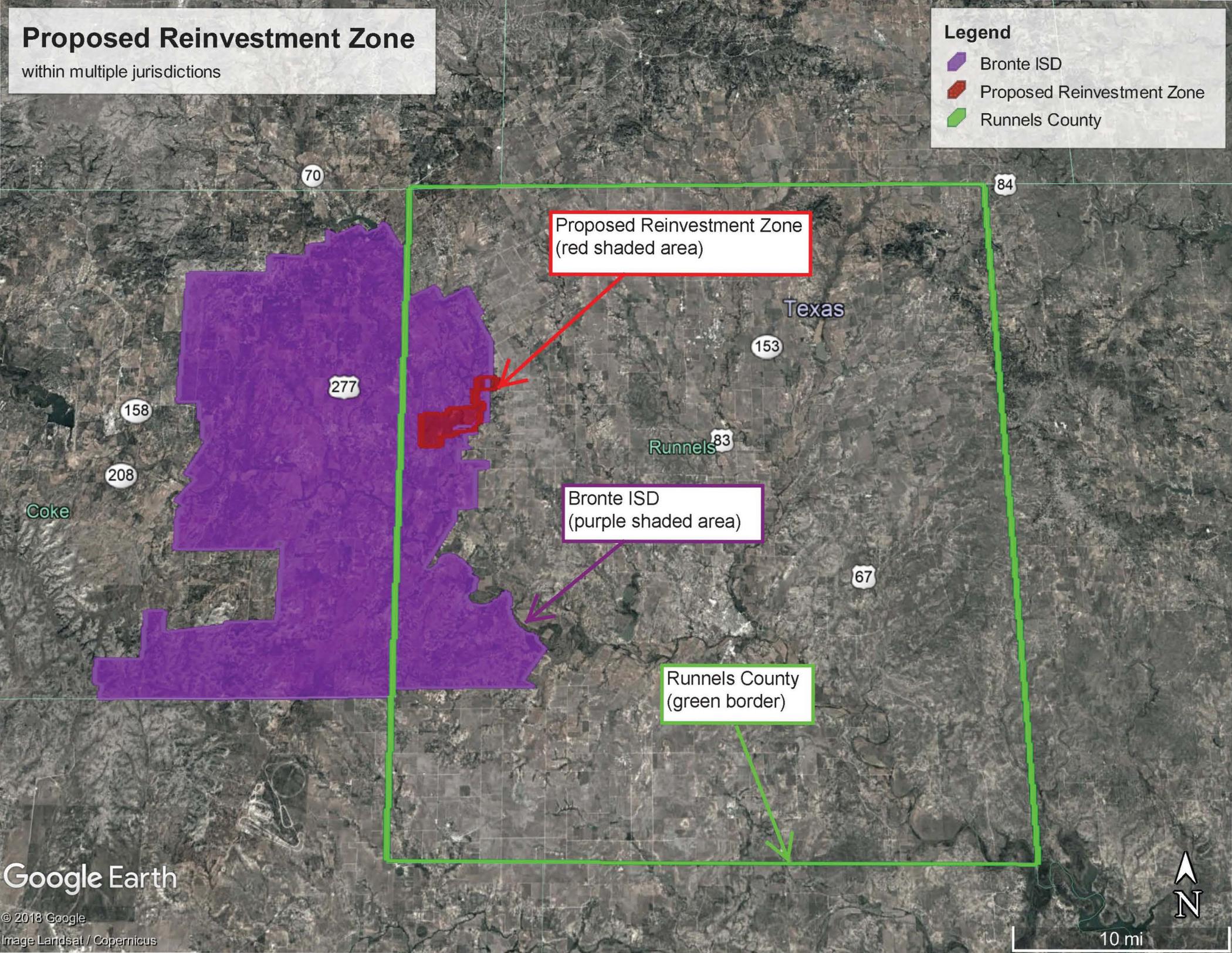


Proposed Reinvestment Zone

within multiple jurisdictions

Legend

-  Bronte ISD
-  Proposed Reinvestment Zone
-  Runnels County



Proposed Reinvestment Zone
(red shaded area)

Bronte ISD
(purple shaded area)

Runnels County
(green border)



Tab 12

Request for Waiver of Job Requirements

Please refer to the proceeding letter attached.



Monday March 11, 2019

Mr. Tom Siler
Bronte ISD
210 Jefferson St.
Bronte, TX

RE: 231RC 8me LLC Chapter 313 Job Waiver Request

Dear Mr. Tom Siler,

8minutenergy Renewables, LLC is requesting that Bronte ISD's Board of Trustees waive the job requirement provision as allowed by Section 313.025 (f-1) of the Texas Tax Code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

8minutenergy Renewables, LLC requests that Bronte ISD makes such finding and waive the job creation requirement for 10 permanent jobs. In line with the current industry standards for job requirements, 231RC 8me LLC has committed to create 2 qualifying jobs in Bronte ISD.

Solar projects create many jobs, both full and part time. Additionally, during the construction phase, solar projects create many temporary jobs; however, after construction is completed solar facilities only require a relatively small number of workers to operate and maintain the plant. The number of jobs 231RC 8me LLC has committed to create is congruent with current industry standards for maintenance and operation of a facility of this capacity. This is evidenced by previously certified limitation agreement applications by solar developers who also requested and were granted a waiver of the job requirements based on the requirement of 1 worker per 75-100 MW.

The permanent employees of a solar facility maintain and service the photovoltaic panels and inverters, underground electrical connections, substations, as well as other infrastructure associated with the safe and reliable operation of the facilities. In addition to onsite employees, there may also be managers and/or technicians who provide support to the facility remotely.

The establishment of 231RC 8me LLC will undoubtedly be beneficial to the economic development of Runnels County and the advancement of renewable energy. Thank you for your consideration of this request. If you have any questions, feel free to contact us.

Sincerely,

Mike Fry, Director—Energy Services

mike@keatax.com



Tab 13

Calculation of Wage Requirements

U.S. Department of Labor—Bureau of Labor Statistics

The proceeding calculations are for the following wage requirements:

Calculation A: Runnels County Average Weekly Wage

Calculation B: 110% of Runnels County Average for Manufacturing Jobs

Calculation C: 110% of West Central Texas Council of Government Regional Manufacturing Wage

Calculation A: Runnels County Average Weekly Wage for all Jobs

Year	Quarter	Average Weekly Wage
2017	Q4	\$695.00
2018	Q1	\$706.00
2018	Q2	\$644.00
2018	Q3	\$682.00
2017- 2018	Q Average	\$681.75

In order to calculate Runnels County Average Weekly Wage for all Jobs, the following calculations were completed:

Quarterly Average Calculation:

Step 1: $\$695.00 + \$706.00 + \$644.00 + \$682.00 = \$2,727.00$

Step 2: $\$2,727.00 / 4 = \681.75

**Calculation B: 110% of Runnels County Average Weekly Wage for Manufacturing Jobs**

Year	Quarter	Average Weekly Wage
2017	Q4	\$781.00
2018	Q1	\$852.00
2018	Q2	\$806.00
2018	Q3	\$943.00
2017- 2018	Q Average	\$845.50
2017- 2018	110 % Q Average	\$930.05

In order to calculate 110% of the Runnels County Average Weekly Wage for Manufacturing Jobs, the following calculations were completed:

110% Quarterly Average Calculation

Step 1: \$781.00+ \$852.00 +\$806.00 + \$943.00 = \$3,382.00

Step 2: \$3,382.00 /4= \$845.50

Step 3 \$845.50 *1.10= **\$930.05**



Calculation C: 110% of West Central Texas Council of Government Regional Manufacturing Wage

2017 West Central Texas Council of Government Regional Annual Wage: \$44,178.00

2017 West Central Texas Council of Government 110% Regional Wage: \$48,595.80 annually or \$934.53 weekly

In order to calculate 110% of the West Central Texas Council of Government Regional Manufacturing Wage the following calculations were completed:

Step 1: $\$44,178.00 * 1.10 = \$48,595.80$

Step 2: $\$48,595.80 / 52 =$ **\$934.53**

*All calculations were completed using the most recent data available from the Bureau of Labor Statistics—data attached



Year	Period	Area	Ownership	Industry	Average Weekly Wage
2017	01	Runnels	Total All	Total, All Industries	697
2017	02	Runnels	Total All	Total, All Industries	627
2017	03	Runnels	Total All	Total, All Industries	662
2017	04	Runnels	Total All	Total, All Industries	695
2018	01	Runnels	Total All	Total, All Industries	706
2018	02	Runnels	Total All	Total, All Industries	644
2018	03	Runnels	Total All	Total, All Industries	682

Year	Period	Area	Ownership	Industry	Average Weekly Wage
2017	01	Runnels	Private	Manufacturing	806
2017	02	Runnels	Private	Manufacturing	733
2017	03	Runnels	Private	Manufacturing	790
2017	04	Runnels	Private	Manufacturing	781
2018	01	Runnels	Private	Manufacturing	852
2018	02	Runnels	Private	Manufacturing	806
2018	03	Runnels	Private	Manufacturing	943



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

COG	Wages	
	Hourly	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-D

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

Date **3/14/2019**
 Applicant Name **231RC 8me LLC**
 ISD Name **Bronte 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 new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district		Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2019	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application	-							
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				\$	-	\$	-	\$
Complete tax years of qualifying time period	QTP1	2020-2021	2020	\$ 137,000,000.00	\$ 500,000.00			\$ 137,500,000.00
	QTP2	2021-2022	2021					\$ -
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 137,000,000.00	\$ 500,000.00			\$ 137,500,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				\$ 137,500,000.00				

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 3/14/2019
 Applicant Name 231RC 8me LLC
 ISD Name Bronte 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 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)	
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1			\$ 137,000,000.00	\$ 500,000.00			\$ 137,500,000.00
	0	2019-2020	2019					\$ -	
	0	2020-2021	2020	\$ 137,000,000.00	\$ 500,000.00			\$ 137,500,000.00	
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				\$ 137,000,000.00	\$ 500,000.00			\$ 137,500,000.00	
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 period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the first row.
 ** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.
 *** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were not captured on Schedule A1.
 For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.
 Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
 Only tangible personal property that is specifically described in the application can become qualified property.
 Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.
 Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.
 Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

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

Date **3/14/2019**
 Applicant Name **231RC 8me LLC**
 ISD Name **Bronte ISD**

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019						
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020						
Value Limitation Period	1	2021-2022	2021	\$ -	\$ 500,000.00	\$ 95,750,000.00	\$ 96,250,000.00	\$ 96,250,000.00	\$ 20,000,000.00
	2	2022-2023	2022	\$ -	\$ 485,000.00	\$ 86,175,000.00	\$ 86,660,000.00	\$ 86,660,000.00	\$ 20,000,000.00
	3	2023-2024	2023	\$ -	\$ 470,000.00	\$ 76,600,000.00	\$ 77,070,000.00	\$ 77,070,000.00	\$ 20,000,000.00
	4	2024-2025	2024	\$ -	\$ 455,000.00	\$ 67,025,000.00	\$ 67,480,000.00	\$ 67,480,000.00	\$ 20,000,000.00
	5	2025-2026	2025	\$ -	\$ 440,000.00	\$ 57,450,000.00	\$ 57,890,000.00	\$ 57,890,000.00	\$ 20,000,000.00
	6	2026-2027	2026	\$ -	\$ 425,000.00	\$ 47,875,000.00	\$ 48,300,000.00	\$ 48,300,000.00	\$ 20,000,000.00
	7	2027-2028	2027	\$ -	\$ 410,000.00	\$ 38,300,000.00	\$ 38,710,000.00	\$ 38,710,000.00	\$ 20,000,000.00
	8	2028-2029	2028	\$ -	\$ 395,000.00	\$ 28,725,000.00	\$ 29,120,000.00	\$ 29,120,000.00	\$ 20,000,000.00
	9	2029-2030	2029	\$ -	\$ 380,000.00	\$ 19,150,000.00	\$ 19,530,000.00	\$ 19,530,000.00	\$ 19,530,000.00
	10	2030-2031	2030	\$ -	\$ 365,000.00	\$ 19,150,000.00	\$ 19,515,000.00	\$ 19,515,000.00	\$ 19,515,000.00
Continue to maintain viable presence	11	2031-2032	2031	\$ -	\$ 350,000.00	\$ 19,150,000.00	\$ 19,500,000.00	\$ 19,500,000.00	\$ 19,500,000.00
	12	2032-2033	2032	\$ -	\$ 335,000.00	\$ 19,150,000.00	\$ 19,485,000.00	\$ 19,485,000.00	\$ 19,485,000.00
	13	2033-2034	2033	\$ -	\$ 320,000.00	\$ 19,150,000.00	\$ 19,470,000.00	\$ 19,470,000.00	\$ 19,470,000.00
	14	2034-2035	2034	\$ -	\$ 305,000.00	\$ 19,150,000.00	\$ 19,455,000.00	\$ 19,455,000.00	\$ 19,455,000.00
	15	2035-2036	2035	\$ -	\$ 290,000.00	\$ 19,150,000.00	\$ 19,440,000.00	\$ 19,440,000.00	\$ 19,440,000.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036	\$ -	\$ 275,000.00	\$ 19,150,000.00	\$ 19,425,000.00	\$ 19,425,000.00	\$ 19,425,000.00
	17	2037-2038	2037	\$ -	\$ 260,000.00	\$ 19,150,000.00	\$ 19,410,000.00	\$ 19,410,000.00	\$ 19,410,000.00
	18	2038-2039	2038	\$ -	\$ 245,000.00	\$ 19,150,000.00	\$ 19,395,000.00	\$ 19,395,000.00	\$ 19,395,000.00
	19	2039-2040	2039	\$ -	\$ 230,000.00	\$ 19,150,000.00	\$ 19,380,000.00	\$ 19,380,000.00	\$ 19,380,000.00
	20	2040-2041	2040	\$ -	\$ 215,000.00	\$ 19,150,000.00	\$ 19,365,000.00	\$ 19,365,000.00	\$ 19,365,000.00
	21	2041-2042	2041	\$ -	\$ 200,000.00	\$ 19,150,000.00	\$ 19,350,000.00	\$ 19,350,000.00	\$ 19,350,000.00
	22	2042-2043	2042	\$ -	\$ 185,000.00	\$ 19,150,000.00	\$ 19,335,000.00	\$ 19,335,000.00	\$ 19,335,000.00
	23	2043-2044	2043	\$ -	\$ 170,000.00	\$ 19,150,000.00	\$ 19,320,000.00	\$ 19,320,000.00	\$ 19,320,000.00
	24	2044-2045	2044	\$ -	\$ 155,000.00	\$ 19,150,000.00	\$ 19,305,000.00	\$ 19,305,000.00	\$ 19,305,000.00
	25	2045-2046	2045	\$ -	\$ 140,000.00	\$ 19,150,000.00	\$ 19,290,000.00	\$ 19,290,000.00	\$ 19,290,000.00

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 **3/14/2019**
 Applicant Name **231RC 8me LLC**
 ISD Name **Bronte ISD**

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				Construction		Non-Qualifying Jobs	Qualifying Jobs	
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period	0	2019-2020	2019	300 FTE	\$ 48,595.80			
Each year prior to start of Value Limitation Period	0	2020-2021	2020	300 FTE	\$ 48,595.80			
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2021-2022	2021				2	\$ 48,595.80
	2	2022-2023	2022				2	\$ 48,595.80
	3	2023-2024	2023				2	\$ 48,595.80
	4	2024-2025	2024				2	\$ 48,595.80
	5	2025-2026	2025				2	\$ 48,595.80
	6	2026-2027	2026				2	\$ 48,595.80
	7	2027-2028	2027				2	\$ 48,595.80
	8	2028-2029	2028				2	\$ 48,595.80
	9	2029-2030	2029				2	\$ 48,595.80
10	2030-2031	2030				2	\$ 48,595.80	
Years Following Value Limitation Period	11 through 25	2031-2045	2031-2045				2	\$ 48,595.80

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 **3/14/2019**
 Applicant Name **231RC 8me LLC**
 ISD Name **Bronte ISD**

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 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: Runnels County	2021	2021-2030	\$ 331,593.00	80%	\$ 66,318.60
	City:					
	Other: Runnels County Hospital District	2021	2021-2030	\$ 205,359.00	80%	\$ 41,071.80
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				\$ 536,952.00	80%	\$ 107,390.40

Additional information on incentives for this project:



Tab 15

Economic Impact Study



Tab 16

Description of Reinvestment Zone

231RC 8me LLC is to be located within a proposed reinvestment zone. The adoption of this measure will not be complete until Bronte ISD or Runnels County creates and designates the reinvestment zone. At this time, Runnels County will most likely designate the zone sometime within 2nd fiscal quarter of 2019. Once established, the order, resolution, or ordinance creating the reinvestment zone will be submitted to the Texas Comptroller.

**Runnels
County State of
Texas**

Tax Abatement Guidelines and Criteria

The purpose of this document is to establish guidelines, and a uniform policy of tax abatement for owners or lessees of eligible facilities willing to execute tax abatement contracts designed to provide long term significant positive economic impact to the community by utilizing the area contractors and work force to the maximum extent feasible, and by developing, redeveloping, and improving property.

In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

1. Must be reasonably expected to have an increase in positive net economic benefit to Runnels County of at least Ten Million Dollars (\$10,000,000.00) over the life of the abatement, computed to include (but not limited to) new sustaining payroll and /or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
2. Must not be expected to solely or primarily have the effect of merely transferring employment from one area of Runnels County to another.

In addition to the criteria set forth above, the Runnels County Commissioners Court reserves the right to negotiate a tax abatement agreement in order to compete favorably with other communities.

Only that increases in the fair market value of the property directly resultant from the development, redevelopment, and improvement specified in the contract will be eligible for abatement and then only to the extent that such increase exceeds any reduction in the fair market value of the other property of the Applicant located within the jurisdiction creating the reinvestment zone.

All abatement contracts will be for a term no longer than allowed by law.

It is the goal of Runnels County to grant tax abatements on terms and conditions beneficial to the economic interests of the residents of Runnels County and to other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the Runnels County Commissioners Court to consider, adopt, modify or decline any tax abatement request.

This policy is effective as of January 17, 2019 and shall at all times be kept current with regard to the needs of Runnels County and reflective of the official views of the County Commissioners Court and shall be reviewed every two years.

The adoption of these guidelines and criteria by the Runnels County Commissioners Court does not:

1. Limit the discretion of the governing body to decide whether or not to enter into a specific tax abatement agreement;
2. Limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement;
3. Create or deny any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement;

Section 1

Definitions

A. "Abatement" means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated by Runnels County for economic development purposes.

B. "Affected jurisdiction" means RUNNELS County and any municipality or school district, the majority of which is located in RUNNELS County that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone designated by RUNNELS County.

C. "Agreement" means a contractual agreement for tax abatement between a Property Owner and/or Lessee and Runnels County.

D. "Base year value" means the assessed value on the eligible property as of January 1 preceding the execution of the agreement, plus any agreed upon value of eligible property improvements made after January 1, but before the execution of the Agreement.

E. "Economic Life" means the number of years a property is expected to be in service in a facility.

F. "Eligible facilities" means new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of Runnels County, but does not include facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in Runnels County, such as, but not limited to, restaurants and retail sales establishments, eligible facilities may include, but shall not be limited to hotels and office buildings.

G. "Expansion " means the addition of building structure s, machinery, equipment, or payroll for purposes of increasing production c a p a c i t y .

H. "Deferred maintenance" means improvements necessary for continued operation which do not improve productivity or alter the process technology."

I. "Facility" means property improvement completed or in process of construction which together comprise an interregional whole.

J. "Manufacturing Facility" means products, buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change, including the generation of electrical energy.

K. "Modernization" means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of building s, structures, machinery, or equipment, or both.

L. "New facility " means property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.

M. "Other Basic Industry" means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services, which serve a market primarily outside of RUNNELS County, resulting in the creation of new permanent jobs bringing in new wealth.

N. " Productive life" means the number of years a property improvement is expected to be in service in a facility.

Section 2

Abatement Authorized

A. Eligible facilities: Upon application, eligible facilities as defined herein shall be considered for tax abatement as hereinafter provided.

B. Creation of New Values: Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Runnels County and the property owner or applicant, including a Lessee, subject to such limitations as Runnels County may require.

C. New and existing facilities: Abatement may be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Runnels County and the Property Owner or Lessee, subject to such limitations as Runnels County may require.

D. Eligible property: Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.

E. Ineligible Property: The following types of property shall be fully taxable and ineligible for tax abatement: land, supplies, tools, furnishings, and other forms of movable personal property, housing, deferred maintenance, property to be rented or leased except as provided in Section 2 F, property which has a productive life of less than ten years, but does not include spare parts associated with eligible facilities; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; or any other property for which abatement is not allowed by state law.

F. Owned / leased facilities: If a leased facility is permitted by state law to be granted abatement, the abatement agreement shall be applicable to the taxable value of the leased improvement, and where appropriate, shall be executed with both the Lessor and the Lessee.

G. Economic Qualifications: In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

1. Must be reasonably expected to have an increase in positive net benefit to Runnels County of at least Ten Million Dollars (\$10,000,000.00) over the life of the abatement, computed to include (but not limited to) new sustaining payroll and / or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
2. Must not be expected to solely or primarily have the effect of merely transferring employment from one area of Runnels County to another.

H. Standards for Tax Abatement: The following factors, among other, shall be considered in determining whether to grant tax abatement:

1. Value of existing improvements, if any;
2. Type and value of proposed improvements;
3. Productive life of proposed improvements; Number of existing jobs to be retained by proposed improvements;
4. Number and type of new jobs to be created by proposed improvements;
5. Amount of local payroll to be created;
6. Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdiction;

7. Amount which property tax base valuation will be increased during term of abatement and after abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than Ten Million Dollars (\$10,000,000.00.)
8. The costs to be incurred by Runnels County to provide facilities directly resulting from the new improvements;
9. The amount of ad valorem taxes to be paid to Runnels County during the abatement period considering:
 - a. the existing values;
 - b. the percentage of new value abated;
 - c. the abatement period; and
 - d. the value after expiration of the abatement period.
10. The population growth of Runnels County that occurs directly as a result of new improvements;
11. The types and values of public improvements, if any, to be made by Applicant seeking abatement;
12. Whether the proposed improvements compete with existing businesses to the detriment of the local economy;
13. The impact on the business opportunities of existing businesses;
14. The attraction of other new businesses to the area;
15. The overall compatibility with the zoning ordinances and comprehensive plan for the area;
16. Whether the project obtains all necessary permits from the applicable environmental agencies.

Each eligible facility shall be reviewed on its merits utilizing the factors provided above. After such review, abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

Construction in Progress. If a qualifying facility has not commenced construction within one (1) year after execution of the abatement Agreement, the applicant may apply for a one-year extension of the term of abatement, to be granted or denied in accordance with the Agreement. Said extension must be applied for prior to the expiration of the one-year anniversary of execution of the abatement Agreement.

- I. Denial of Abatement: Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:
1. There would be substantial adverse effect on the provision of government services or tax base;
 2. The applicant has insufficient financial capacity;
 3. Planned or potential use of the property would constitute a hazard to public health, safety or morals;
 4. Violation of other codes or laws; or
 5. Any other reason deemed appropriate by Runnels County.

J. Taxability: From the execution of the abatement to the end of the agreement period, taxes shall be payable as follows:

1. The value of ineligible property as provided in Section 2 E shall be fully taxable; and
2. The base year value of existing eligible property as determined each year shall be fully taxable.

The additional value of new eligible property shall be fully taxable at the end of the abatement period.

Section 3 Application

- A. Any present or potential owner of taxable property in Runnels County may request the creation of a reinvestment zone and tax abatement by filing a written application with the County Judge.
- B. The application shall consist of a written request for tax abatement, accompanied by:
1. An analysis of the economic impact such an abatement will have on Runnels County, including:

- a. Estimated tax revenues annually for the term of the requested abatement, taking into account any requested abatement.
 - b. A comparison between an abatement of taxes and any requested "payment in lieu of taxes" (PILOT) in terms of benefit to the County over the proposed term of the abatement period.
 - c. A statement of the expected residual taxable value of the proposed project at the end of the abatement term requested, and the remaining taxable life expectancy of the proposed project.
2. A general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken.
 3. A descriptive list and approximate taxable value of the improvements which will be a part of the facility;
 4. A site map and property description, including a complete legal description of the property, and a map/property description of any requested;
 5. A time schedule for undertaking and completing the planned improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the County deems appropriate for evaluating the financial capacity and other factors of the applicant.
 6. Certification from the Runnels County Appraisal District verifying that no taxes are past due on applicant's property located in the proposed reinvestment zone
 7. Disclosure of any environmental permits required or additional environmental impacts.
 8. A \$ 1,000.00 non-refundable application fee.
- C. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the Application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the Applicant, to be attached to the Application.
- D. All checks in payment of the administrative fee shall be made payable to Runnels County. In addition to the application fee, which shall be applied to any fee charged by legal or financial analysis of the application, the applicant shall also agree to pay reasonable consulting and attorney fees as may be incurred by Runnels County in the examination of

the application as well as the preparation and negotiation of any tax abatement agreement. Such fee reimbursement shall not exceed \$10,000.00.

- E. Runnels County shall give notice as provided by the Property Tax Code, i.e. written notice, to the presiding officer of the governing body of each taxing unit in which the property to be subject of the agreement is located not later than the seventh day before the public hearing and publication in a newspaper of general circulation within such taxing jurisdiction not later than the seventh day before the public hearing. Before acting upon Application, Runnels County shall, through public hearing, afford the Applicant and the designated representative of any governing body referenced hereinabove opportunity to show cause why the abatement should or should not be granted.
- F. If a city within Runnels County designates a reinvestment zone within its corporate limits and enters into or proposes to enter into an abatement agreement with a present or potential owner of taxable property, such present or potential owner of taxable property may request tax abatement by Runnels County, but shall follow the same application process described in Section 3(A), *et seq.* hereof. No other notice or hearing shall be required except compliance with the Open Meetings Act, unless the Commissioners Court deems them necessary in a particular case.
- G. Variance. Although a variance is not favored, exceptional circumstances may support a request for variance from the provisions of Section II, in which case such request for a variance may be made in an application or other written form to the Commissioners' Court. Such request shall include all the items listed in Section 3(B) and may include a complete description of the circumstances which prompt the applicant to request a variance. The approval process for a variance request shall be identical to that for a standard application and may be supplemented by such additional requirements as may be deemed necessary by the Commissioners' Court. To the full extent permitted by applicable law, the Commissioners' Court shall have the authority to enter into an abatement agreement with terms and conditions that vary from the terms and conditions in these Guidelines, but only so long as the Commissioners' Court determines that such variances are in the best interests of Runnels County. Any terms or conditions contained in an abatement Agreement approved by the Commissioners' Court that vary from the terms and conditions in these Guidelines shall automatically be deemed to have been granted an approved variance by the Commissioners' Court, shall be binding and enforceable as agreed to in the abatement Agreement, and shall control in the event of any inconsistency or conflict with these Guidelines. A variance granted to any applicant shall not be deemed a variance for any subsequent applicant.
- H. Confidentiality Required. Information that is provided to the County in connection with an application or request for Tax Abatement and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which Tax Abatement is sought may be deemed as confidential and not subject to public disclosure only if specifically identified by the Applicant, and segregated from the remaining portions of the Application. Once the Tax Abatement Agreement is executed, all attachments to the Abatement Agreement shall become public. All

information in the custody of a taxing unit after the Agreement is executed is Public Record, and not confidential.

Section 4 Agreement

- A. After approval, the Commissioners Court of Runnels County shall formally pass a Resolution and execute an agreement with the owner of the facility and Lessee as required which shall:
1. Include a list of the kind, number, location of all proposed improvements to the property and if this is not defined at the time of the agreement, then to be supplemented after construction of the facilities;
 2. Provide access to and authorize inspection of the property by the taxing unit to ensure compliance with the agreement
 3. Develop the use of the property consistent with the taxing unit's developmental goals as stated in Section 2 H of the Runnels County Tax Abatement Guidelines and Criteria;
 4. Provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the agreement;
 5. Include each term that was agreed upon with the property owner and require the owner of the facility to annually certify compliance with the terms of the agreement to each taxing unit; and
 6. Allow the taxing unit to cancel the agreement after notice of default and opportunity to cure if the property owner fails to comply with the terms of the agreement.
- B. The owner of the facility and Lessee shall also agree to the following:
1. A specified number of permanent full-time jobs at facility shall be created, and the owner and Lessee shall make reasonable efforts to employ persons who are residents of Runnels County in such jobs provided, however, that there shall be no obligation to employ residents who are not:
 - a. equally or more qualified than nonresident applicants;
 - b. available for employment on terms and / or salaries comparable to those required by nonresident applicants; or
 - c. able to become qualified with 72 hours training provided by Owner.

2. Each person employed in such job shall perform a portion, if not all, of their work in Runnels County.
 3. Owner shall agree that it and its contractors, if any, will use reasonably commercial efforts to maximize its use of goods and services available through Runnels County businesses in the construction, operation, and maintenance of the improvements and the project; provided, however, that there shall be no requirement to use goods and services provided by Runnels County residents that are n o t :
 - a. of similar quality to those provided by nonresidents; or
 - b. made available on terms and conditions (including pricing) comparable to those offered by nonresidents. Comparable price shall be defined as less than or equal to 105% of the nonresident price for equivalent quality, conditions and terms.
 4. Owner or its construction contractor, if any, shall designate a coordinator of local services who will act as liaison between any individuals, businesses, and contractors residing or doing business in Runnels County who are interested in obtaining information about providing goods or services related to the construction of the project.
 5. Additionally, Owner or its construction contractor, if any, shall advertise in local newspapers in Runnels County for local contractors to perform work on the construction of the project.
 6. Owner shall agree to maintain a viable presence (as below defined) within the reinvestment zone for a period of time, as set by the Runnels County Commissioners Court, not to exceed twenty (20) years from the date that the abatement agreement first takes effect. For purposes hereof, "Maintain a Viable Presence" means (i) the operation of the Eligible Facilities, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured and/or reengineered, and (ii) the retention of not fewer than three (3) Qualifying Jobs as defined by Texas Tax Code Section 313.021(3)(E) to be located and performed, in part, within Runnels County.
 7. On May 1st of each year that the agreement shall be in effect, Owner shall certify to the County Judge of Runnels County, and to the governing body of each taxing unity, that Owner is in compliance with each applicable term set forth above.
- C. Such agreement shall normally be executed within sixty (60) days after the Applicant has forwarded all necessary information and documentation to the Commissioners Court.

Section 5
Recapture

- A. In the event that the company or individual:
 - 1. Allows its ad valorem taxes owed Runnels County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or
 - 2. Violates any of the terms and conditions of the abatement agreement and fails to cure during the cure period;
 - 3. The agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination.
- B. Should Runnels County determine that the company or individual is in default according to the terms and conditions of its agreement, Runnels County shall notify the company or individual in writing at the address stated in the agreement, and if such is not cured within thirty (30) days from the date of such notice (cure period) then the agreement may be terminated.
- C. In the event that the applicant's facility is completed and begins producing products or services, but subsequently discontinues producing a product or service for any reason for a period of one year during the abatement period, other than because of fire, explosion, or other casualty, accident, or natural disaster, then the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the applicant's facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to the County within sixty (60) days from the date of termination.

Section 6
Administration

- A. The Chief Appraiser of the Runnels County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the Appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser will notify the Commissioners Court of Runnels County of the amount of the assessment.
- B. The Agreement shall stipulate that employees and/or designated representatives of Runnels County will have access to the applicant's facilities within the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after the giving of reasonable notice and will only be conducted in a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be

made with one or more representatives of the applicant, and in accordance with its safety standards.

- C. Upon completion of construction, the designated representative of Runnels County shall annually evaluate each facility receiving abatement to insure compliance with the agreement. A formal report shall be made to the Commissioners Court.
- D. Timely Filing. The County shall timely file, with the appropriate person, agency, department, or board of the State of Texas, all information required by the Tax Code.

Section 7
Assignment

- A. Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility only upon the approval by resolution of the Commissioners Court of Runnels County subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with Runnels County. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee, are liable to any jurisdiction for outstanding taxes or other obligations.
- B. An assignment shall not serve to extend the termination date of the abatement Agreement with the original Applicant, owner or lessee. An assignment may not alter venue provisions of the original agreement.
- C. Approval of an assignment in conformity with this section shall not be unreasonably withheld.

Section 9
Venue

Any abatement agreement shall be conditioned upon venue for any disputes which may arise under the abatement agreement to be retained in courts of appropriate jurisdiction within Runnels County, Texas, or appeals to Texas courts of appellate jurisdiction, or the United States District Court for and United States courts of appellate jurisdiction.

Section 10
Sunset Provision

These guidelines and criteria are effective upon the date of their adoption and will remain in force for two years unless amended by three quarters vote of the Commissioners Court of Runnels County, at which time all reinvestment zones and tax abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on the review, the guidelines and criteria will be modified, renewed, or eliminated.

ADOPTED January 17, 2019

RUNNELS COUNTY COMMISSIONERS' COURT

County Judge

Commissioner, Precinct 1

Commissioner, Precinct 2

Commissioner, Precinct 3

Commissioner, Precinct 4

County Clerk



Tab 17

Signatures and Certification

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 -> Tim Siler (Print Name), Superintendent (Title), sign here -> [Signature] (Signature), 4/15/19 (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 -> Thomas Buttgenbach (Print Name), President (Title), sign here -> [Signature] (Signature), 2/7/2019 (Date)

GIVEN under my hand and seal of office this, the ___ day of ___, Notary Public in and for the State of Texas, My Commission expires: ___

see attached

(Notary Seal)

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

ACKNOWLEDGMENT

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 March 21, 2019 before me, Avalon Diana Willows, Notary Public,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature Avalon Willows (Seal)



Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of : 10/08/2019 10:03:27

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

231RC 8ME LLC	
Texas Taxpayer Number	32068174898
Mailing Address	4370 TOWN CENTER BLVD STE 110 EL DORADO HLS, CA 95762-7139
 Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	08/23/2018
Texas SOS File Number	0803101266
Registered Agent Name	COGENCY GLOBAL INC.
Registered Office Street Address	1601 ELM ST., SUITE 4360 DALLAS, TX 75201

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 16, 2019

Tim Siler
Superintendent
Bronte Independent School District
P.O. Box 670
Bronte, Texas 76933

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Bronte Independent School District and 231RC 8ME LLC, Application 1361

Dear Superintendent Siler:

On June 7, 2019, the Comptroller issued written notice that 231RC 8ME LLC (applicant) submitted a completed application (Application 1361) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on March 15, 2019, to the Bronte 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 1361.

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 June 7, 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,


Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of 231RC 8ME LLC (project) applying to Bronte 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 231RC 8ME LLC.

Applicant	231RC 8ME LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Bronte ISD
2017-2018 Average Daily Attendance	215
County	Runnels
Proposed Total Investment in District	\$137,500,000
Proposed Qualified Investment	\$137,500,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2020-2021
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$935
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$935
Minimum annual wage committed to by applicant for qualified jobs	\$48,596
Minimum weekly wage required for non-qualifying jobs	\$690
Minimum annual wage required for non-qualifying jobs	\$35,868
Investment per Qualifying Job	\$68,750,000
Estimated M&O levy without any limit (15 years)	\$6,378,750
Estimated M&O levy with Limitation (15 years)	\$2,963,950
Estimated gross M&O tax benefit (15 years)	\$3,414,800

* 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 231RC 8ME LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	300	383	683	\$14,578,740	\$33,392,260	\$47,971,000
2020	300	401	701.246	\$14,578,740	\$39,378,260	\$53,957,000
2021	2	46	48	\$97,192	\$9,316,808	\$9,414,000
2022	2	13	15	\$97,192	\$5,460,808	\$5,558,000
2023	2	(15)	-13	\$97,192	\$2,230,808	\$2,328,000
2024	2	(27)	-25	\$97,192	\$310,808	\$408,000
2025	2	(29)	-27	\$97,192	-\$573,192	-\$476,000
2026	2	(25)	-23	\$97,192	-\$817,192	-\$720,000
2027	2	(19)	-17	\$97,192	-\$669,192	-\$572,000
2028	2	(12)	-10	\$97,192	-\$293,192	-\$196,000
2029	2	(5)	-3	\$97,192	\$166,808	\$264,000
2030	2	0	2	\$97,192	\$648,808	\$746,000
2031	2	4	6	\$97,192	\$1,090,808	\$1,188,000
2032	2	7	9	\$97,192	\$1,444,808	\$1,542,000
2033	2	9	11	\$97,192	\$1,704,808	\$1,802,000
2034	2	10	12	\$97,192	\$1,875,808	\$1,973,000
2035	2	10	12	\$97,192	\$1,929,808	\$2,027,000

Source: CPA REMI, 231RC 8ME LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Bronte ISD I&S Tax Levy	Bronte ISD M&O Tax Levy	Bronte ISD M&O and I&S Tax Levies	Runnels County Tax Levy	North Runnels Hospital District Tax Levy	Valley Creek Water Control & Improvement District Tax Levy	Lipan-Kickapoo Water District Tax Levy	Estimated Total Property Taxes
				0.0000	1.0000		0.6152	0.3850	0.0538	0.0104	
2021	\$96,250,000	\$96,250,000		\$0	\$962,500	\$962,500	\$592,118	\$370,563	\$51,783	\$10,010	\$1,986,973
2022	\$86,660,000	\$86,660,000		\$0	\$866,600	\$866,600	\$533,122	\$333,641	\$46,623	\$9,013	\$1,788,999
2023	\$77,070,000	\$77,070,000		\$0	\$770,700	\$770,700	\$474,125	\$296,720	\$41,464	\$8,015	\$1,591,024
2024	\$67,480,000	\$67,480,000		\$0	\$674,800	\$674,800	\$415,129	\$259,798	\$36,304	\$7,018	\$1,393,049
2025	\$57,890,000	\$57,890,000		\$0	\$578,900	\$578,900	\$356,132	\$222,877	\$31,145	\$6,021	\$1,195,074
2026	\$48,300,000	\$48,300,000		\$0	\$483,000	\$483,000	\$297,136	\$185,955	\$25,985	\$5,023	\$997,099
2027	\$38,710,000	\$38,710,000		\$0	\$387,100	\$387,100	\$238,139	\$149,034	\$20,826	\$4,026	\$799,125
2028	\$29,120,000	\$29,120,000		\$0	\$291,200	\$291,200	\$179,143	\$112,112	\$15,667	\$3,028	\$601,150
2029	\$19,530,000	\$19,530,000		\$0	\$195,300	\$195,300	\$120,146	\$75,191	\$10,507	\$2,031	\$403,175
2030	\$19,515,000	\$19,515,000		\$0	\$195,150	\$195,150	\$120,054	\$75,133	\$10,499	\$2,030	\$402,865
2031	\$19,500,000	\$19,500,000		\$0	\$195,000	\$195,000	\$119,962	\$75,075	\$10,491	\$2,028	\$402,556
2032	\$19,485,000	\$19,485,000		\$0	\$194,850	\$194,850	\$119,869	\$75,017	\$10,483	\$2,026	\$402,246
2033	\$19,470,000	\$19,470,000		\$0	\$194,700	\$194,700	\$119,777	\$74,960	\$10,475	\$2,025	\$401,936
2034	\$19,455,000	\$19,455,000		\$0	\$194,550	\$194,550	\$119,685	\$74,902	\$10,467	\$2,023	\$401,627
2035	\$19,440,000	\$19,440,000		\$0	\$194,400	\$194,400	\$119,593	\$74,844	\$10,459	\$2,022	\$401,317
			Total	\$0	\$6,378,750	\$6,378,750	\$3,924,130	\$2,455,819	\$343,177	\$66,339	\$13,168,215

Source: CPA, 231RC 8ME LLC

*Tax Rate per \$100 Valuation

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

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Bronte ISD I&S Tax Levy	Bronte ISD M&O Tax Levy	Bronte ISD M&O and I&S Tax Levies	Runnels County Tax Levy	North Runnels Hospital District Tax Levy	Valley Creek Water Control & Improvement District Tax Levy	Lipan-Kickapoo Water District Tax Levy	Estimated Total Property Taxes	
				0.0000	1.0000		0.6152	0.3850	0.0538	0.0104		
2021	\$96,250,000	\$20,000,000		\$0	\$200,000	\$200,000	\$118,424	\$74,113	\$51,783	\$10,010	\$454,329	
2022	\$86,660,000	\$20,000,000		\$0	\$200,000	\$200,000	\$106,624	\$66,728	\$46,623	\$9,013	\$428,988	
2023	\$77,070,000	\$20,000,000		\$0	\$200,000	\$200,000	\$94,825	\$59,344	\$41,464	\$8,015	\$403,648	
2024	\$67,480,000	\$20,000,000		\$0	\$200,000	\$200,000	\$83,026	\$51,960	\$36,304	\$7,018	\$378,308	
2025	\$57,890,000	\$20,000,000		\$0	\$200,000	\$200,000	\$71,226	\$44,575	\$31,145	\$6,021	\$352,967	
2026	\$48,300,000	\$20,000,000		\$0	\$200,000	\$200,000	\$59,427	\$37,191	\$25,985	\$5,023	\$327,627	
2027	\$38,710,000	\$20,000,000		\$0	\$200,000	\$200,000	\$47,628	\$29,807	\$20,826	\$4,026	\$302,286	
2028	\$29,120,000	\$20,000,000		\$0	\$200,000	\$200,000	\$35,829	\$22,422	\$15,667	\$3,028	\$276,946	
2029	\$19,530,000	\$19,530,000		\$0	\$195,300	\$195,300	\$24,029	\$15,038	\$10,507	\$2,031	\$246,906	
2030	\$19,515,000	\$19,515,000		\$0	\$195,150	\$195,150	\$24,011	\$15,027	\$10,499	\$2,030	\$246,716	
2031	\$19,500,000	\$19,500,000		\$0	\$195,000	\$195,000	\$119,962	\$75,075	\$10,491	\$2,028	\$402,556	
2032	\$19,485,000	\$19,485,000		\$0	\$194,850	\$194,850	\$119,869	\$75,017	\$10,483	\$2,026	\$402,246	
2033	\$19,470,000	\$19,470,000		\$0	\$194,700	\$194,700	\$119,777	\$74,960	\$10,475	\$2,025	\$401,936	
2034	\$19,455,000	\$19,455,000		\$0	\$194,550	\$194,550	\$119,685	\$74,902	\$10,467	\$2,023	\$401,627	
2035	\$19,440,000	\$19,440,000		\$0	\$194,400	\$194,400	\$119,593	\$74,844	\$10,459	\$2,022	\$401,317	
				Total	\$0	\$2,963,950	\$2,963,950	\$1,263,935	\$791,002	\$343,177	\$66,339	\$5,428,402
				Diff	\$0	\$3,414,800	\$3,414,800	\$2,660,196	\$1,664,817	\$0	\$0	\$7,739,813

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, 231RC BME 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 231RC 8ME 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	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2021	\$200,000	\$200,000	\$762,500	\$762,500
	2022	\$200,000	\$400,000	\$666,600	\$1,429,100
	2023	\$200,000	\$600,000	\$570,700	\$1,999,800
	2024	\$200,000	\$800,000	\$474,800	\$2,474,600
	2025	\$200,000	\$1,000,000	\$378,900	\$2,853,500
	2026	\$200,000	\$1,200,000	\$283,000	\$3,136,500
	2027	\$200,000	\$1,400,000	\$187,100	\$3,323,600
	2028	\$200,000	\$1,600,000	\$91,200	\$3,414,800
	2029	\$195,300	\$1,795,300	\$0	\$3,414,800
	2030	\$195,150	\$1,990,450	\$0	\$3,414,800
Maintain Viable Presence (5 Years)	2031	\$195,000	\$2,185,450	\$0	\$3,414,800
	2032	\$194,850	\$2,380,300	\$0	\$3,414,800
	2033	\$194,700	\$2,575,000	\$0	\$3,414,800
	2034	\$194,550	\$2,769,550	\$0	\$3,414,800
	2035	\$194,400	\$2,963,950	\$0	\$3,414,800
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$194,250	\$3,158,200	\$0	\$3,414,800
	2037	\$194,100	\$3,352,300	\$0	\$3,414,800
	2038	\$193,950	\$3,546,250	\$0	\$3,414,800
	2039	\$193,800	\$3,740,050	\$0	\$3,414,800
	2040	\$193,650	\$3,933,700	\$0	\$3,414,800
	2041	\$193,500	\$4,127,200	\$0	\$3,414,800
	2042	\$193,350	\$4,320,550	\$0	\$3,414,800
	2043	\$193,200	\$4,513,750	\$0	\$3,414,800
	2044	\$193,050	\$4,706,800	\$0	\$3,414,800
	2045	\$192,900	\$4,899,700	\$0	\$3,414,800

\$4,899,700

is greater than

\$3,414,800

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

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, 231RC 8ME 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 231RC 8ME LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per 231RC 8ME, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Currently, 8minutenergy Renewables, LLC is considering a variety of other locations for 231RC 8me LLC but believes Bronte ISD would be an ideal location for this solar facility. Due to the national footprint of 8minutenergy Renewables, LLC, there are locations across the world and other parts of the United States being evaluated for the establishment of this solar facility. In the event a 313 agreement is not permitted, 8minutenergy Renewables, LLC will relocate 231RC 8me LLC to another area more financially viable for the continuation of this project. Additional sites being evaluated for the establishment of this facility include locations throughout California where 8minutenergy Renewables, LLC is actively developing and managing additional projects. Failure to reach a 313 value-limitation agreement would unfortunately dismiss Bronte ISD and Runnels County from receiving the economic benefits associated with the development of a solar facility within their jurisdiction. Therefore, it is our goal to reach a 313 value-limitation agreement for 231RC 8me LLC for the benefit of all parties.”
 - B. “231RC 8me LLC is a solar energy project managed by 8minutenergy Renewables, LLC. Their mission is to make solar energy abundant and be a leader in lowering the cost of dispatchable solar PV. 8minutenergy Renewables, LLC is a privately held company focused on producing reliable solar energy with consistent long-term pricing with over 7,500 MW under development, 8minutenergy Renewables, LLC is eager to continue their development of projects within the United States. Their team of experienced professionals are committed to building quality stakeholder relationships in the communities they choose to invest.”
 - C. “8minutenergy Renewables, LLC is the United States’ largest independent solar PV and energy storage developer. Many of the nation’s largest and most recognizable solar PV projects have been developed by 8minutenergy Renewables LLC, including Mount Signal Solar Farm in

California, one of the world's largest solar facility. 8minutenergy Renewables, LLC is always evaluating various solar projects for development and where to commit substantial long-term investment based on economic rate of return on investment in the proposed projects. The economic benefits provided by a Chapter 313 Value Limitation is one of the most important components in their analysis."

- D. "Not only 8minutenergy Renewables, LLC, but all prudent renewable energy developers, know tax incentives play an important role in attracting capital intensive energy facilities due to the high property tax burden in Texas. Because of the direct impact on any proposed project's economic viability, the decision to invest in Texas, or any other state, requires any capital investment by 8minutenergy Renewables, LLC to be based on expected economic return on their investment."
- E. "Property tax liabilities compose a substantial ongoing cost of operation that directly impacts the rate of return on the investment for 231RC 8me LLC."
- F. "Therefore, without the 313 Value Limitation tax incentive, the economics of this project could be less competitive with other capital-intensive projects and the viability of the proposed project becomes uncertain. 8minutenergy Renewables, LLC evaluates the economic viability of proposed projects through comparing the proposed project's rate of return with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. To move forward, the rate of return with the valuation limitation agreement must exceed the minimum rate of return required to proceed with the proposed investment."
- G. "Therefore, receiving a value limitation agreement under Chapter 313 results in significant annual operating cost savings which would incentivize 8minutenergy Renewables, LLC to invest capital in the proposed project rather than making an alternative investment. This makes the ability to enter into a Chapter 313 appraised value limitation agreement with the school district "the determining factor" to invest in this project."
- According to Regular Meeting of the Commissioners Court Runnels County dated May 23, 2019, "Consider and take possible action to create a reinvestment zone for purposes of tax abatement to provide economic development within the county in accordance with Chapter 312 of the Texas Tax Code, said reinvestment zone to be located as described described in the application for Tax Abatement Agreement with 231RC 8me LLC."
- Supplemental information provided by the applicant indicated the following:
 - A. "The project has not been known by any other names in media reports, investor presentations, or any listings with any federal or state agency."
 - B. "The project has applied to ERCOT and was assigned IGNR Number 19INR0035, dated 3/20/2017."

Supporting Information

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

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

Supporting Information

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

Supporting Information

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



Tab 5

Limitation as a Determining Factor

Currently, 8minutenergy Renewables, LLC is considering a variety of other locations for 231RC 8me LLC but believes Bronte ISD would be an ideal location for this solar facility. Due to the national footprint of 8minutenergy Renewables, LLC, there are locations across the world and other parts of the United States being evaluated for the establishment of this solar facility. In the event a 313 agreement is not permitted, 8minutenergy Renewables, LLC will relocate 231RC 8me LLC to another area more financially viable for the continuation of this project. Additional sites being evaluated for the establishment of this facility include locations throughout California where 8minutenergy Renewables, LLC is actively developing and managing additional projects. Failure to reach a 313 value-limitation agreement would unfortunately dismiss Bronte ISD and Runnels County from receiving the economic benefits associated with the development of a solar facility within their jurisdiction. Therefore, it is our goal to reach a 313 value-limitation agreement for 231RC 8me LLC for the benefit of all parties.

231RC 8me LLC is a solar energy project managed by 8minutenergy Renewables, LLC. Their mission is to make solar energy abundant and be a leader in lowering the cost of dispatchable solar PV. 8minutenergy Renewables, LLC is a privately held company focused on producing reliable solar energy with consistent long-term pricing with over 7,500 MW under development, 8minutenergy Renewables, LLC is eager to continue their development of projects within the United States. Their team of experienced professionals are committed to building quality stakeholder relationships in the communities they choose to invest.

8minutenergy Renewables, LLC is the United States' largest independent solar PV and energy storage developer. Many of the nation's largest and most recognizable solar PV projects have been developed by 8minutenergy Renewables LLC, including Mount Signal Solar Farm in California, one of the world's largest solar facility.

8minutenergy Renewables, LLC is always evaluating various solar projects for development and where to commit substantial long-term investment based on economic rate of return on investment in the proposed projects. The economic benefits provided by a Chapter 313 Value Limitation is one of the most important components in their analysis.

Not only 8minutenergy Renewables, LLC, but all prudent renewable energy developers, know tax incentives play an important role in attracting capital intensive energy facilities due to the high property tax burden in Texas. Because of the direct impact on any proposed project's economic viability, the decision to invest in Texas, or any other state, requires any capital investment by 8minutenergy Renewables, LLC to be based on expected economic return on their investment.

Property tax liabilities compose a substantial ongoing cost of operation that directly impacts the rate of return on the investment for 231RC 8me LLC. Therefore, without the 313 Value



Limitation tax incentive, the economics of this project could be less competitive with other capital-intensive projects and the viability of the proposed project becomes uncertain. 8minutenergy Renewables, LLC evaluates the economic viability of proposed projects through comparing the proposed project's rate of return with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. To move forward, the rate of return with the valuation limitation agreement must exceed the minimum rate of return required to proceed with the proposed investment. Therefore, receiving a value limitation agreement under Chapter 313 results in significant annual operating cost savings which would incentivize 8minutenergy Renewables, LLC to invest capital in the proposed project rather than making an alternative investment. This makes the ability to enter into a Chapter 313 appraised value limitation agreement with the school district "the determining factor" to invest in this project.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
- Bronte ISD - 231RC 8ME, LLC, App. #1361

Comptroller Questions (via email on July 17, 2019):

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

Applicant Response (via email on July 17, 2019):

1. *The project has not been known by any other names in media reports, investor presentations, or any listings with any federal or state agency.*
2. *The project has applied to ERCOT and was assigned IGNR Number 19INR0035, dated 3/20/2017.*

May 23, 2019
Regular Session

The Commissioners' Court of Runnels County, Texas, met in Regular Session on Thursday, May 23, 2019 at 10:00 A.M. at the Runnels County Courthouse in Ballinger, Texas, with the following members present:

Barry Hilliard:	County Judge;
Robert Moore:	Commissioner of Precinct #1;
Ronald Presley:	Commissioner of Precinct #2;
Roy Mints:	Commissioner of Precinct #3
Juan Ornelas:	Commissioner of Precinct #4; and
Julia Miller:	County Clerk and Ex-Officio Clerk of Commissioners' Court

Open Forum - Mr. Moore brought to the court's attention that 15 - 20 miles of county roads in the Runnels County area will need to be repaired due to the heavy traffic from the trucks that are repairing tower damage because of the recent tornado and heavy rains. These costs will need to be addressed in the upcoming budget season. Retired judge Allen Amos was introduced to the court as he will be assisting Judge Hilliard in a judicial capacity while Judge Hilliard recuperates from health issues.

The Runnels County sheriff's report was heard regarding: inmate count and status of hiring new jailers.

No county auditor's report was submitted.

On motion by Mr. Presley, seconded by Mr. Moore, an order was passed to approve requests from county auditor, county commissioner and county sheriff for a line item transfer / budget adjustments for the fiscal year beginning October 1, 2018 and ending September 30, 2019. Motion carried unanimously and is so ordered. On motion by Mr. Presley, seconded by Mr. Ornelas, an order was passed to approve the budget adjustment request from county sheriff regarding salaries for the fiscal year beginning October 1, 2018 and ending September 30, 2019. Motion carried unanimously and is so ordered.

insert

On motion by Mr. Presley, seconded by Mr. Moore, an order was passed to ratify the filing of the lawsuit, *Cause No. 16,017 Runnels County vs Primaritech, LLC and Runnels County Auditor, Cindy Winchester, in her official capacity*. Motion carried unanimously and is so ordered. On motion by Mr. Ornelas, seconded by Mr. Mints, an order was passed to approve the settlement agreement which was verbally read into record by attorney, Bob Bass. See insert for "Settlement Agreement and Full Release of Claims". Motion carried unanimously and is so ordered.

insert

The following was acknowledged and entered into record: The lawsuit against Runnels County auditor, Cindy Winchester was non-suited and filed in Runnels County District Court on May 22, 2019. Ms. Winchester would be reimbursed \$5000.00 in the form of attorney fees.

On motion by Mr. Mints, seconded by Mr. Moore, an order was passed to create a reinvestment zone for purposes of tax abatement to provide economic development within the county in accordance with Chapter 312 of the Texas Tax Code, said reinvestment zone to be located as described in the application for Tax Abatement Agreement with 23IRC 8me LLC. Motion carried unanimously and is so ordered.

insert

On motion by Mr. Presley, seconded by Mr. Mints, an order was passed to approve payment of all current accounts. Motion carried unanimously and is so ordered.

insert

On motion by Mr. Presley, seconded by Mr. Ornelas, an order was passed to approve payroll. Motion carried unanimously and is so ordered.

insert

Attachment D

Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED 231RC 8ME LLC
PROJECT IN THE BRONTE INDEPENDENT SCHOOL
DISTRICT
(PROJECT # 1361)**

PREPARED BY



September 6, 2019

Executive Summary

231RC 8me LLC (Company) has requested that the Bronte 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 March 15, 2019 the Company plans to invest \$96.3 million to construct a 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 8me 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 \$20 million. This value limitation, under the proposed application, will begin in the 2021-22 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA’s initial school finance analysis is detailed in this report. 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	\$0.89 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$2.5 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 was issued on June 7, 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 was

sent to the District on August 16, 2019. After the certificate is received, the district has until the 150th day from the receipt of the Completeness Letter to adopt an agreement, although extensions may be requested by the Company and granted by the District.

After the Comptroller's certificate was received, O'Hanlon, Demerath & 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 or 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 House Bill 3. Rather than being tied to exceeding an equalized wealth level per WADA, recapture is now defined as the amount 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. In the calculations shown below, BISD is not affected by the recapture changes under HB 3.

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 on prior-year state property values as determined annually under the Comptroller's State Property Value Study under 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 to use 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 determined 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:	225
Local M&O Tax Base	\$131.7 million
2019-20 M&O Tax Rate:	\$1.0100 per \$100 of Taxable Value
2020-21 Projected M*O Tax Rate:	\$0.9965 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 8me 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	225.40	421.12	\$1.0100	\$0.0000	\$127,991,616	\$127,991,616	\$303,929	\$303,929
QTP1	2020-21	225.40	415.02	\$0.9965	\$0.0000	\$127,991,616	\$127,991,616	\$308,401	\$308,401
QTP2/VL1	2021-22	225.40	415.02	\$0.9965	\$0.0000	\$127,991,616	\$127,991,616	\$308,401	\$308,401
VL2	2022-23	225.40	415.02	\$0.9965	\$0.0000	\$224,241,616	\$147,991,616	\$540,319	\$356,592
VL3	2023-24	225.40	415.02	\$0.9965	\$0.0000	\$214,651,616	\$147,991,616	\$517,212	\$356,592
VL4	2024-25	225.40	415.02	\$0.9965	\$0.0000	\$205,061,616	\$147,991,616	\$494,104	\$356,592
VL5	2025-26	225.40	415.02	\$0.9965	\$0.0000	\$195,471,616	\$147,991,616	\$470,997	\$356,592
VL6	2026-27	225.40	415.02	\$0.9965	\$0.0000	\$185,881,616	\$147,991,616	\$447,889	\$356,592
VL7	2027-28	225.40	415.02	\$0.9965	\$0.0000	\$176,291,616	\$147,991,616	\$424,782	\$356,592
VL8	2028-29	225.40	415.02	\$0.9965	\$0.0000	\$166,701,616	\$147,991,616	\$401,674	\$356,592
VL9	2029-30	225.40	415.02	\$0.9965	\$0.0000	\$157,111,616	\$147,991,616	\$378,567	\$356,592
VL10	2030-31	225.40	415.02	\$0.9965	\$0.0000	\$147,521,616	\$147,521,616	\$355,459	\$355,459
VP1	2031-32	225.40	415.02	\$0.9965	\$0.0000	\$147,506,616	\$147,506,616	\$355,423	\$355,423
VP2	2032-33	225.40	415.02	\$0.9965	\$0.0000	\$147,491,616	\$147,491,616	\$355,387	\$355,387
VP3	2033-34	225.40	415.02	\$0.9965	\$0.0000	\$147,476,616	\$147,476,616	\$355,351	\$355,351
VP4	2034-35	225.40	415.02	\$0.9965	\$0.0000	\$147,461,616	\$147,461,616	\$355,315	\$355,315
VP5	2035-36	225.40	415.02	\$0.9965	\$0.0000	\$147,446,616	\$147,446,616	\$355,278	\$355,278

*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 8me 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 \$20 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$893,891 over the course of the Agreement, with all the loss reflected in the first limitation year (2021-22).

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	\$1,460,486	\$1,425,942	\$0	\$125,633	\$281,900	\$0	\$0	\$3,293,961
QTP1	2020-21	\$1,443,763	\$1,443,223	\$0	\$126,024	\$276,833	\$0	\$0	\$3,289,843
QTP2/VL1	2021-22	\$2,322,227	\$1,443,223	\$0	\$202,704	\$445,182	\$0	\$0	\$4,413,336
VL2	2022-23	\$2,234,334	\$561,093	\$0	\$195,032	\$160,775	\$0	\$0	\$3,151,234
VL3	2023-24	\$2,146,442	\$648,985	\$0	\$187,360	\$169,702	\$0	\$0	\$3,152,489
VL4	2024-25	\$2,058,550	\$736,877	\$0	\$179,688	\$178,686	\$0	\$0	\$3,153,801
VL5	2025-26	\$1,970,658	\$824,770	\$0	\$172,016	\$187,941	\$0	\$0	\$3,155,385
VL6	2026-27	\$1,882,766	\$912,662	\$0	\$164,344	\$197,273	\$0	\$0	\$3,157,045
VL7	2027-28	\$1,794,874	\$1,000,554	\$0	\$156,672	\$206,914	\$0	\$0	\$3,159,014
VL8	2028-29	\$1,706,981	\$1,088,446	\$0	\$149,000	\$216,651	\$0	\$0	\$3,161,078
VL9	2029-30	\$1,619,175	\$1,176,338	\$0	\$141,336	\$226,737	\$0	\$0	\$3,163,586
VL10	2030-31	\$1,619,041	\$1,264,231	\$0	\$141,324	\$250,535	\$0	\$0	\$3,275,131
VP1	2031-32	\$1,618,906	\$1,264,368	\$0	\$141,312	\$250,550	\$0	\$0	\$3,275,136
VP2	2032-33	\$1,618,771	\$1,264,506	\$0	\$141,301	\$250,564	\$0	\$0	\$3,275,142
VP3	2033-34	\$1,618,636	\$1,264,643	\$0	\$141,289	\$250,578	\$0	\$0	\$3,275,146
VP4	2034-35	\$1,618,502	\$1,264,780	\$0	\$141,277	\$250,593	\$0	\$0	\$3,275,152
VP5	2035-36	\$1,618,367	\$1,264,918	\$0	\$141,265	\$250,607	\$0	\$0	\$3,275,157

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 \$3.4 million over the life of the agreement. The BISD revenue losses are expected to total approximately \$893,891. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$2.5 million, prior to any negotiations with 8me on supplemental payments. (See Table 5.)

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with BISD currently not 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 @		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
		Compressed Rate	State Aid						
QTP0	2019-20	\$1,460,486	\$1,425,942	\$0	\$125,633	\$281,900	\$0	\$0	\$3,293,961
QTP1	2020-21	\$1,443,763	\$1,443,223	\$0	\$126,024	\$276,833	\$0	\$0	\$3,289,843
QTP2/VL1	2021-22	\$1,623,397	\$1,443,223	\$0	\$141,704	\$311,121	\$0	\$0	\$3,519,445
VL2	2022-23	\$1,623,397	\$1,259,923	\$0	\$141,704	\$250,085	\$0	\$0	\$3,275,109
VL3	2023-24	\$1,623,397	\$1,259,923	\$0	\$141,704	\$250,085	\$0	\$0	\$3,275,109
VL4	2024-25	\$1,623,397	\$1,259,923	\$0	\$141,704	\$250,085	\$0	\$0	\$3,275,109
VL5	2025-26	\$1,623,397	\$1,259,923	\$0	\$141,704	\$250,085	\$0	\$0	\$3,275,109
VL6	2026-27	\$1,623,397	\$1,259,923	\$0	\$141,704	\$250,085	\$0	\$0	\$3,275,109
VL7	2027-28	\$1,623,397	\$1,259,923	\$0	\$141,704	\$250,085	\$0	\$0	\$3,275,109
VL8	2028-29	\$1,623,397	\$1,259,923	\$0	\$141,704	\$250,085	\$0	\$0	\$3,275,109
VL9	2029-30	\$1,619,175	\$1,259,923	\$0	\$141,336	\$249,302	\$0	\$0	\$3,269,736
VL10	2030-31	\$1,619,041	\$1,264,231	\$0	\$141,324	\$250,535	\$0	\$0	\$3,275,131
VP1	2031-32	\$1,618,906	\$1,264,368	\$0	\$141,312	\$250,550	\$0	\$0	\$3,275,136
VP2	2032-33	\$1,618,771	\$1,264,506	\$0	\$141,301	\$250,564	\$0	\$0	\$3,275,142
VP3	2033-34	\$1,618,636	\$1,264,643	\$0	\$141,289	\$250,578	\$0	\$0	\$3,275,146
VP4	2034-35	\$1,618,502	\$1,264,780	\$0	\$141,277	\$250,593	\$0	\$0	\$3,275,152
VP5	2035-36	\$1,618,367	\$1,264,918	\$0	\$141,265	\$250,607	\$0	\$0	\$3,275,157

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 @		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
		Compressed Rate	State Aid						
QTP0	2019-20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2020-21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2021-22	-\$698,830	\$0	\$0	-\$61,000	-\$134,061	\$0	\$0	-\$893,891
VL2	2022-23	-\$610,937	\$698,830	\$0	-\$53,328	\$89,310	\$0	\$0	\$123,875
VL3	2023-24	-\$523,045	\$610,938	\$0	-\$45,656	\$80,383	\$0	\$0	\$122,620
VL4	2024-25	-\$435,153	\$523,046	\$0	-\$37,984	\$71,399	\$0	\$0	\$121,308
VL5	2025-26	-\$347,261	\$435,153	\$0	-\$30,312	\$62,144	\$0	\$0	\$119,724
VL6	2026-27	-\$259,369	\$347,261	\$0	-\$22,640	\$52,812	\$0	\$0	\$118,064
VL7	2027-28	-\$171,477	\$259,369	\$0	-\$14,968	\$43,171	\$0	\$0	\$116,095
VL8	2028-29	-\$83,584	\$171,477	\$0	-\$7,296	\$33,434	\$0	\$0	\$114,031
VL9	2029-30	\$0	\$83,585	\$0	\$0	\$22,565	\$0	\$0	\$106,150
VL10	2030-31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP1	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP2	2032-33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2033-34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2035-36	\$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 8me Project Property Value Limitation Request Submitted to BISD at \$0.9965 per \$100 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits
QTP0	2019-20	\$0	\$0	\$0	\$1.0100	\$0	\$0	\$0	\$0	\$0
QTP1	2020-21	\$0	\$0	\$0	\$0.9965	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2021-22	\$96,250,000	\$20,000,000	\$76,250,000	\$0.9965	\$959,130	\$199,300	\$759,830	-\$893,891	-\$134,061
VL2	2022-23	\$86,660,000	\$20,000,000	\$66,660,000	\$0.9965	\$863,565	\$199,300	\$664,266	\$0	\$664,266
VL3	2023-24	\$77,070,000	\$20,000,000	\$57,070,000	\$0.9965	\$768,001	\$199,300	\$568,702	\$0	\$568,702
VL4	2024-25	\$67,480,000	\$20,000,000	\$47,480,000	\$0.9965	\$672,437	\$199,300	\$473,137	\$0	\$473,137
VL5	2025-26	\$57,890,000	\$20,000,000	\$37,890,000	\$0.9965	\$576,873	\$199,300	\$377,573	\$0	\$377,573
VL6	2026-27	\$48,300,000	\$20,000,000	\$28,300,000	\$0.9965	\$481,309	\$199,300	\$282,009	\$0	\$282,009
VL7	2027-28	\$38,710,000	\$20,000,000	\$18,710,000	\$0.9965	\$385,744	\$199,300	\$186,445	\$0	\$186,445
VL8	2028-29	\$29,120,000	\$20,000,000	\$9,120,000	\$0.9965	\$290,180	\$199,300	\$90,881	\$0	\$90,881
VL9	2029-30	\$19,530,000	\$19,530,000	\$0	\$0.9965	\$194,616	\$194,616	\$0	\$0	\$0
VL10	2030-31	\$19,515,000	\$19,515,000	\$0	\$0.9965	\$194,467	\$194,467	\$0	\$0	\$0
VP1	2031-32	\$19,500,000	\$19,500,000	\$0	\$0.9965	\$194,317	\$194,317	\$0	\$0	\$0
VP2	2032-33	\$19,485,000	\$19,485,000	\$0	\$0.9965	\$194,168	\$194,168	\$0	\$0	\$0
VP3	2033-34	\$19,470,000	\$19,470,000	\$0	\$0.9965	\$194,018	\$194,018	\$0	\$0	\$0
VP4	2034-35	\$19,455,000	\$19,455,000	\$0	\$0.9965	\$193,869	\$193,869	\$0	\$0	\$0
VP5	2035-36	\$19,440,000	\$19,440,000	\$0	\$0.9965	\$193,719	\$193,719	\$0	\$0	\$0
						\$6,356,413	\$2,953,571	\$3,402,842	-\$893,891	\$2,508,951

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

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

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

Attachment E

Taxable Value of Property

041-Coke

041-901/Bronte ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Estimate	2018 Value Assigned
A. SINGLE-FAMILY RESIDENCES	28,703,770	1.0320	27,813,731	28,703,770
B. MULTIFAMILY RESIDENCES	502,130	N/A	502,130	502,130
C1. VACANT LOTS	460,340	N/A	460,340	460,340
C2. COLONIA LOTS	0	N/A	0	0
D1. QUALIFIED AG LAND	8,596,470	0.9617	8,939,286	8,596,470
D2. REAL PROP:FARM & RANCH	3,333,930	N/A	3,333,930	3,333,930
E. REAL PROP NONQUAL ACREAGE	20,636,070	1.0312	20,011,705	20,636,070
F1. COMMERCIAL REAL	2,856,190	N/A	2,856,190	2,856,190
F2. INDUSTRIAL REAL	538,750	N/A	538,750	538,750
G. OIL,GAS,MINERALS	4,502,890	1.0122	4,448,617	4,502,890
J. UTILITIES	35,518,310	0.9356	37,963,136	35,518,310
L1. COMMERCIAL PERSONAL	878,260	N/A	878,260	878,260
L2. INDUSTRIAL PERSONAL	4,021,690	N/A	4,021,690	4,021,690
M. MOBILE HOMES	1,967,280	N/A	1,967,280	1,967,280
N. INTANGIBLE PERSONAL PROP	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	0	N/A	0	0
Subtotal	112,516,080	0	113,735,045	112,516,080
Less Total Deductions	15,325,623	0	14,952,044	15,325,623
Total Taxable Value	97,190,457	0	98,783,001	97,190,457

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
97,190,457	97,190,457	97,190,457	97,190,457

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
0	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
97,190,457	97,190,457	97,190,457	97,190,457

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

200-Runnels

041-901/Bronte ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Estimate	2018 Value Assigned
A. SINGLE-FAMILY RESIDENCES	189,300	N/A	189,300	189,300
B. MULTIFAMILY RESIDENCES	0	N/A	0	0
C1. VACANT LOTS	35,980	N/A	35,980	35,980
C2. COLONIA LOTS	0	N/A	0	0
D1. QUALIFIED AG LAND	5,890,260	1.2436	4,736,436	5,890,260
D2. REAL PROP:FARM & RANCH	123,350	N/A	123,350	123,350

E. REAL PROP NONQUAL ACREAGE	12,515,150	0.8832	14,170,233	12,515,150
F1. COMMERCIAL REAL	6,300	N/A	6,300	6,300
F2. INDUSTRIAL REAL	0	N/A	0	0
G. OIL,GAS,MINERALS	232,130	N/A	232,130	232,130
J. UTILITIES	13,032,070	1.0041	12,978,857	13,032,070
L1. COMMERCIAL PERSONAL	247,550	N/A	247,550	247,550
L2. INDUSTRIAL PERSONAL	1,297,560	N/A	1,297,560	1,297,560
M. MOBILE HOMES	29,000	N/A	29,000	29,000
N. INTANGIBLE PERSONAL PROP	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	0	N/A	0	0
Subtotal	33,598,650	0	34,046,696	33,598,650
Less Total Deductions	2,797,491	0	2,797,491	2,797,491
Total Taxable Value	30,801,159	0	31,249,205	30,801,159

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
31,301,879	30,801,159	31,301,879	30,801,159

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
500,720	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
31,301,879	30,801,159	31,301,879	30,801,159

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

041-901-02/Bronte ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Estimate	2018 Value Assigned
A. SINGLE-FAMILY RESIDENCES	28,893,070	1.0318	28,003,031	28,893,070
B. MULTIFAMILY RESIDENCES	502,130	N/A	502,130	502,130
C1. VACANT LOTS	496,320	N/A	496,320	496,320
C2. COLONIA LOTS	0	N/A	0	0
D1. QUALIFIED AG LAND	14,486,730	1.0593	13,675,722	14,486,730
D2. REAL PROP:FARM & RANCH	3,457,280	N/A	3,457,280	3,457,280
E. REAL PROP NONQUAL ACREAGE	33,151,220	0.9698	34,181,938	33,151,220
F1. COMMERCIAL REAL	2,862,490	N/A	2,862,490	2,862,490
F2. INDUSTRIAL REAL	538,750	N/A	538,750	538,750
G. OIL,GAS,MINERALS	4,735,020	1.0116	4,680,747	4,735,020
J. UTILITIES	48,550,380	0.9531	50,941,993	48,550,380
L1. COMMERCIAL PERSONAL	1,125,810	N/A	1,125,810	1,125,810
L2. INDUSTRIAL PERSONAL	5,319,250	N/A	5,319,250	5,319,250
M. MOBILE HOMES	1,996,280	N/A	1,996,280	1,996,280

N. INTANGIBLE PERSONAL PROP	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	0	N/A	0	0
Subtotal	146,114,730		147,781,741	146,114,730
Less Total Deductions	18,123,114		17,749,535	18,123,114
Total Taxable Value	127,991,616		130,032,206	127,991,616

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
128,492,336	127,991,616	128,492,336	127,991,616

Loss To the Additional \$10,000 Homestead Exemption	50 % of the loss to the Local Optional Percentage Homestead Exemption
500,720	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
128,492,336	127,991,616	128,492,336	127,991,616

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**

by and between

BRONTE INDEPENDENT SCHOOL DISTRICT

and

231RC 8ME LLC

(Texas Taxpayer ID #32068174898)

Comptroller Application # 1361

Dated

October 16, 2019

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

STATE OF TEXAS §
COUNTY OF RUNNELS §

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 **BRONTE 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 **231RC 8ME LLC**, Texas Taxpayer Identification Number 32068174898, 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 March 15, 2019, the Superintendent of Schools of the BRONTE 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 March 15, 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 June 7, 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 Runnels County Appraisal District established in Runnels County, Texas (the “Runnels County Appraisal District”), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller’s Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on August 16, 2019, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

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

WHEREAS, on October 16, 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 October 16, 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 October 16, 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 15, 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 October 16, 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 231RC 8me LLC, (Texas Taxpayer ID #32068174898) 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 March 15, 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 Runnels County Appraisal District.

“Board of Trustees” means the Board of Trustees of the BRONTE 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.

“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 Runnels County, Texas.

“District” or “School District” means the BRONTE 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, 42, 48 and 49 of the TEXAS EDUCATION CODE, the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State for each and every year of this Agreement, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term includes any and all amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant’s ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement. For each year of this Agreement, the “Applicable School Finance Law” shall be interpreted to include all provisions made applicable for any calculations made for the specific year for which calculations are being made.

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

“New M&O Revenue” means the total State and local Maintenance and Operations Revenue that District would have actually received for such school year if calculated using prior year taxable values.

“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 June 7, 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 October 16, 2019.
- C. The Qualifying Time Period for this Agreement:

- i. Starts on October 16, 2019, the Application Approval Date; and
- ii. Ends on December 31, 2021, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

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

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

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

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

- A. The Market Value of the Applicant's Qualified Property; or
- B. Twenty Million Dollars (\$20,000,000) 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 \$690 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 sole and direct producing cause. 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 resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date, the "M&O Amount" shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

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

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

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

Section 4.5. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Section 4.2, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall

be the sole responsibility of the District, but subject to the provisions of Section 4.6, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.6. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective; 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 4.7. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records and other information in accordance with Section 4.5 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the final determination of certification containing the calculations and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.8. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.6 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 4.9. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to District within thirty (3) days of receipt of written notice, up to the limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a sole and direct result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

Section 4.10. REVENUE PROTECTION PAYMENT FOR FIRST TWO YEARS OF LIMITATION. The parties agree that the amount calculated by the third party for the first two years of the Tax Limitation Period will be paid to the school district in four equal installments. In the case of any revenue protection amount related to the first year of the Tax Limitation Period, each installment payment is due on or before the January 31 next following the tax levy for each of the first four years of the Tax Limitation Period. In the case of any revenue protection amount related to the second year of the Tax Limitation Period, each installment payment is due on or before the January 31 next following the tax levy for each of the years two through five of the Tax Limitation Period. All payments made by the Applicant to the District under this Section 4.9 will be independent of, and in addition to any payments due in the future from the Applicant to the District under the Tax Limitation Agreement.

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, V and VI are subject to the limitations contained in Section 7.1, and that all payments under this Article VI are subject to the separate limitations contained in Section 6.2.

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

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

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

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

C. The limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)– (2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement; 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 210.

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, 2020	\$50,000
2020	January 31, 2021	\$50,000
2021	January 31, 2022	\$50,000
2022	January 31, 2023	\$50,000
2023	January 31, 2024	\$50,000
2024	January 31, 2025	\$50,000
2025	January 31, 2026	\$50,000
2026	January 31, 2027	\$50,000
2027	January 31, 2028	\$50,000
2028	January 31, 2029	\$50,000
2029	January 31, 2030	\$50,000
2030	January 31, 2031	\$50,000
2031	January 31, 2032	\$50,000
2032	January 31, 2033	\$50,000
2033	January 31, 2034	\$50,000

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

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

A. the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such

notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

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

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement; 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 Runnels County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator’s fees and expenses and the Applicant shall bear one-half of such mediator’s fees and expenses and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys’ fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Runnels 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 thirty (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:

Tim Siler
Superintendent
BRONTE Independent School District
210 Jefferson Street
P.O. Box 670
BRONTE, TX 76933
Phone: (325) 473-2511
Email: tim.siler@bronteisd.net

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

Dan Nelson
Vice President of Tax
8minuteenergy Renewables LLC
250 Sutter Street, Suite 600
San Francisco, CA 94108
Phone: (415) 309-5383
Email: dnelson@8minuteenergy.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.

Section 10.3. ASSIGNMENT.

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

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

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

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

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

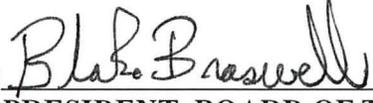
iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic “read receipt” does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 16th day of October, 2019.

231RC 8ME LLC

By:  _____

BRONTE 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, pursuant to Chapter 312 of the Texas Tax Code, the Bronte Independent School District designated the below tracts of land as the 8ME Reinvestment Zone. A map of this contiguous Reinvestment Zone is attached as the last page of this **EXHIBIT 1**. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of this 8ME Reinvestment Zone.

BRONTE INDEPENDENT SCHOOL DISTRICT

RESOLUTION CREATING 8ME REINVESTMENT ZONE

WHEREAS, Section 312.0025 of the Texas Tax Code permits a school district to designate a reinvestment zone if that designation is reasonably likely to contribute to the expansion of primary employment in the reinvestment zone, or attract major investment in the reinvestment zone that would be a benefit to property in the reinvestment zone and to the school district and contribute to the economic development of the region of this state in which the school district is located; and,

WHEREAS, the Bronte Independent School District (the "District") desires to encourage the development of primary employment and to attract major investment in the District and contribute to the economic development of the region in which the school district is located; and,

WHEREAS, a public hearing is required by Chapter 312 of the Texas Tax Code prior to approval of a reinvestment zone; and,

WHEREAS, the District published notice of a public hearing regarding the possible designation of the area described in the attached **Exhibit A** as a reinvestment zone for the purposes of Chapter 313 of the Texas Tax Code; and,

WHEREAS, the District wishes to create a reinvestment zone within the boundaries of the school district in Runnels County, Texas as shown on the map attached as **Exhibit B**; and,

WHEREAS, the District has given written notice of the proposed action and the Public Hearing to all political subdivisions and taxing authorities having jurisdiction over the property proposed to be designated as the reinvestment zone, described in the attached **Exhibits A & B**; and,

WHEREAS, all interested members of the public were given an opportunity to make comments at the public hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE BRONTE INDEPENDENT SCHOOL DISTRICT:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the Board of Trustees of the Bronte Independent School District, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on the adoption of *8ME REINVESTMENT ZONE* has been

called, held and conducted, and that notices of such hearing have been published and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,

- (b) That the boundaries of *8ME REINVESTMENT ZONE* be and, by the adoption of this Resolution, are declared and certified to be the area as described in the description attached hereto as “**Exhibit A**”; and,
- (c) That the map attached hereto as “**Exhibit B**” is declared to be and, by the adoption of this Resolution, is certified to accurately depict and show the boundaries of *8ME REINVESTMENT ZONE* which is described in **Exhibit A**; and further certifies that the property described in **Exhibit A** is inside the boundaries shown on **Exhibit B**; and,
- (d) That creation of *8ME REINVESTMENT ZONE* with boundaries as described in **Exhibit A** and **Exhibit B** will result in benefits to the Bronte Independent School District and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (e) That the *8ME REINVESTMENT ZONE* described in **Exhibit A** and **Exhibit B** meets the criteria set forth in Texas Tax Code §312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract investment in the zone that will be a benefit to the property, and would contribute to economic development within the Bronte Independent School District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Bronte Independent School District hereby creates a reinvestment zone under the provisions of Texas Tax Code §312.0025, encompassing the area described by the descriptions in **Exhibit A** and **Exhibit B**, and such reinvestment zone is hereby designated and shall hereafter be referred to as *8ME REINVESTMENT ZONE*.

SECTION 4. That the existence of the *8ME REINVESTMENT ZONE* shall first take effect upon, October 16th, 2019, the date of the adoption of this Resolution by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such adoption.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason beheld to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the

date, hour, place and subject of the meeting of the Bronte Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in Runnels County of the State of Texas, and furthermore, such notice was, in fact, delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 16th day of October, 2019.

BRONTE INDEPENDENT SCHOOL DISTRICT

By: 
President
Board of Trustees

ATTEST: 
Secretary
Board of Trustees

EXHIBIT A

LEGAL DESCRIPTION OF 8ME REINVESTMENT ZONE

8ME REINVESTMENT ZONE

Property ID	Owner Name	Acreege	Legal
R000021147	GREEN SUSAN B ETAL	400.00	BURNET CO, AB: 19, SU: 271
R000005868	BERTELSON JASEN/STACY	61.90	G W FOOSHEE, AB: 997, SU: 4 1/2
R000000465	FARRIS W B III	100.00	BURNET CO, AB: 19, SU: 271
R000013608	DILDY CHARLES T/SONIA R	298.42	A EVANS, AB: 133, SU: 274
R000022275	COPE RICHARD D	300.23	A EVANS, AB: 133, SU: 274
R000028440	FARRIS W B III	150.00	J A YEARY, AB: 570, SU: 273 **10/4/2016 SPLIT FROM R21687
R000021687	BERTELSON JASEN/STACY	141.00	J A YEARY, AB: 570, SU: 273 **10/4/2016 SPLIT TO R21687 FOR 2016
R000023441	COPE RICHARD D	10.90	J A YEARY, AB: 570, SU: 273 **10/4/2016 SPLIT TO R21687 FOR 2016 PER SURVEY. PER BART JOHNSON'S SURVEY, THIS PROPERTY BELONGS TO RICHARD D COPE
R000020721	FARRIS W B III/JANICE	403.80	J A YEARY, AB: 570, SU: 273
R000013700	SEAGO JAMES	2.50	G W PERRYMAN, AB: 973, SU: 802, UND INT: 50%
R000005792	MATTA DAVID J	4.99	G W PERRYMAN, AB: 973, SU: 802
R000013701	SEAGO JAMES	95.00	G W PERRYMAN, AB: 973, SU: 802, UND INT: 50%
R000020715	TIDWELL KIRK	320.00	G W PERRYMAN, AB: 973, SU: 802
R000005785	GENTRY CHARLES DAVID ET AL	110.00	G W PERRYMAN, AB: 973, SU: 802 ** 12/9/2013 SPLIT 9 ACS TO R5786
R000001908	GENTRY CHARLES DAVID ET AL	70.00	G H & H RR, AB: 217, SU: 805
R000022856	TIDWELL THERON KIRK/REBECCA A	389.51	G H & H RR, AB: 217, SU: 80 **7/17/2012 COMBINED R1909 AND R1910 SEE NOTATION
R000022718	GENTRY BILLY JACK/VIRGINIA RUTH LIFE ESTATE	189.00	G H & H RR, AB: 217, SU: 805
R000001901	BERTELSON JASEN/STACY	147.40	G H & H RR, AB: 216, SU: 803
R000001902	FRUITT BRUCE A	311.40	G H & H RR, AB: 216, SU: 803
R000001908	GENTRY CHARLES DAVID ET AL	70.00	G H & H RR, AB: 217, SU: 805
R000001905	SEAGO JAMES	77.25	G H & H RR, AB: 216, SU: 803, UND INT: 50%
R000005786	Gentry, Charles D.	10.00	GW Perryman, AB: 973, SU: 802

EXHIBIT B

SURVEY MAPS OF 8ME REINVESTMENT ZONE

Project Boundary

within Reinvestment Zone

1361-brants-231RC8me amendment001
May 28, 2019

Legend

-  Project Boundary
-  Proposed Reinvestment Zone

Project Boundary
(yellow outline)

Proposed Reinvestment Zone
(red shaded area and outline)

Google Earth

© 2018 Google



1 mi

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, as more fully described in Tab #7 of the Application, shall be all tangible personal property first placed in service after October 16, 2019, that is owned by the Applicant and located within the boundaries of the Bronte Independent School District and the reinvestment zone and project boundaries depicted on the map attached to **Exhibits 1 and 4**.

231RC 8me LLC is a proposed solar electric generating facility anticipated to be established in Runnels County, Texas. The facility, which will encompass 2,935 acres across 19 parcels of land, will be located in the northwestern portion of the county. Additionally, the entirety of the project will be within Bronte ISD. Please find attached in Tab 11 maps that further define the location of the facility.

The facility itself is expected to have a total capacity of 125 MW and will feature 440,000 photovoltaic panels, 38 central inverters, and feet of generation transmission tie line.

Construction is anticipated to commence in the Fourth Quarter of 2019. The hiring of new employees will begin in the Third Quarter of 2020. Construction is projected to be complete by Fourth Quarter of 2020, when the plant will also be fully operational.

231RC 8me LLC requests that this application includes but is not limited to the following components of this project:

- Solar Modules & Panels
- Inverter Boxes
- Meteorological Equipment
- Operation & Maintenance Building
- Electrical Substations
- Associated Towers
- Racking & Mounting Structures
- Combiner Boxes
- Foundations
- Roadways, Paving, & Fencing
- Generation Transmission Tie Line
- Interconnection Facilities

231RC 8me LLC is a solar energy project managed by 8minutenergy Renewables, LLC. Their mission is to make solar energy abundant and be a leader in lowering the cost of dispatchable solar PV. 8minutenergy Renewables, LLC is a privately held company focused on producing reliable solar energy with consistent long-term pricing with over 7,500 MW under development, 8minutenergy Renewables, LLC is eager to continue their development of projects within the United States. Their team of experienced professionals are committed to building quality stakeholder relationships in the communities they choose to invest.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property owned by Applicant within Bronte ISD located within the reinvestment zone and project boundaries depicted on the map attached to this **EXHIBIT 4** necessary for the commercial operations of the solar electric generating facility.

231RC 8me LLC is a proposed solar electric generating facility anticipated to be established in Runnels County, Texas. The facility, which will encompass 2,935 acres across 19 parcels of land, will be located in the northwestern portion of the county. Additionally, the entirety of the project will be within Bronte ISD. Please find attached in Tab 11 maps that further define the location of the facility.

The facility itself is expected to have a total capacity of 125 MW and will feature 440,000 photovoltaic panels, 38 central inverters, and feet of generation transmission tie line.

Construction is anticipated to commence in the Fourth Quarter of 2019. The hiring of new employees will begin in the Third Quarter of 2020. Construction is projected to be complete by Fourth Quarter of 2020, when the plant will also be fully operational.

231RC 8me LLC requests that this application includes but is not limited to the following components of this project:

- Solar Modules & Panels
- Inverter Boxes
- Meteorological Equipment
- Operation & Maintenance Building
- Electrical Substations
- Associated Towers
- Racking & Mounting Structures
- Combiner Boxes
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- Roadways, Paving, & Fencing
- Generation Transmission Tie Line
- Interconnection Facilities

231RC 8me LLC is a solar energy project managed by 8minutenergy Renewables, LLC. Their mission is to make solar energy abundant and be a leader in lowering the cost of dispatchable solar PV. 8minutenergy Renewables, LLC is a privately held company focused on producing reliable solar energy with consistent long-term pricing with over 7,500 MW under development, 8minutenergy Renewables, LLC is eager to continue their development of projects within the United States. Their team of experienced professionals are committed to building quality stakeholder relationships in the communities they choose to invest.

Site Schematic

384

1361-bronte-23/RC8me-am

Legend

May 28, 2019

- Project Boundary
- Transmission Line

Transmission Line

O&M Building

Panel Distribution

Substation

Project Boundary
(yellow outline)

Panel Distribution Subject to Change



1 mi

Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

October 16, 2019

President and Members
Board of Trustees
Bronte Independent School District
210 Jefferson Street
Bronte, Texas 76933

Re: Recommendations and Findings of the Firm Concerning the Application of 231RC 8ME, LLC (#1361) 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 Bronte Independent School District, with respect to the pending Application of 231RC 8ME, 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 231RC 8ME, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

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

Daniel T. Casey
Partner

www.moakcasey.com

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW

808 WEST AVE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

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

JUSTIN DEMERATH

BENJAMIN CASTILLO

October 16, 2019

President and Members
Board of Trustees
Bronte Independent School District
210 Jefferson Street
Bronte, Texas 76933

*Re: Recommendations and Findings of the Firm Concerning the Application of 231RC
8ME, LLC (#1361) 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 Bronte Independent School District, with respect to the pending Application of 231RC 8ME, 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 231RC 8ME, 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 231RC 8ME, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

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

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

October 15, 2019

Tim Siler
Superintendent
Bronte Independent School District
P.O. Box 670
Bronte, Texas 76933

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Bronte Independent School District and 231RC 8ME, LLC, Application 1361

Dear Superintendent Siler:

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 Bronte Independent School District and 231RC 8ME, 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 Deisy Perez with our office. She can be reached by email at deisy.perez@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-2410, or at 512-475-2410.

Sincerely,

A handwritten signature in blue ink, reading "Will Counihan", is positioned above the printed name.

Will Counihan
Director
Data Analysis & Transparency Division

cc: Dan Casey, Moak, Casey & Associates
Thomas Buttgenbach, 8minutenergy Renewables LLC
Tristan Cooke, 8minutenergy Renewables LLC
Mike Fry, KE Andrews

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.