
**FINDINGS OF THE
BOARD OF TRUSTEES OF THE
BONHAM INDEPENDENT SCHOOL DISTRICT**

**PURSUANT TO THE
TEXAS ECONOMIC DEVELOPMENT ACT**

**ON THE APPLICATION SUBMITTED BY
B.T. CONIGLIO SOLAR, LLC
TEXAS TAXPAYER I.D. 3206842389
APPLICATION NO. 1363**

November 18, 2019

**FINDINGS OF THE BOARD OF TRUSTEES OF THE
BONHAM INDEPENDENT SCHOOL DISTRICT
UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY B.T. CONIGLIO SOLAR, LLC**

STATE OF TEXAS §
 §
COUNTY OF FANNIN §

On the 18th day of November, 2019, a public meeting of the Board of Trustees of the **BONHAM INDEPENDENT SCHOOL DISTRICT**, a political subdivision of the State of Texas (“*District*”), was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code (“*Texas Open Meetings Act*”). At the meeting, the Board of Trustees of the District (“*Board*”) took up and considered Application No. 1363 for Appraised Value Limitation on Qualified Property (“*Application*”) of **B.T. CONIGLIO SOLAR, LLC**, a domestic limited-liability company, with its principal office located at 211 East 7th Street, Suite 620, Austin Texas 78701 (“*Applicant*”), pursuant to Texas Tax Code, Chapter 313, the Texas Economic Development Act (“*Act*”). The Board conducted an open hearing to deliberate on the Application and Agreement (defined below) of the Applicant, in compliance with the Texas Open Meetings Act and Texas Education Code § 11.051(a-1). After hearing presentations from the District’s administrative staff, and from attorneys and consultants retained by the District to advise the Board in this matter, the Board hereby makes the following findings of fact (“*Findings*”) relative to the Application and the economic impact of same.

On March 25, 2019, the Superintendent of Schools of the District, acting as agent of the District on behalf of the Board, received the Application. The Application was made on the form and included the information prescribed by the Texas Comptroller of Public Accounts (“*Comptroller*”). *See* Texas Tax Code § 313.025; Bonham ISD Policy CCGB(LOCAL). The completed Application was submitted to the Comptroller, with a copy to the chief appraiser of Fannin County, Texas, as required under the provisions of the Act. *See* Texas Tax Code § 313.025; *See also* 34 Texas Administrative Code § 9.1054(c). On July 9, 2019, the Comptroller issued written notice of a completed application, pursuant to Texas Tax Code § 313.026. Further, the Board acknowledges that the Applicant is subject to and has complied with the franchise tax requirements under Texas Tax Code, Chapter 171. For more information about the Application, please visit the Comptroller’s Internet website: [*Bonham ISD No. 1363, B.T. Coniglio Solar, LLC.*](#)

Upon request from the District, and subject to the Comptroller’s determination that the Applicant is eligible for the limitation on the appraised value of the entity’s qualified property, the Comptroller provided an economic impact analysis on the investment proposed by the Application as prescribed by Texas Tax Code §§ 313.025(b) and 313.026 (“*Evaluation*”). The Board has carefully considered the Comptroller’s Evaluation, dated September 19, 2019 and attached to these Findings as **Exhibit A**. Moreover, the Board directed Jigsaw School Finance Solutions LLC to conduct a financial impact analysis of the fiscal impact to the District resulting from the Application, as described in **Exhibit B**. The Texas Commissioner of Education undertook a similar analysis of the Application and determined that the project will not impact school enrollment.

Board Findings of the Bonham Independent School District

The Board 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, comports with the data posted on the Comptroller's Internet website in a record titled: [2018 ISD Summary Worksheet](#).

The District delivered to the Comptroller a form of agreement made by and between the District and the Applicant under the Act ("*Agreement*"), in substantially the same form set forth in **Exhibit C** to these Findings.

In consideration of those fiscal assessments set forth in the Comptroller's Evaluation and in the financial impact analysis ordered separately by the District, the Board finds as follows.

Board Finding Number 1.

The Applicant qualifies for a limitation on appraised value of qualified property under Texas Tax Code § 313.024 in the eligibility category of Renewable Energy – Solar.

Board Finding Number 2.

The Applicant proposes making a total investment of \$103,950,000 in the District, which amount also comprises one hundred percent (100%) of the Applicant's qualified investment under Texas Tax Code § 313.021.

Board Finding Number 3.

The average annual wage for qualifying jobs is expected to be at least \$48,500. Pursuant to the review by the Comptroller, this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs pay more than the minimum weekly wage required for qualified jobs under Texas Tax Code § 313.021.

Board Finding Number 4.

The Applicant's expected investment per qualifying job over the term of the Agreement is estimated to be \$103,950,000 based on the 1 new qualifying job committed to by the Applicant. The project's total investment is \$103,950,000 resulting in a relative level of investment per qualifying job of 103,950,000.

Board Finding Number 5.

The Applicant has requested a waiver of the job creation requirement under Texas Tax Code § 313.025(f-1), and the Board finds that the project meets state job creation requirements.

Board Finding Number 6.

Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be

significant to the region. In support of Finding 6, the economic impact evaluation states:

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

Year	Employment			Personal Income		
	Direct	Indirect+ Induced	Total	Direct	Indirect+ Induced	Total
2019	50	64	114	\$2,500,000	\$5,500,000	\$8,000,000
2020	250	318	568	\$12,500,000	\$29,500,000	\$42,000,000
2021	1	29	30	\$124	\$5,999,876	\$6,000,000
2022	1	15	16	\$131	\$3,999,869	\$4,000,000
2023	1	(3)	-2	\$137	\$1,999,863	\$2,000,000
2024	1	(11)	-10	\$144	\$999,856	\$1,000,000
2025	1	(13)	-12	\$151	-\$151	\$0
2026	1	(12)	-11	\$158	-\$158	\$0
2027	1	(10)	-9	\$165	-\$165	\$0
2028	1	(6)	-5	\$172	-\$172	\$0
2029	1	(3)	-2	\$180	-\$180	\$0
2030	1	0	1	\$188	\$999,812	\$1,000,000
2031	1	2	3	\$196	\$999,804	\$1,000,000
2032	1	4	5	\$205	\$999,795	\$1,000,000
2033	1	5	6	\$215	\$999,785	\$1,000,000
2034	1	6	7	\$225	\$999,775	\$1,000,000
2035	1	6	7	\$236	\$999,764	\$1,000,000

Table 4 examines the estimated direct impact on *ad valorem* taxes to the school district and Fannin 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.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	District I&S Tax Levy	District M&O Tax Levy	District M&O & I&S Tax Levies	Fannin County Tax Levy	Estimated Total Property Taxes
				0.3420	1.0401		0.5890	
2020	\$6,496,875	\$6,496,875		\$22,219	\$67,574	\$89,793	\$38,267	\$128,060
2021	\$67,903,365	\$20,000,000		\$232,230	\$208,020	\$440,250	\$199,975	\$640,225
2022	\$62,489,106	\$20,000,000		\$213,713	\$208,020	\$421,733	\$184,030	\$605,763
2023	\$56,647,899	\$20,000,000		\$193,736	\$208,020	\$401,756	\$166,828	\$568,584
2024	\$50,336,294	\$20,000,000		\$172,150	\$208,020	\$380,170	\$148,240	\$528,411
2025	\$43,525,325	\$20,000,000		\$148,857	\$208,020	\$356,877	\$128,182	\$485,059
2026	\$36,171,444	\$20,000,000		\$123,706	\$208,020	\$331,726	\$106,525	\$438,251
2027	\$28,231,302	\$20,000,000		\$96,551	\$208,020	\$304,571	\$83,141	\$387,712

Board Findings of the Bonham Independent School District

2028	\$19,654,207	\$19,654,207		\$67,217	\$204,423	\$271,641	\$57,882	\$329,522
2029	\$14,879,100	\$14,879,100		\$50,887	\$154,758	\$205,644	\$43,819	\$249,463
2030	\$14,869,200	\$14,869,200		\$50,853	\$154,655	\$205,507	\$43,790	\$249,297
2031	\$14,859,500	\$14,859,500		\$50,819	\$154,554	\$205,373	\$87,522	\$292,896
2032	\$14,850,100	\$14,850,100		\$50,787	\$154,456	\$205,243	\$87,467	\$292,710
2033	\$14,840,900	\$14,840,900		\$50,756	\$154,360	\$205,116	\$87,413	\$292,529
2034	\$14,832,000	\$14,832,000		\$50,725	\$154,268	\$204,993	\$87,360	\$292,354
2035	\$14,823,300	\$14,823,300		\$50,696	\$154,177	\$204,873	\$87,309	\$292,182
			Total	\$1,625,902	\$2,809,364	\$4,435,266	\$1,637,752	\$6,073,017
			Diff	\$0	\$2,135,375	\$2,135,375	\$1,162,413	\$3,297,787

Source: CPA, B.T. Coniglio Solar, LLC

¹Tax Rate per \$100 Valuation

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value For M&O		District I&S Tax Levy	District M&O Tax Levy	District M&O & I&S Tax Levies	Fannin County Tax Levy	Estimated Total Property Taxes
			Tax Rate¹	0.3420	1.0401		0.5890	
2020	\$6,496,875	\$6,496,875		\$22,219	\$67,574	\$89,793	\$38,267	\$128,060
2021	\$67,903,365	\$67,903,365		\$232,230	\$706,263	\$938,492	\$399,951	\$1,338,443
2022	\$62,489,106	\$62,489,106		\$213,713	\$649,949	\$863,662	\$368,061	\$1,231,723
2023	\$56,647,899	\$56,647,899		\$193,736	\$589,195	\$782,931	\$333,656	\$1,116,587
2024	\$50,336,294	\$50,336,294		\$172,150	\$523,548	\$695,698	\$296,481	\$992,179
2025	\$43,525,325	\$43,525,325		\$148,857	\$452,707	\$601,564	\$256,364	\$857,928
2026	\$36,171,444	\$36,171,444		\$123,706	\$376,219	\$499,926	\$213,050	\$712,975
2027	\$28,231,302	\$28,231,302		\$96,551	\$293,634	\$390,185	\$166,282	\$556,467
2028	\$19,654,207	\$19,654,207		\$67,217	\$204,423	\$271,641	\$115,763	\$387,404
2029	\$14,879,100	\$14,879,100		\$50,887	\$154,758	\$205,644	\$87,638	\$293,282
2030	\$14,869,200	\$14,869,200		\$50,853	\$154,655	\$205,507	\$87,580	\$293,087
2031	\$14,859,500	\$14,859,500		\$50,819	\$154,554	\$205,373	\$87,522	\$292,896
2032	\$14,850,100	\$14,850,100		\$50,787	\$154,456	\$205,243	\$87,467	\$292,710
2033	\$14,840,900	\$14,840,900		\$50,756	\$154,360	\$205,116	\$87,413	\$292,529
2034	\$14,832,000	\$14,832,000		\$50,725	\$154,268	\$204,993	\$87,360	\$292,354
2035	\$14,823,300	\$14,823,300		\$50,696	\$154,177	\$204,873	\$87,309	\$292,182
			Total	\$1,625,902	\$4,944,739	\$6,570,640	\$2,800,164	\$9,370,805

Source: CPA, B.T. Coniglio Solar, LLC

¹Tax Rate per \$100 Valuation

Board Finding Number 7.

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

Board Findings of the Bonham Independent School District

Board Finding Number 8.

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

Board Finding Number 9.

The Applicant’s project is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations *ad valorem* tax revenue lost as a result of the Agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the Application. Attachment B of the economic impact study contains a year-by-year analysis as depicted in the following table:

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$67,574	\$67,574	\$0	\$0
Limitation Period (10 Years)	2021	\$208,020	\$275,594	\$498,243	\$498,243
	2022	\$208,020	\$483,614	\$441,929	\$940,172
	2023	\$208,020	\$691,634	\$381,175	\$1,321,347
	2024	\$208,020	\$899,654	\$315,528	\$1,636,875
	2025	\$208,020	\$1,107,674	\$244,687	\$1,881,562
	2026	\$208,020	\$1,315,694	\$168,199	\$2,049,761
	2027	\$208,020	\$1,523,714	\$85,614	\$2,135,375
	2028	\$204,423	\$1,728,137	\$0	\$2,135,375
	2029	\$154,758	\$1,882,895	\$0	\$2,135,375
	2030	\$154,655	\$2,037,549	\$0	\$2,135,375
Maintain Viable Presence (5 Years)	2031	\$154,554	\$2,192,103	\$0	\$2,135,375
	2032	\$154,456	\$2,346,559	\$0	\$2,135,375
	2033	\$154,360	\$2,500,919	\$0	\$2,135,375
	2034	\$154,268	\$2,655,187	\$0	\$2,135,375
	2035	\$154,177	\$2,809,364	\$0	\$2,135,375
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$154,089	\$2,963,453	\$0	\$2,135,375
	2037	\$154,002	\$3,117,455	\$0	\$2,135,375
	2038	\$153,918	\$3,271,373	\$0	\$2,135,375
	2039	\$153,836	\$3,425,209	\$0	\$2,135,375
	2040	\$153,756	\$3,578,965	\$0	\$2,135,375
	2041	\$153,678	\$3,732,643	\$0	\$2,135,375
	2042	\$153,602	\$3,886,245	\$0	\$2,135,375
	2043	\$153,528	\$4,039,773	\$0	\$2,135,375
	2044	\$153,456	\$4,193,230	\$0	\$2,135,375
	2045	\$153,386	\$4,346,615	\$0	\$2,135,375
		\$4,346,615	is greater than	\$2,135,375	
Analysis Summary					
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					Yes

Board Finding Number 10.

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

Board Finding Number 11.

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

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

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

I. Per Belltown Power in Tab 5 of their Application:

- A. "Belltown Power's is active in other states and internationally and each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power and sold to our customers and making our investment more viable and marketable. Belltown Power has various projects in and continually compare investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Belltown Power currently has ongoing project developments in many states, including but not limited to, Pennsylvania and the UK."
- B. "Due to the extremely competitive power market in Texas most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rate under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project without a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited."

II. "According to the Texas Public Policy Foundation news release dated August 1, 2019, 'New Wind Farms are Flooding Rural Texas. Wherever you go in rural Texas today, you are likely to run across a new wind farm or solar farm constructed. Wichita County- A new wind farm, BT Coniglio Solar, LLC is seeking subsidies from: Fannin County-considering limiting the taxable value of the project to \$20 million.'"

Supporting Information

Board Findings of the Bonham Independent School District

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

Board Finding Number 12.

The Board of Trustees of the Bonham Independent School District hired consultants to review and verify the information in Application No. 1363. Based upon the consultants' review, the Board has determined that the information provided by the Applicant appears to be true and correct.

Board Finding Number 13.

The Board has determined that the tax limitation amount requested by the Applicant is currently \$20,000,000 Million Dollars, which is consistent with the minimum values currently set out by Texas Tax Code § 313.054(a).

Board Finding Number 14.

The Applicant (Taxpayer I.D. 3206842389) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

Board Finding Number 15.

The Agreement entered by and between the Applicant and the District under Chapter 313 of the Texas Tax Code, attached to these Findings as Exhibit C, includes adequate and appropriate revenue protection provisions for the District.

Board Finding Number 16.

Considering the purpose and effect of the law and the terms of the Agreement, it is in the best interest of the District and the State of Texas to enter the attached Agreement.

It is therefore ORDERED that the Agreement attached to these Findings as Exhibit C is approved and hereby authorized to be executed and delivered by and on behalf of the Bonham Independent School District. It is further ORDERED that these Findings and the attachments referred to herein be attached to the official minutes of this meeting and maintained in the permanent records of the Board of Trustees of the Bonham Independent School District.

Dated the 18th day of November, 2019.

BONHAM INDEPENDENT SCHOOL DISTRICT, a political subdivision of the State of Texas

Board Findings of the Bonham Independent School District

By: 

Chance Roberts
President, Board of Trustees

ATTEST:

By: 

Sean Floyd
Secretary, Board of Trustees

Findings and Order of the Board of Trustees of the
Bonham Independent School District under the Texas Economic Development Act
on Comptroller Application No. 1363 of B.T. Coniglio Solar, LLC (Tax I.D. 3206842389)

EXHIBIT A

Comptroller's Economic Impact Analysis



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 19, 2019

Kelly Tropler
Superintendent
Bonham ISD
1005 Chestnut St.
Bonham, TX 75418

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Bonham Independent School District and BT Coniglio Solar, LLC, Application 1363

Dear Superintendent Tropler:

On July 9, 2019, the Comptroller issued written notice that BT Coniglio Solar, LLC (applicant) submitted a completed application (Application 1363) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on March 25, 2019, to the Bonham 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 1363.

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 July 9, 2019, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

A handwritten signature in cursive script that reads "Lisa Craven".

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of BT Coniglio Solar, LLC (project) applying to Bonham 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 BT Coniglio Solar, LLC.

Applicant	BT Coniglio Solar, LLC
Tax Code, 313.024 Eligibility Category	Electric power generation, solar
School District	Bonham ISD
2017-2018 Average Daily Attendance	3,840
County	Fannin
Proposed Total Investment in District	\$103,950,000
Proposed Qualified Investment	103,950,000
Limitation Amount	\$25,000,000
Qualifying Time Period (Full Years)	2020-2021
Number of new qualifying jobs committed to by applicant	1*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$933
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$933
Minimum annual wage committed to by applicant for qualified jobs	\$48,500
Minimum weekly wage required for non-qualifying jobs	\$796
Minimum annual wage required for non-qualifying jobs	\$41,380
Investment per Qualifying Job	\$103,950,000
Estimated M&O levy without any limit (15 years)	\$4,944,739
Estimated M&O levy with Limitation (15 years)	\$2,809,364
Estimated gross M&O tax benefit (15 years)	\$2,135,375

* 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 BT Coniglio Solar, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	50	64	114	\$2,500,000	\$5,500,000	\$8,000,000
2020	250	318	568	\$12,500,000	\$29,500,000	\$42,000,000
2021	1	29	30	\$124	\$5,999,876	\$6,000,000
2022	1	15	16	\$131	\$3,999,869	\$4,000,000
2023	1	(3)	-2	\$137	\$1,999,863	\$2,000,000
2024	1	(11)	-10	\$144	\$999,856	\$1,000,000
2025	1	(13)	-12	\$151	-\$151	\$0
2026	1	(12)	-11	\$158	-\$158	\$0
2027	1	(10)	-9	\$165	-\$165	\$0
2028	1	(6)	-5	\$172	-\$172	\$0
2029	1	(3)	-2	\$180	-\$180	\$0
2030	1	0	1	\$188	\$999,812	\$1,000,000
2031	1	2	3	\$196	\$999,804	\$1,000,000
2032	1	4	5	\$205	\$999,795	\$1,000,000
2033	1	5	6	\$215	\$999,785	\$1,000,000
2034	1	6	7	\$225	\$999,775	\$1,000,000
2035	1	6	7	\$236	\$999,764	\$1,000,000

Source: CPA REMI, BT Coniglio Solar, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Bonham ISD I&S Tax Levy	Bonham ISD M&O Tax Levy	Bonham ISD M&O and I&S Tax Levies	Fannin County Tax Levy	Estimated Total Property Taxes
				0.3420	1.0401		0.5890	
2020	\$6,496,875	\$6,496,875		\$22,219	\$67,574	\$89,793	\$38,267	\$128,060
2021	\$67,903,365	\$67,903,365		\$232,230	\$706,263	\$938,492	\$399,951	\$1,338,443
2022	\$62,489,106	\$62,489,106		\$213,713	\$649,949	\$863,662	\$368,061	\$1,231,723
2023	\$56,647,899	\$56,647,899		\$193,736	\$589,195	\$782,931	\$333,656	\$1,116,587
2024	\$50,336,294	\$50,336,294		\$172,150	\$523,548	\$695,698	\$296,481	\$992,179
2025	\$43,525,325	\$43,525,325		\$148,857	\$452,707	\$601,564	\$256,364	\$857,928
2026	\$36,171,444	\$36,171,444		\$123,706	\$376,219	\$499,926	\$213,050	\$712,975
2027	\$28,231,302	\$28,231,302		\$96,551	\$293,634	\$390,185	\$166,282	\$556,467
2028	\$19,654,207	\$19,654,207		\$67,217	\$204,423	\$271,641	\$115,763	\$387,404
2029	\$14,879,100	\$14,879,100		\$50,887	\$154,758	\$205,644	\$87,638	\$293,282
2030	\$14,869,200	\$14,869,200		\$50,853	\$154,655	\$205,507	\$87,580	\$293,087
2031	\$14,859,500	\$14,859,500		\$50,819	\$154,554	\$205,373	\$87,522	\$292,896
2032	\$14,850,100	\$14,850,100		\$50,787	\$154,456	\$205,243	\$87,467	\$292,710
2033	\$14,840,900	\$14,840,900		\$50,756	\$154,360	\$205,116	\$87,413	\$292,529
2034	\$14,832,000	\$14,832,000		\$50,725	\$154,268	\$204,993	\$87,360	\$292,354
2035	\$14,823,300	\$14,823,300		\$50,696	\$154,177	\$204,873	\$87,309	\$292,182
			Total	\$1,625,902	\$4,944,739	\$6,570,640	\$2,800,164	\$9,370,805

Source: CPA, BT Coniglio Solar, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Fannin 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		Bonham ISD I&S Tax Levy	Bonham ISD M&O Tax Levy	Bonham ISD M&O and I&S Tax Levies	Fannin County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3420	1.0401		0.5890	
2020	\$6,496,875	\$6,496,875		\$22,219	\$67,574	\$89,793	\$38,267	\$128,060
2021	\$67,903,365	\$20,000,000		\$232,230	\$208,020	\$440,250	\$199,975	\$640,225
2022	\$62,489,106	\$20,000,000		\$213,713	\$208,020	\$421,733	\$184,030	\$605,763
2023	\$56,647,899	\$20,000,000		\$193,736	\$208,020	\$401,756	\$166,828	\$568,584
2024	\$50,336,294	\$20,000,000		\$172,150	\$208,020	\$380,170	\$148,240	\$528,411
2025	\$43,525,325	\$20,000,000		\$148,857	\$208,020	\$356,877	\$128,182	\$485,059
2026	\$36,171,444	\$20,000,000		\$123,706	\$208,020	\$331,726	\$106,525	\$438,251
2027	\$28,231,302	\$20,000,000		\$96,551	\$208,020	\$304,571	\$83,141	\$387,712
2028	\$19,654,207	\$19,654,207		\$67,217	\$204,423	\$271,641	\$57,882	\$329,522
2029	\$14,879,100	\$14,879,100		\$50,887	\$154,758	\$205,644	\$43,819	\$249,463
2030	\$14,869,200	\$14,869,200		\$50,853	\$154,655	\$205,507	\$43,790	\$249,297
2031	\$14,859,500	\$14,859,500		\$50,819	\$154,554	\$205,373	\$87,522	\$292,896
2032	\$14,850,100	\$14,850,100		\$50,787	\$154,456	\$205,243	\$87,467	\$292,710
2033	\$14,840,900	\$14,840,900		\$50,756	\$154,360	\$205,116	\$87,413	\$292,529
2034	\$14,832,000	\$14,832,000		\$50,725	\$154,268	\$204,993	\$87,360	\$292,354
2035	\$14,823,300	\$14,823,300		\$50,696	\$154,177	\$204,873	\$87,309	\$292,182
			Total	\$1,625,902	\$2,809,364	\$4,435,266	\$1,637,752	\$6,073,017
			Diff	\$0	\$2,135,375	\$2,135,375	\$1,162,413	\$3,297,787

Source: CPA, BT Coniglio Solar, LLC
 *Tax Rate per \$100 Valuation

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

Attachment A – Economic Impact Analysis - CORRECTED

The following tables summarize the Comptroller’s economic impact analysis of BT Coniglio Solar, LLC (project) applying to Bonham 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 BT Coniglio Solar, LLC.

Applicant	BT Coniglio Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy -Solar
School District	Bonham ISD
2017-2018 Average Daily Attendance	3,840
County	Fannin
Proposed Total Investment in District	\$103,950,000
Proposed Qualified Investment	103,950,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2020-2021
Number of new qualifying jobs committed to by applicant	1*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$933
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$933
Minimum annual wage committed to by applicant for qualified jobs	\$48,500
Minimum weekly wage required for non-qualifying jobs	\$796
Minimum annual wage required for non-qualifying jobs	\$41,380
Investment per Qualifying Job	\$103,950,000
Estimated M&O levy without any limit (15 years)	\$4,944,739
Estimated M&O levy with Limitation (15 years)	\$2,809,364
Estimated gross M&O tax benefit (15 years)	\$2,135,375

* 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 BT Coniglio Solar, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	50	64	114	\$2,500,000	\$5,500,000	\$8,000,000
2020	250	318	568	\$12,500,000	\$29,500,000	\$42,000,000
2021	1	29	30	\$124	\$5,999,876	\$6,000,000
2022	1	15	16	\$131	\$3,999,869	\$4,000,000
2023	1	(3)	-2	\$137	\$1,999,863	\$2,000,000
2024	1	(11)	-10	\$144	\$999,856	\$1,000,000
2025	1	(13)	-12	\$151	-\$151	\$0
2026	1	(12)	-11	\$158	-\$158	\$0
2027	1	(10)	-9	\$165	-\$165	\$0
2028	1	(6)	-5	\$172	-\$172	\$0
2029	1	(3)	-2	\$180	-\$180	\$0
2030	1	0	1	\$188	\$999,812	\$1,000,000
2031	1	2	3	\$196	\$999,804	\$1,000,000
2032	1	4	5	\$205	\$999,795	\$1,000,000
2033	1	5	6	\$215	\$999,785	\$1,000,000
2034	1	6	7	\$225	\$999,775	\$1,000,000
2035	1	6	7	\$236	\$999,764	\$1,000,000

Source: CPA REMI, BT Coniglio Solar, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate	Bonham ISD ISD I&S Tax Levy	Bonham ISD M&O Tax Levy	Bonham ISD M&O and I&S Tax Levies	Fannin County Tax Levy	Estimated Total Property Taxes
				0.3420	1.0401		0.5890	
2020	\$6,496,875	\$6,496,875		\$22,219	\$67,574	\$89,793	\$38,267	\$128,060
2021	\$67,903,365	\$67,903,365		\$232,230	\$706,263	\$938,492	\$399,951	\$1,338,443
2022	\$62,489,106	\$62,489,106		\$213,713	\$649,949	\$863,662	\$368,061	\$1,231,723
2023	\$56,647,899	\$56,647,899		\$193,736	\$589,195	\$782,931	\$333,656	\$1,116,587
2024	\$50,336,294	\$50,336,294		\$172,150	\$523,548	\$695,698	\$296,481	\$992,179
2025	\$43,525,325	\$43,525,325		\$148,857	\$452,707	\$601,564	\$256,364	\$857,928
2026	\$36,171,444	\$36,171,444		\$123,706	\$376,219	\$499,926	\$213,050	\$712,975
2027	\$28,231,302	\$28,231,302		\$96,551	\$293,634	\$390,185	\$166,282	\$556,467
2028	\$19,654,207	\$19,654,207		\$67,217	\$204,423	\$271,641	\$115,763	\$387,404
2029	\$14,879,100	\$14,879,100		\$50,887	\$154,758	\$205,644	\$87,638	\$293,282
2030	\$14,869,200	\$14,869,200		\$50,853	\$154,655	\$205,507	\$87,580	\$293,087
2031	\$14,859,500	\$14,859,500		\$50,819	\$154,554	\$205,373	\$87,522	\$292,896
2032	\$14,850,100	\$14,850,100		\$50,787	\$154,456	\$205,243	\$87,467	\$292,710
2033	\$14,840,900	\$14,840,900		\$50,756	\$154,360	\$205,116	\$87,413	\$292,529
2034	\$14,832,000	\$14,832,000		\$50,725	\$154,268	\$204,993	\$87,360	\$292,354
2035	\$14,823,300	\$14,823,300		\$50,696	\$154,177	\$204,873	\$87,309	\$292,182
			Total	\$1,625,902	\$4,944,739	\$6,570,640	\$2,800,164	\$9,370,805

Source: CPA, BT Coniglio Solar, LLC
 *Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Fannin 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*	Bonham ISD ISD I&S Tax Levy	Bonham ISD M&O Tax Levy	Bonham ISD M&O and I&S Tax Levies	Fannin County Tax Levy	Estimated Total Property Taxes	
2020	\$6,496,875	\$6,496,875		0.3420	1.0401		0.5890		
2020	\$6,496,875	\$6,496,875		\$22,219	\$67,574	\$89,793	\$38,267	\$128,060	
2021	\$67,903,365	\$20,000,000		\$232,230	\$208,020	\$440,250	\$199,975	\$640,225	
2022	\$62,489,106	\$20,000,000		\$213,713	\$208,020	\$421,733	\$184,030	\$605,763	
2023	\$56,647,899	\$20,000,000		\$193,736	\$208,020	\$401,756	\$166,828	\$568,584	
2024	\$50,336,294	\$20,000,000		\$172,150	\$208,020	\$380,170	\$148,240	\$528,411	
2025	\$43,525,325	\$20,000,000		\$148,857	\$208,020	\$356,877	\$128,182	\$485,059	
2026	\$36,171,444	\$20,000,000		\$123,706	\$208,020	\$331,726	\$106,525	\$438,251	
2027	\$28,231,302	\$20,000,000		\$96,551	\$208,020	\$304,571	\$83,141	\$387,712	
2028	\$19,654,207	\$19,654,207		\$67,217	\$204,423	\$271,641	\$57,882	\$329,522	
2029	\$14,879,100	\$14,879,100		\$50,887	\$154,758	\$205,644	\$43,819	\$249,463	
2030	\$14,869,200	\$14,869,200		\$50,853	\$154,655	\$205,507	\$43,790	\$249,297	
2031	\$14,859,500	\$14,859,500		\$50,819	\$154,554	\$205,373	\$87,522	\$292,896	
2032	\$14,850,100	\$14,850,100		\$50,787	\$154,456	\$205,243	\$87,467	\$292,710	
2033	\$14,840,900	\$14,840,900		\$50,756	\$154,360	\$205,116	\$87,413	\$292,529	
2034	\$14,832,000	\$14,832,000		\$50,725	\$154,268	\$204,993	\$87,360	\$292,354	
2035	\$14,823,300	\$14,823,300		\$50,696	\$154,177	\$204,873	\$87,309	\$292,182	
				Total	\$1,625,902	\$2,809,364	\$4,435,266	\$1,637,752	\$6,073,017
				Diff	\$0	\$2,135,375	\$2,135,375	\$1,162,413	\$3,297,787

Source: CPA, BT Coniglio Solar, LLC
 *Tax Rate per \$100 Valuation

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

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

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$67,574	\$67,574	\$0	\$0
Limitation Period (10 Years)	2021	\$208,020	\$275,594	\$498,243	\$498,243
	2022	\$208,020	\$483,614	\$441,929	\$940,172
	2023	\$208,020	\$691,634	\$381,175	\$1,321,347
	2024	\$208,020	\$899,654	\$315,528	\$1,636,875
	2025	\$208,020	\$1,107,674	\$244,687	\$1,881,562
	2026	\$208,020	\$1,315,694	\$168,199	\$2,049,761
	2027	\$208,020	\$1,523,714	\$85,614	\$2,135,375
	2028	\$204,423	\$1,728,137	\$0	\$2,135,375
	2029	\$154,758	\$1,882,895	\$0	\$2,135,375
	2030	\$154,655	\$2,037,549	\$0	\$2,135,375
Maintain Viable Presence (5 Years)	2031	\$154,554	\$2,192,103	\$0	\$2,135,375
	2032	\$154,456	\$2,346,559	\$0	\$2,135,375
	2033	\$154,360	\$2,500,919	\$0	\$2,135,375
	2034	\$154,268	\$2,655,187	\$0	\$2,135,375
	2035	\$154,177	\$2,809,364	\$0	\$2,135,375
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$154,089	\$2,963,453	\$0	\$2,135,375
	2037	\$154,002	\$3,117,455	\$0	\$2,135,375
	2038	\$153,918	\$3,271,373	\$0	\$2,135,375
	2039	\$153,836	\$3,425,209	\$0	\$2,135,375
	2040	\$153,756	\$3,578,965	\$0	\$2,135,375
	2041	\$153,678	\$3,732,643	\$0	\$2,135,375
	2042	\$153,602	\$3,886,245	\$0	\$2,135,375
	2043	\$153,528	\$4,039,773	\$0	\$2,135,375
	2044	\$153,456	\$4,193,230	\$0	\$2,135,375
	2045	\$153,386	\$4,346,615	\$0	\$2,135,375

\$4,346,615
 is greater than **\$2,135,375**

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

Source: CPA, BT Coniglio Solar, LLC

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

Attachment C – Limitation as a Determining Factor

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

Methodology

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

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

Determination

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

- Belltown Power in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Belltown Power’s is active in other states and internationally and each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power and sold to our customers and making our investment more viable and marketable. Belltown Power has various projects in and continually compare investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Belltown Power currently has ongoing project developments in many states, including but not limited to, Pennsylvania and the UK.”
 - B. “Due to the extremely competitive power market in Texas most if not all PPA’s economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today’s contracted power rate under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project without a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.”
- According to the Texas Public Policy Foundation news release dated August 1, 2019, “New Wind Farms are Flooding Rural Texas. Wherever you go in rural Texas today, you are likely to run across a new wind farm or solar farm constructed. Wichita County – A new wind farm, BT Coniglio Solar, LLC is seeking subsidies from: Fannin County-considering limiting the taxable value of the project to \$20 million.”

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

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Supporting Information

Section 8 of the Application for a Limitation on Appraised Value

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
Company has 312 agreement with the County
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
Company has 312 agreement with the County
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.

For more information, visit our website, www.TexasAhead.org/tax_programs/chapter313/

Supporting Information

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

TAB 5

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

Belltown Power was founded in the UK in 2013 by Michael Kaplan, Tom Hill-Norton and Andy Black as a fully integrated renewable energy power company. With a small team of dedicated investment and engineering professionals, Belltown delivered over 200MW of onshore wind, solar PV and hydro projects in under 4 years through employing a proven, disciplined process to project delivery.

In early 2017, Belltown entered a new phase of growth as we target the development and operation of large-scale renewable energy projects globally. Belltown now has five offices on two continents and a rapidly growing team targeting opportunities in developed and emerging markets.

Belltown Power is keen to develop and build the proposed BT Coniglio Solar Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar solar projects. Belltown Power is active in other states and internationally and each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. Belltown Power has various projects in and continually compare investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Belltown Power currently has ongoing project developments in many states, including but not limited to, Pennsylvania and the U.K.

Due to the extremely competitive power market in Texas most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY BY BT CONIGLIO SOLAR, LLC TO BONHAM ISD

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Bonham ISD–BT Coniglio Solar, LLC App. #1363

Comptroller Questions (via email on June 4, 2019):

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

Applicant Response (via email on June 7, 2019):

1. *BT Coniglio Solar, LLC is also known as Coniglio Solar.*
2. *The project has applied to ERCOT. The project's IGNR is 201NR0037, assigned on 1/23/18.*
3. *This project has not been known by any other names. B*

New Wind and Solar Farms are Flooding Rural Texas

By Bill Peacock, Carly Good | August 1, 2019

Wherever you go in rural Texas today, you are likely to run across a new wind farm or solar farm being constructed.

And why wouldn't they be?

Taxpayers and consumers are currently paying more than \$2 billion annually to renewable energy companies operating in Texas. And with the threat that eligibility for the biggest renewable subsidy, the federal Production Tax Credit (PTC), might expire at the end of the year, there is a mad rush by renewable companies—many of which are multibillion-dollar, multinational conglomerates—to take even more of our money from us through the largess of our local, state, and federal governments.

The cost of these renewable energy projects, though, is not just measured in dollars.

The reliability of the Texas electricity grid is being strained by both wind and solar farms that cannot guarantee electricity when Texans most need it, and then (as the case with wind) drive down prices at night by dumping electricity onto the market when we don't need it. The result is a lack of new investment in natural gas or coal-fired plants that can provide reliable and affordable energy when we need it—usually between 4-7 p.m. on hot summer afternoons.

Additionally, these plants are scarring rural Texas and creating a cleanup problem beyond what any of us can currently imagine one they can no longer generate electricity.

Below is a list of companies seeking local tax abatements from counties, school districts, hospital districts, etc. across the state. A total of 34 projects in 27 counties want taxpayers to subsidize their businesses so they can make more profits. And with each of these projects likely to produce fewer than ten permanent jobs each, there isn't anything in it for county residents.

Here is the list:

Cooke County

Two new renewable energy generators, **BT Cooke Solar, LLC** and **Wildcat Creek Wind** are seeking subsidies from:

<https://www.texaspolicy.com/new-wind-and-solar-farms-are-flooding-rural-texas/>

8/9/2019

- **Cooke County** – considering a \$56,500 annual tax incentive for BT Cooke Solar, LLC and an unspecified amount for Wildcat Creek Wind
- **Era ISD** – considering limiting the taxable value of the project by \$20 million for BT Cooke Solar, LLC
- **Muenster ISD** – considering limiting the taxable value of the project for Wildcat Creek Wind

Ector County

Two new solar farms, **Rockhound Solar A** and **Rockhound Solar B**, are seeking subsidies from:

- **Ector County** – considering a \$559,600 annual tax incentive for Rockhound Solar A and \$337,600 for Rockhound Solar B
- **Ector County ISD** – considering limiting the taxable value of the project by \$100 million for both
- **Ector County Hospital District** – considering a \$185,600 annual tax incentive for Rockhound Solar A and \$95,800 for Rockhound Solar B
- **Odessa College** – considering a \$104,800 annual tax incentive for Rockhound Solar A and \$170,500 for Rockhound Solar B

Knox County

A new wind farm, **Griffin Trail Wind, LLC**, is seeking subsidies from:

- **Knox County** – considering a \$6,629,208 annual tax incentive
- **Benjamin ISD** – considering limiting the taxable value of the project by \$20 million
- **Seymour ISD** – considering limiting the taxable value of the project by \$30 million
- **Knox County Hospital District** – considering a \$3,575,058 annual tax incentive

Wharton County

A new solar farm, **Hecate Energy Ramsey, LLC**, is seeking subsidies from:

- **Wharton County** – considering a \$627,340 annual tax incentive
- **Louise ISD** – considering limiting the taxable value of the project by \$20 million

Bailey County

A new solar farm, **Willing Solar Energy, LLC**, is seeking subsidies from:

- **Bailey County** – considering an \$843,693 annual tax incentive
- **Muleshoe ISD** – considering limiting the taxable value of the project by \$20 million

- Knox County Hospital District – considering a \$421,846 annual tax incentive

Cameron County

A new wind farm, **Monte Alto Windpower, LLC**, is seeking subsidies from:

- Cameron County – considering a \$187,645 annual tax incentive
- Santa Rosa ISD – considering limiting the taxable value of the project by \$15 million

Coke County

Two new renewable energy generators, **BNB Tennyson Solar, LLC**, and **Grape Creek Wind, LLC**, are seeking subsidies from:

- Coke County – considering a \$278,971 annual tax incentive for BNB Tennyson Solar and \$2,007,044 for Grape Creek Wind
- Bronte ISD – considering limiting the taxable value of the project by \$20 million for both
- Robert Lee ISD – considering limiting the taxable value of the project by \$25 million for both
- Water Valley ISD – considering limiting the taxable value of Grape Creek Wind by \$20 million

Fannin County

A new solar farm, **B.T. Coniglio Solar, LLC**, is seeking subsidies from:

- Fannin County – considering a \$259,700 annual tax incentive
- Bonham ISD – considering limiting the taxable value of the project by \$20 million

Hardeman County

A new wind farm, **Blue Summit III Wind, LLC**, is seeking subsidies from:

- Hardeman County – considering a \$203,000 annual tax incentive
- Chillicothe ISD – considering limiting the taxable value of the project by \$20 million

Hidalgo County

Two new wind farms, **La Joya Windpower, LLC**, and **Monte Alto Windpower, LLC**, are seeking subsidies from:

- Hidalgo County – considering an \$858,816 annual tax incentive for La Joya Windpower and \$561,652 for Monte Alto Windpower

- La Joya ISD – considering limiting the taxable value of the project by \$25 million for La Joya Windpower
- La Villa ISD – considering limiting the taxable value of the project by \$20 million for Monte Alto Windpower
- South Texas College – considering a \$77,700 annual tax incentive for La Joya Windpower

Hill County

A new solar farm, **Sun Valley Solar, LLC**, is seeking subsidies from:

- Hill County – considering a \$395,647.20 annual tax incentive
- Abbott ISD – considering limiting the taxable value of the project by \$20 million

Jackson County

A new solar farm, **Ganado Solar, LLC**, is seeking subsidies from:

- Jackson County – considering a \$224,933 annual tax incentive
- Ganado ISD – considering limiting the taxable value of the project by \$30 million
- Jackson County Hospital District – considering limiting the taxable value of the project by \$30 million

Kaufman County

A new solar farm, **Lily Solar, LLC**, is seeking subsidies from:

- Kaufman County – considering a \$279,133.09 annual tax incentive
- Trinity Valley Community College – considering a \$80,770.55 annual tax incentive
- Scurry-Rosser ISD – considering limiting the taxable value of the project by \$40 million

Kenedy County

A new wind farm, **Texas Gulf Wind 2, LLC**, is seeking subsidies from:

- Kenedy County – considering a \$337,500 annual tax incentive
- Kenedy County Wide CSD – considering limiting the taxable value of the project by \$30 million

Kinney County

A new solar farm, **Zier Solar, LLC**, is seeking subsidies from:

- Kinney County – considering a \$787,889 annual tax incentive
- Brackett ISD – considering limiting the taxable value of the project by \$10 million
- Kinney County Groundwater Conservation District – considering a \$7,320 annual tax incentive
- Kinney County Road and Bridge – considering a \$32,627 annual tax incentive

Lamar County

Two new solar farms, **Samson Solar Energy II, LLC**, and **Samson Solar Energy III, LLC**, are seeking subsidies from:

- Lamar County – considering a \$304,554 annual tax incentive for Samson Solar Energy II and an additional \$304,554 for Samson Solar Energy III
- Prairiland ISD – considering limiting the taxable value of the project by \$20 million for both

Limestone County

A new wind farm, **Prairie Hill Wind Project, LLC**, is seeking subsidies from:

- Limestone County – considering a \$1,841,400 annual tax incentive
- Mart ISD – considering limiting the taxable value of the project by \$15 million
- South Limestone County Hospital District – considering a \$743,800 annual incentive

Nolan County

A new wind farm, **Maryneal Windpower, LLC**, is seeking subsidies from:

- Nolan County – considering a \$581,408 annual tax incentive
- Highland ISD – considering limiting the taxable value of the project by \$30 million
- Rolling Plains Memorial Hospital District – considering a \$498,398 annual tax incentive

Parmer County

A new wind farm, **Lazbuddie Wind Energy, LLC**, is seeking subsidies from:

- Parmer County – considering a \$193,000 annual tax incentive
- Lazbuddie ISD – considering limiting the taxable value of the project by \$20 million

Pecos County

Two new solar farms, **EnergieKontor US Texas SP 1, LLC**, and **Taygete Energy Project II, LLC**, are seeking subsidies from:

- **Pecos County** – considering a \$539,765 annual tax incentive for EnergieKontor US Texas SP 1 and \$914,058 for Taygete Energy Project II
- **Fort Stockton ISD** – considering limiting the taxable value of the project by \$30 million for both

Runnels County

A new wind farm, **23IRC8me, LLC**, is seeking subsidies from:

- **Runnels County** – considering a \$265,274.40 annual tax Incentive
- **Bronte ISD** – considering limiting the taxable value of the project by \$20 million
- **Runnels County Hospital District** – considering a \$164,287.20 annual tax incentive

Sterling County

A new solar farm, **BlueBell Solar II, LLC**, is seeking subsidies from:

- **Sterling County** – considering a \$218,759 annual tax incentive
- **Sterling City ISD** – considering limiting the taxable value of the project by \$30 million

Terry County

A new solar farm, **Algodon Solar Energy, LLC**, is seeking subsidies from:

- **Terry County** – considering a \$324,000 annual tax incentive
- **Wellman-Union ISD** – considering limiting the taxable value of the project by \$20 million

Upton County

Two new solar farms, **Morada del Sol, LLC**, and **34TA 8me, LLC**, are seeking subsidies from:

- **Upton County** – considering a \$4,114,496 annual tax incentive for Morada del Sol and \$280,000 for 34TA 8me
- **McCamey ISD** – considering limiting the taxable value of the project by \$25 million for Morada del Sol
- **Rankin ISD** – considering limiting the taxable value of the project by \$25 million for 34TA 8me

New Wind and Solar Farms are Flooding Rural Texas

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- Upton Emergency Services District #2 – considering a \$8,194,562 annual tax incentive for Morada del Sol
- Rankin Hospital District – considering a \$188,000 annual tax incentive for 34TA 8me
- Upton Water District – considering a \$2,400 annual tax incentive for 34TA 8me

Wichita County

A new solar farm, **Bacon Switch Solar, LLC**, is seeking subsidies from:

- Wichita County – considering a \$96,647 annual tax incentive
- Burkburnett ISD – considering limiting the taxable value of the project by \$30 million

Willacy County

A new wind farm, **El Sauz Ranch Wind, LLC**, is seeking subsidies from:

- Willacy County – considering a \$1,361,088 annual tax incentive
- San Perilita ISD – considering limiting the taxable value of the project by \$15 million

Zapata County

A new wind farm, **Las Lomas Wind Energy, LLC**, is seeking subsidies from:

- Zapata County – considering a \$920,400 annual tax incentive
- Zapata County ISD – considering limiting the taxable value of the project by \$25 million

Findings and Order of the Board of Trustees of the
Bonham Independent School District under the Texas Economic Development Act
on Comptroller Application No. 1363 of B.T. Coniglio Solar, LLC (Tax I.D. 3206842389)

EXHIBIT B

*Summary of Financial Impact on the Bonham Independent School District
Prepared by Jigsaw School Finance Solutions LLC*

SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED

**B.T. CONIGLIO SOLAR, LLC
(APPLICATION #1363)**

**ON THE FINANCES OF
BONHAM INDEPENDENT SCHOOL DISTRICT**

**UNDER A REQUESTED CHAPTER 313
APPRAISED VALUE LIMITATION**

**PREPARED BY
JIGSAW SCHOOL FINANCE SOLUTIONS, LLC
SEPTEMBER 16, 2019**

**PREPARED BY
JIGSAW SCHOOL FINANCE SOLUTIONS, LLC**

Introduction

BT Coniglio Solar, LLC (BT Coniglio Solar) is requesting an appraised value limitation from Bonham Independent School District (ISD) for the BT Coniglio Solar Project (the “Project”), a proposed solar powered electric generating facility in Fannin County. The proposed Bonham ISD Project (this application) will be constructed within a Reinvestment Zone, the “BT Coniglio Solar Reinvestment Zone” that will be established by the Bonham Independent School District.

The Project is anticipated to have a capacity of approximately 94.5 MW located in Bonham ISD. The exact number and location of panels and inverters will vary depending upon ongoing siting analysis, manufacturer’s availability, prices, and the megawatt generating capacity of the Project when completed. Current estimated plans are to install approximately 284,474 PV modules and 40 inverters. The Applicant requests a value limitation for all facilities and equipment installed for the Project, including but not limited to; solar modules/panels, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, foundations, roadways, O&M building, paving, fencing, collection system, electrical substations, generation transmission tie line and associated towers, and interconnection facilities. Full construction of the Project is anticipated to begin in the 4th quarter of 2019 with completion by December 2020.

Local government entities in Texas, including school districts, rely heavily on the ad valorem property tax to fund operations and building projects. The property tax burden that Texas imposes on individuals and business entities is higher compared to most other states. Seeking to incentivize economic development and to attract large scale capital investment, the 77th Texas Legislature in 2001 enacted House Bill 1200, creating Tax Code Chapter 313, of the Texas Economic Development Act. The act, as amended by the legislature in 2007, 2009, and 2013, grants eligibility to clean energy projects such as the proposed B.T. Coniglio, LLC. Under the provisions of the Texas Economic Development Act, Bonham Independent School District may grant a value limitation for maintenance and operation taxes in the amount of \$20 million for a period of ten years. B.T. Coniglio, LLC believes that the Fannin County site is favorable for a solar powered energy generation facility and is anxious to complete the project.

The application calls for any value associated with the project to be fully taxable for both maintenance and operation (M&O) and interest and sinking (I&S) during the 2021-2022 year. Beginning with the 2020-21 school year, the value of the project would be limited to \$20 million for maintenance and operation (M&O) tax purposes and remain limited through the 2030-2031 school year. The full value of the project will be taxable for debt service purposes in all years of the agreement.

Revenue Protection Payments to Bonham ISD	\$ 232,355
Supplemental Payments to Bonham ISD	\$ 729,621
Total Revenue to Bonham ISD Resulting from	
Tax Code Chapter 313 Agreement	<u>\$ 961,977</u>

School Finance Mechanics

The Texas system of public-school funding is based on the ad valorem property tax. Schools levy a tax rate for maintenance and operation (M&O) and interest and sinking (I&S) against a current year tax roll. As a result of House Bill 3, as passed by the 86th Texas Legislature, signed into law and effective in relevant part on September 1, 2019, State funding is calculated using current year property value which is a significant change from prior law which since 1993 has relied on prior year values as certified by the Comptroller's Property Tax Division (CPTD). However, for the purposes of districts with Tax Code Chapter 313 agreements and in accordance with Sec. 48.256 – LOCAL

SHARE OF PROGRAM COST (TIER I), Subsection d - *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.* During any school year where there would have been a loss of property tax revenue from the prior year as a result of the Tax Code Chapter 313 agreement, a revenue protection payment equal to that reduction will be required.

Texas school districts are funded by a combination of local ad valorem property taxes and state aid. Most of the funds that a school district generates through the funding formulas is generated in Tier 1. Local M&O collections at the compressed tax rate generate Tier I funding. In 2019-20, a school district's Tier I revenue is the greater of the adjusted minimum target revenue amount or the state share of Tier 1 plus local M&O collections at the compressed rate. The Tier 1 formulas start with a Basic Allotment per student of \$6,160. Funding calculations use the number of students in average daily attendance, the number of students who participate in categorical/special programs and adjustments for size, sparsity and location determine a Total Cost of Tier 1. A Local Fund Assignment is determined by multiplying the district's compressed tax rate by the current year property value. This formula determines the local ad valorem property taxes the district must collect in order to satisfy the district's share of the Tier 1 cost. School districts that are relatively property wealthy per student fund most of the Total Cost of Tier 1 with local property taxes, while school districts that are relatively property poor per student receive most of the Total Cost of Tier 1 from state aid.

Underlying Assumptions

A forecast of the financial impact that the proposed value limitation will have on Bonham ISD's future revenue is critical information that will be very useful to the district when making the decision to grant the limitation and for the district's long range financial planning process. Analysis for this application covers the 2019-20 through the 2035-36 school years.

The Revenue Protection Clause of the proposed agreement and Tax Code Chapter 313 Section 48.256 Subsection D calls for the school district to be held harmless against any potential losses as a result of the value limitation agreement. Revenue protection calculations are to be made using whatever property tax laws and school funding formulas are in place at that time in years one through ten of the agreement. This stipulation is a statutory requirement under Section 313.027 of the Tax Code.

The approach used in this report was to predict 18 years of base data including average daily attendance, M&O and I&S tax rates, maintenance and operation (M&O) tax collections, current year (CAD) values and prior year (CPTD) values for each year of the agreement. For the purposes of this analysis, final 2018 CPTD values were used as well as 2019 CAD values from Fannin County Appraisal District (CAD). Bonham ISD currently has no other approved Chapter 313 projects the values from B.t. Coniglio are the only variable values included in the base data illustrated in **Table 1**.

Year of Agreement	School Year	ADA	WADA	Assumed M&O Tax Rate	Assumed I&S Tax Rate	CAD Value No Limit	CAD Value with Limitation	CPTD Value with Project per WADA
0	2019-20	1,754	2,600	\$0.9701	\$0.3420	\$726,783,395	\$726,783,395	\$279,532
QTP1	2020-21	1,754	2,600	\$0.9701	\$0.3420	\$794,686,760	\$746,783,395	\$287,224
QTP2/L1	2021-22	1,754	2,600	\$0.9701	\$0.3420	\$789,272,501	\$746,783,395	\$287,224
L2	2022-23	1,754	2,600	\$0.9701	\$0.3420	\$783,431,294	\$746,783,395	\$287,224
L3	2023-24	1,754	2,600	\$0.9701	\$0.3420	\$777,119,689	\$746,783,395	\$287,224
L4	2024-25	1,754	2,600	\$0.9701	\$0.3420	\$770,308,720	\$746,783,395	\$287,224
L5	2025-26	1,754	2,600	\$0.9701	\$0.3420	\$762,954,839	\$746,783,395	\$287,224
L6	2026-27	1,754	2,600	\$0.9701	\$0.3420	\$755,014,697	\$746,783,395	\$287,224
L7	2027-28	1,754	2,600	\$0.9701	\$0.3420	\$746,437,602	\$746,437,602	\$287,091
L8	2028-29	1,754	2,600	\$0.9701	\$0.3420	\$741,662,495	\$741,662,495	\$285,255
L9	2029-30	1,754	2,600	\$0.9701	\$0.3420	\$741,652,595	\$741,652,595	\$285,251
L10	2030-31	1,754	2,600	\$0.9701	\$0.3420	\$741,642,895	\$741,642,895	\$285,247
MVP1	2031-32	1,754	2,600	\$0.9701	\$0.3420	\$741,633,495	\$741,633,495	\$285,244
MVP2	2032-33	1,754	2,600	\$0.9701	\$0.3420	\$741,624,295	\$741,624,295	\$285,240
MVP3	2033-34	1,754	2,600	\$0.9701	\$0.3420	\$741,615,395	\$741,615,395	\$285,237
MVP4	2034-35	1,754	2,600	\$0.9701	\$0.3420	\$741,606,695	\$741,606,695	\$285,233
MVP5	2035-36	1,754	2,600	\$0.9701	\$0.3420	\$741,598,195	\$741,598,195	\$285,230
0	2036-37	1,754	2,600	\$0.9701	\$0.3420	\$741,589,895	\$741,589,895	\$285,227
0	2037-38	1,754	2,600	\$0.9701	\$0.3420	\$741,581,795	\$741,581,795	\$285,224
0	2038-39	1,754	2,600	\$0.9701	\$0.3420	\$741,573,895	\$741,573,895	\$285,221

To isolate the impact of the value limitation on the District's finances over this 18 year agreement, average daily attendance and maintenance and operation tax rates were held constant at levels that existed in the 2018-19 school year with an ADA of 1,754, and WADA of 2,600. Due to requirements of HB 3, the M&O tax rate will be compressed to \$0.97 for 2019-2020. A tax collection rate of 100% is assumed in all the calculations used in this analysis. The Fannin CAD certified value for 2019 was used as the 2019 CAD value. This value was used as the basis for subsequent current year

(CAD) values in this report. The final 2018 T1, T2, T3 and T4 Comptroller Property Tax Division (CPTD) values certified to school districts in late July, 2018 were used as a basis for predicting future year (CPTD) values for each of the agreement years.

The proposed agreement and Tax Code Chapter 313 Section 48.256 Subsection D calls for Bonham ISD to be held harmless against potential state and local revenue losses that might occur as a result of the value limitation being in effect for any given year of the agreement. In order to predict when and if these tax revenue losses may occur, a state and local revenue projection for the 2019-2020 school year was completed to serve as baseline data and is displayed in **Table 2**. In any year of the limitation period where total state and local funding with the full project value exceeds the total state and local

funding produced when the limited value is used, a Revenue Protection Payment is indicated for that year. The results of these calculations are illustrated in **Table 3**.

Table 2 - 2019-2020 Preliminary Summary of Finances

BONHAM ISD (074903)

Funding Elements	
Students	
Refined Average Daily Attendance (ADA)	1,753.756
Weighted ADA (WADA)	2,600.019
Property Values	
2018 State Certified Property Value (prior tax year)	\$687,200,638
2019 State Certified Property Value (current tax year)	\$726,783,395
Tax Rates and Collections	
State Compression Percentage	0.93
2018 M&O Tax Rate (prior tax year)	1.0401
2019 M&O Tax Rate (current tax year)	0.9701
2019 (current tax year) Tier one M&O Tax Rate	0.9300
Maximum Compressed Tax Rate	0.9300
2019-2020 (current school year) M&O Tax Collections (2019 DPE collections * 1.0576)	\$7,095,440
2019 (current tax year) I&S Tax Rate	0.3420
2019-2020 (current school year) I&S Tax Collections	\$2,214,978
2019-2020 (current school year) Total Tax Collections	\$9,310,418
2019-2020 (current school year) Total Tax Levy	\$8,795,671
Funding Components	
District Basic Allotment * TR / MCR	\$6,160
ASF ADA	\$1,697.999
Per Capita Rate	259.207
Tier One	
Total Cost of Tier One	\$16,149,331
Local Fund Assignment	(\$6,759,086)
Per Capita Distribution from Available School Fund (ASF)	(\$440,133)
Foundation School Program (FSP) State Funding	
FSP State Share of Tier One (Total Cost of Tier One - Local Fund Assignment - ASF)	\$8,950,112
Tier Two	\$741,662
Other Programs	\$0
Total FSP Operations Funding	\$9,691,774
State Aid by Fund Code / Object Code - Funding Source	
M&O State Aid	
199/5812 - Foundation School Fund	\$9,691,774
199/5811 - Available School Fund	\$440,133
TOTAL FSP/ASF STATE AID	\$10,169,251

Financial Impact on the School District

Utilizing the assumptions and methodology described above, total maintenance and operation tax revenue was estimated for each year of the agreement. **Table 3** indicates that there will be a tax revenue loss to the district of approximately \$465,000 over the course of the agreement. The revenue loss by the district due to the agreement and Tax Code Chapter 313 Section 48.256 Subsection D is estimated to be mostly in the first year of the value limitation period.

Financial Impact on the Taxpayer

The terms of the proposed agreement call for the maintenance and operation (M&O) value of the project to be limited to \$20 million starting in school year 2021-22 and remaining limited through school year 2030-31. The potential gross and net tax savings to B.T. Congilio, LLC are shown in **Table 3**. As stated earlier, an M&O tax rate of \$0.9701 and a collection rate of 100% is used throughout the calculations in this report. **Table 3** shows gross tax savings due to the limitation of \$ 1.99 million over the length of the contract. Net tax savings are estimated to be \$1.5 million. To estimate supplemental payments to the school district of \$100 per ADA, a model of ADA was applied to the base ADA of 1,750, which was the ADA for Bonham ISD through the end of the 2018-19 school year.

Facilities Funding Impact on the District

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

Conclusion

B.T Coniglio, LLC solar project proposed in this application will benefit the community, the district, Bonham ISD and the taxpayer. The community will receive economic development, the taxpayer will enjoy savings on property taxes and the district will be held harmless from revenue loss due to the provisions of the agreement and Tax Code Chapter 313 Section 48.256 Subsection D. The district will also enjoy an increased value available for I&S tax collections dedicated to debt service that can be leveraged to provide first class facilities for faculty and students.

Note, the Texas Legislature could take additional action that could potentially change the impact of this 313 valuation limitation agreement on the finances of Bonham ISD and result in estimates that differ significantly from the estimates presented in this analysis. Some of the factors that could significantly change these estimates are legislative or administrative changes made by the Texas Legislature, the Texas Education Agency or the Comptroller of Public Accounts. The changes could contain modifications to the school finance formulas, property value appraisals, tax exemptions or tax

code. Other factors that could impact the estimates of this agreement could also include changes to property values, district tax rates and student enrollment.

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits	School District Benefit \$100 per ADA	Company Tax Benefit	School District Benefit Limited to 50% RPP & Lesser of ADA or 50% of Tax Savings	Company Benefit with 50% RPP and Limited SPs
QTP1	2020-21	\$6,496,875	\$6,496,875	\$0	0.9701	\$63,026	\$63,026	\$0	\$0	\$0	\$0	\$175,000	-\$175,000	\$0	\$0
QTP2/L1	2021-22	\$67,903,365	\$20,000,000	\$47,903,365	0.9701	\$658,731	\$194,020	\$464,711	\$464,711	-\$464,711	\$0	\$175,000	-\$175,000	\$232,355	\$232,355
L2	2022-23	\$62,489,106	\$20,000,000	\$42,489,106	0.9701	\$606,207	\$194,020	\$412,187	\$412,187	\$0	\$412,187	\$175,000	\$237,187	\$175,000	\$237,187
L3	2023-24	\$56,647,899	\$20,000,000	\$36,647,899	0.9701	\$549,541	\$194,020	\$355,521	\$355,521	\$0	\$355,521	\$175,000	\$180,521	\$175,000	\$180,521
L4	2024-25	\$50,336,294	\$20,000,000	\$30,336,294	0.9701	\$488,312	\$194,020	\$294,292	\$294,292	\$0	\$294,292	\$175,000	\$119,292	\$147,146	\$147,146
L5	2025-26	\$43,525,325	\$20,000,000	\$23,525,325	0.9701	\$422,239	\$194,020	\$228,219	\$228,219	\$0	\$228,219	\$175,000	\$53,219	\$114,110	\$114,110
L6	2026-27	\$36,171,444	\$20,000,000	\$16,171,444	0.9701	\$350,899	\$194,020	\$156,879	\$156,879	\$0	\$156,879	\$175,000	-\$18,121	\$78,440	\$78,440
L7	2027-28	\$28,231,302	\$20,000,000	\$8,231,302	0.9701	\$273,872	\$194,020	\$79,852	\$79,852	\$0	\$79,852	\$175,000	-\$95,148	\$39,926	\$39,926
L8	2028-29	\$19,654,207	\$19,654,207	\$0	0.9701	\$190,665	\$190,665	\$0	\$0	\$0	\$0	\$175,000	-\$175,000		\$0
L9	2029-30	\$14,879,100	\$14,879,100	\$0	0.9701	\$144,342	\$144,342	\$0	\$0	\$0	\$0	\$175,000	-\$175,000		\$0
L10	2030-31	\$14,869,200	\$14,869,200	\$0	0.9701	\$144,246	\$144,246	\$0	\$0	\$0	\$0	\$175,000	-\$175,000		\$0
MVP1	2031-32	\$14,859,500	\$14,859,500	\$0	0.9701	\$144,152	\$144,152	\$0	\$0	\$0	\$0	\$175,000	-\$175,000		\$0
MVP2	2032-33	\$14,850,100	\$14,850,100	\$0	0.9701	\$144,061	\$144,061	\$0	\$0	\$0	\$0	\$175,000	-\$175,000		\$0
MVP3	2033-34	\$14,840,900	\$14,840,900	\$0	0.9701	\$143,972	\$143,972	\$0	\$0	\$0	\$0	\$175,000	-\$175,000		\$0
MVP4	2034-35	\$14,832,000	\$14,832,000	\$0	0.9701	\$143,885	\$143,885	\$0	\$0	\$0	\$0	\$0	\$0		\$0
MVP5	2035-36	\$14,823,300	\$14,823,300	\$0	0.9701	\$143,801	\$143,801	\$0	\$0	\$0	\$0	\$0	\$0		\$0
0	2036-37	\$14,814,800	\$14,814,800	\$0	0.9701	\$143,718	\$143,718	\$0	\$0	\$0	\$0	\$0	\$0		\$0
0	2037-38	\$14,806,500	\$14,806,500	\$0	0.9701	\$143,638	\$143,638	\$0	\$0	\$0	\$0	\$0	\$0		\$0
0	2038-39	\$14,798,400	\$14,798,400	\$0	0.9701	\$143,559	\$143,559	\$0	\$0	\$0	\$0	\$0	\$0		\$0
TOTALS						\$5,042,867	\$3,051,206	\$1,991,661	\$1,991,661	-\$464,711	\$1,526,951	\$2,450,000	-\$923,049	\$961,977	\$1,029,685

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

Findings and Order of the Board of Trustees of the
Bonham Independent School District under the Texas Economic Development Act
on Comptroller Application No. 1363 of B.T. Coniglio Solar, LLC (Tax I.D. 3206842389)

EXHIBIT C

*Proposed Agreement By and Between the
Bonham Independent School District and B.T. Coniglio Solar, LLC*

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

by and between

BONHAM INDEPENDENT SCHOOL DISTRICT

and

BT CONIGLIO SOLAR, LLC

(Texas Taxpayer ID #32068412389)

Comptroller Application # 1363

Dated

November 18, 2019

Texas Economic Development Act

*Agreement Comptroller Form 50-826
(Jan 2016)*

313.026 of the TEXAS TAX CODE, and on September 19, 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 November 18, 2019 the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on November 18, 2019, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on November 18, 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 November 18, 2019, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on November 18, 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 to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I

DEFINITIONS

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

shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

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

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

“Applicant” means BT Coniglio Solar, LLC, (Texas Taxpayer ID #32068412389), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

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

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 3** of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on March 25, 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 Fannin Appraisal District.

“Board of Trustees” means the Board of Trustees of the Bonham Independent School District.

“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 Fannin County, Texas.

“District” or “School District” means the Bonham 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.

“Aggregate Limit” means, for any Tax Year during the Limitation Period of this Agreement, an amount equal to Fifty Percent (50%) of the Net Tax Benefit to the Applicant.

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

“Commercial Operations” means the date the project is able to generate electricity and is connected to the grid with an interconnection agreement.

“Cumulative Payment” means for each year of this Agreement the total of all payments, calculated under Articles IV, V and VI of this Agreement for the current Tax Year which are paid by or owed by Applicant to the District, plus payments paid by Applicant to compensate District for loss of revenue under this Agreement.

“Lost M&O Revenue” means the reduction in Maintenance and Operations *ad valorem* Tax Revenue to the District caused by, resulting from, or on account of the execution of this Agreement for each year starting in the year of the Application Approval Date and ending on the Final Termination Date of this Agreement.

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

“New M&O Revenue” means the total State and local Maintenance and Operations Tax Revenue that the District actually received for such school year attributable to the Qualified Property that is the subject of this Agreement.

“Net Tax Benefit” means, for any Tax Year during the term of this Agreement, an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for such Tax Year and all previous Tax Years during the term of this

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

“Original M&O Revenue” means the total State and local Maintenance and Operations Tax Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant’s Qualified Property been subject to the ad valorem maintenance and operations tax at the then-current tax rate. For purposes of this calculation, the Third Party will base its calculations upon the District’s taxable value of property for the preceding tax year as certified by the Appraisal District for all taxable accounts in the District, *less* the Qualified Property subject to this Agreement, *plus* the total appraised value of the Qualified Property subject to this Agreement which is or would be used for the calculation of the District’s tax levy for debt service (interest and sinking fund) ad valorem tax purposes.

“Third Party” shall have the meaning set forth in Section 4.3

ARTICLE II AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY.

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

Section 2.2. PURPOSE.

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

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is July 9, 2019, which will be used to determine the eligibility of the Applicant’s Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is November 18, 2019.

C. The Qualifying Time Period for this Agreement:

- i. Starts on January 1, 2020; 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 which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i plus 9 years.

E. The Final Termination Date for this Agreement is December 31, 2035, which is the last year of the Limitation Period as defined in Section 2.3.D.ii plus 5 years.

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

Section 2.4. TAX LIMITATION.

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

- A. the Market Value of the Applicant's Qualified Property; or
- B. Twenty Million Dollars (\$20,000,000).

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 the TEXAS TAX CODE.

Section 2.5. TAX LIMITATION ELIGIBILITY. In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:

- A. have completed the Applicant's Qualified Investment in the amount of Ten Million Dollars (\$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 \$796.00 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 such Supplemental Payments as more fully specified in Article VI;
- C. 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
- D. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III QUALIFIED PROPERTY

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE.

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

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT.

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

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY.

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

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY.

In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial

operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE.

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

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF PARTIES.

It is the intent of the Parties in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE and Section 48.256 (d) of the TEXAS EDUCATION CODE that the District shall be compensated by the Applicant as provided in this Article IV for any Lost M&O Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI of this Agreement. **It is the intent of the Parties that the risk of any and all Lost M&O Revenue as a result of, or on account of, entering into this Agreement, will be borne by the Applicant and not by the District.**

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

Within 60 days from the date Commercial Operations begin, the Applicant shall provide to the District, the Comptroller, and the Appraisal District a verified written report, giving a specific and detailed description of the land, tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such Qualified Property within the boundaries of the land which is subject to the Agreement, if such final description is different than the description provided in the Application or any supplemental application information, or if no substantial changes have been made, a verification of the fact that no substantial changes have been made.

Agreement for Limitation on Appraised Value

Between Bonham ISD and BT Coniglio Solar, LLC, # 1363

November 18, 2019

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

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

- i. For illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement;
- ii. Are based upon current Applicable School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and,
- iii. May change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2 CALCULATING LOST M&O REVENUE.

Subject to the limitations contained in this Agreement, the amount to be paid by the Applicant to compensate the District for loss of M&O Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Approval Date and ending on Final Termination Date (the "Lost M&O Revenue") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

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

In making the calculations required by this Section 4.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.
- iv. For all calculations made for years during the Tax Limitation Period under this Section 4.2 of this Agreement, Subsection ii of this subsection will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 4.2 shall be made by a methodology which isolates only the full Maintenance and Operation Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or on account of or otherwise arising out of any other factors not contained in this Agreement.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY.

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

Section 4.4. DATA USED FOR CALCULATIONS.

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

Section 4.5. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.

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

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

remit such amount to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.6. DELIVERY OF CALCULATIONS.

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under this Article IV, Article V, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.8, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until four (4) years after the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.7. STATUTORY CHANGES AFFECTING MAINTENANCE & OPERATION REVENUE.

Notwithstanding any other provision in this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District that are necessary to fully reimburse and hold the District harmless from any actual negative impact on the District's Maintenance and Operation Revenue as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District. Such payment shall be made no later than thirty (30) days following notice from the District of such determination and calculation. The District shall use reasonable efforts to mitigate the economic effects of any such statutory change or administrative interpretation, and if the Applicant disagrees with any calculation or determination by the District of any adverse impact described in this Article IV, the Applicant shall have the right to appeal such calculation or determination in accordance with the procedures set forth in Section 4.9.

Section 4.8. PAYMENT BY APPLICANT.

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

Section 4.9. RESOLUTION OF DISPUTES.

Should the Applicant disagree with the Third Party calculations made pursuant to this Article IV of this Agreement, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records, and other information in accordance with Section 4.4 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the District's Board of Trustees within thirty (30) days after receipt of the final determination of the calculations. Any appeal by the Applicant of the final determination of calculations shall in no way limit Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.10. PAYMENT LIMITATION; AGGREGATE LIMIT

In the event that the Cumulative Payment Amount for any Tax Year during this Agreement shall exceed the Aggregate Limit for that Tax Year, the Cumulative Payment Amount owed for that year shall be limited to the Aggregate Limit for that Tax Year. Amounts otherwise due and owing by the Applicant to the District which, by virtue of this payment limitation, are not paid in that Tax Year shall be carried forward from year to year into subsequent Tax Years until paid in full.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES.

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

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

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

Section 6.2. SUPPLEMENTAL PAYMENT. Notwithstanding the foregoing:

- A. The total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application.
- B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.
- C. The limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)–(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.
- D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District’s Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District’s Average Daily Attendance for the previous school year.

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

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

For each Tax Year beginning with the period starting the first full or partial year of the Qualifying Time Period (2020) and ending December 31 of the third year following the end of the Tax Limitation Period (2033), Supplemental payments shall be owed, in each year the Cumulative Payment Amount shall be subject to the Aggregate Limit.

If, for any Tax Year during the Limitation Period of this Agreement the Cumulative Payment Amount, calculated under Sections IV, V and VI of this Agreement, exceeds the Aggregate Limit for such Tax Year, the difference between the Applicant’s Supplemental Payment Amount so calculated and the Aggregate Limit for such Tax Year, shall be carried forward from year-to-year until paid to the District. If any amount shall remain owing one year after the end of the Limitation Period, such amount shall be extinguished.

Section 6.4. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS.

All calculations required by this Article VI, including but not limited to: (i) the calculation of the Applicant’s Cumulative Payment Amount; (ii) the determination of both the Annual Limit and the Aggregate Limit; (iii) the effect, if any, of the Aggregate Limit upon the actual amount of Cumulative Payments eligible to be paid to the District by the Applicant; and (iv) the carry forward and accumulation of any of the Applicant’s Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 4.3.

- (a) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6.
- (b) The payment of all amounts due under this Article VI shall be made at the time set forth in Section 4.8.
- (c) Any appeal by the Applicant of the calculations made by the Third Party under this Article VI shall be done in the same manner as set forth in Section 4.9, above.

Section 6.5. DISTRICT’S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY.

At any time during this Agreement, the Board of Trustees may, in its sole discretion, direct that any of the Applicant’s payments under this Article VI be made to the District’s educational foundation or to a

similar entity. Such foundation or entity may only use such funds received under this Article VI to support the educational mission of the District and its students. Any designation of such foundation or entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the Board of Trustees.

ARTICLE VII

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. ANNUAL LIMITATION.

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

Section 7.2. OPTION TO TERMINATE AGREEMENT.

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

Section 7.3. EFFECT OF OPTIONAL TERMINATION.

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

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

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

ARTICLE VIII
ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE.

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

Section 8.2. REPORTS.

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

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS.

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

Section 8.4. DATA REQUESTS.

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

Section 8.5. SITE VISITS AND RECORD REVIEW.

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

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

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

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

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

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

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

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

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

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

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS.

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

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

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

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

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT.

The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a "Material Breach"):

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or

fact or is not complete as to any material fact or representation or such application;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall

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

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

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

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

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

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

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Fannin 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 Fannin County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to

this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the ninety (90) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

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

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

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

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

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

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

successor statute.

Section 9.5. LIMITATION OF OTHER DAMAGES.

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

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT.

Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$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:

To the District

With Copy to

Name:	Bonham Independent School District	Sara Leon & Associates, LLC
Attn:	Superintendent Kelly Trompler or her successor	Sara Hardner Leon

Agreement for Limitation on Appraised Value

Between Bonham ISD and BT Coniglio Solar, LLC, # 1363

November 18, 2019

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

Address:	1005 Chestnut Street	2901 Via Fortuna
City/Zip:	Bonham, TX 75418	Suite, 475 Austin, TX 78746
Phone :	(903) 583-5526	Phone: (512) 637-4244
Fax :	(903) 583-8463	Fax : (512) 637-4245
Email:	Kelly.trompler@bonhamisd.org	sleon@saraleonlaw.com

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

To the Applicant

With Copy to

Name:	BT Coniglio Solar, LLC
Attn:	Llyod Pope, Chief Operations Officer
Address:	13612 Midway Rd. Suite 200
City/Zip:	Farmers Branch, TX 75244
Phone :	(214) 729-4142
Email:	lpope@belltownpower.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.

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

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

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

- i. The Applicant shall submit to the District and the Comptroller:
 - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
 - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;

- ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and
- iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

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

- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;
- ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

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

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

Section 10.3. ASSIGNMENT.

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

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

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

Section 10.4. MERGER.

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

Section 10.5. GOVERNING LAW.

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

Section 10.6. AUTHORITY TO EXECUTE AGREEMENT.

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

Section 10.7. SEVERABILITY.

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

Section 10.8. PAYMENT OF EXPENSES.

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

Section 10.9. INTERPRETATION.

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

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

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

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

Section 10.10. EXECUTION OF COUNTERPARTS.

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

Section 10.11. PUBLICATION OF DOCUMENTS.

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

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

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

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

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS.

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

Section 10.13. DUTY TO DISCLOSE.

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

Section 10.14. CONFLICTS OF INTEREST.

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

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

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

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION.

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

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

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

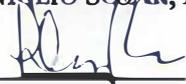
A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing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

B. Delivery is deemed complete as follows:

- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
- iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
- iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 18th day of November, 2019.

BT CONIGLIO SOLAR, LLC

By: 
Authorized Representative
Louis Pope
C.O.O.

BONHAM INDEPENDENT SCHOOL DISTRICT]

By: 
Chance Roberts
President, Board of Trustees

ATTEST:

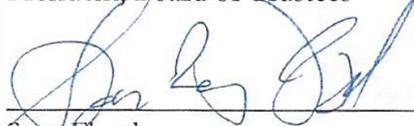
By: 
Sean Floyd
Secretary, Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

Agreement for Limitation on Appraised Value

Between Bonham Independent and BT Coniglio Solar, LLC, #1363

November 18, 2019

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

EXHIBIT 1

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE
BONHAM INDEPENDENT SCHOOL DISTRICT**

A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE IN CONNECTION WITH AN ECONOMIC DEVELOPMENT AGREEMENT UNDER CHAPTER 313 OF THE TEXAS TAX CODE, SUCH REINVESTMENT ZONE LOCATED WITHIN THE GEOGRAPHIC BOUNDARIES OF THE BONHAM INDEPENDENT SCHOOL DISTRICT, IN FANNIN COUNTY, TEXAS, TO BE KNOWN AS THE “BT CONIGLIO SOLAR REINVESTMENT ZONE”; ESTABLISHING THE BOUNDARIES THEREOF IN CONNECTION WITH AN APPLICATION FOR VALUE LIMITATION AGREEMENT FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES UNDER CHAPTER 313 OF THE TEXAS TAX CODE SUBMITTED BY BT CONIGLIO SOLAR, LLC(TAXPAYER I.D. 32068412389), COMPTROLLER’S APPLICATION NO. 1363:

WHEREAS, the Property Redevelopment and Tax Abatement Act, as amended (TEXAS TAX CODE § 312.0025) 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 the state in which the school district is located; and,

WHEREAS, the Bonham Independent School District (the “District”) desires to promote 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, on November 18, 2019, the District’s Board of Trustees held a public hearing regarding the property proposed to be designated as the reinvestment zone, described in the attached Exhibits A and B; and,

WHEREAS, at such public hearing all interested members of the public were given an opportunity to appear and speak for or against the designation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone, and approval of an Agreement for Value Limitation on Appraised Value of Qualified Property for School District Maintenance and Operations Taxes, as authorized by Chapter 313 of the TEXAS TAX CODE with BT Coniglio Solar, LLC (Texas Taxpayer I.D. No. 32068412389); and,

WHEREAS, the District wishes to designate a reinvestment zone within the boundaries of the school district in Fannin County, Texas to be known as the “BT Coniglio Solar Reinvestment Zone” as shown on the attached Exhibit B.

NOW THEREFORE, BE IT RESOLVED BY THE BONHAM INDEPENDENT SCHOOL DISTRICT:

Agreement for Limitation on Appraised Value

Between Bonham Independent and BT Coniglio Solar, LLC, #1363

November 18, 2019

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

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

SECTION 2. That the Board of Trustees of the 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 the “BT Coniglio Solar Reinvestment Zone” has been properly called, held, and conducted;
- (b) That the boundaries of the “BT Coniglio Solar Reinvestment Zone” be and, by the adoption of this Resolution, are declared and certified to be, the area as described in the legal description attached hereto as Exhibit A;
- (c) That creation of the boundaries as described in Exhibit A will result in economic benefits to the District and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (d) That the “BT Coniglio Solar Reinvestment Zone” described in Exhibit A 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 will attract major investment in the zone that will be a benefit to the property to be included in the reinvestment zone and would contribute to the economic development of the District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the District hereby designates a reinvestment zone under the provisions of TEXAS TAX CODE §312.0025, encompassing the area described by the descriptions in Exhibit A, and such reinvestment zone is hereby designated and shall hereafter be referred to as the “BT Coniglio Solar Reinvestment Zone.”

SECTION 4. That the “BT Coniglio Solar Reinvestment Zone” shall take effect upon adoption of this Resolution by the District 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 designation.

SECTION 5. That it is hereby found, determined, and declared that a sufficient notice of the date, hour, place, and subject of the meeting of the District’s 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.

PASSED, APPROVED, AND ADOPTED on this 18th day of November, 2019.

BONHAM INDEPENDENT SCHOOL DISTRICT

By:

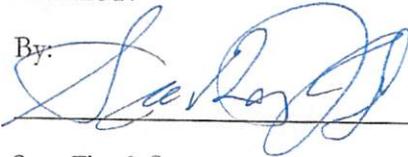


Chance Roberts, President

Board of Trustees

ATTEST:

By:



Sean Floyd, Secretary

Board of Trustees

Agreement for Limitation on Appraised Value

Between Bonham Independent and BT Coniglio Solar, LLC, #1363

November 18, 2019

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

EXHIBIT 1

EXHIBIT A

LEGAL DESCRIPTION OF THE “BT CONIGLIO SOLAR REINVESTMENT ZONE”

Agreement for Limitation on Appraised Value

Between Bonham Independent and BT Coniglio Solar, LLC, #1363

November 18, 2019

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

EXHIBIT 1

Tract One

Situated about 13-1/2 miles South 36 Deg. East of the City of Bonham, County of Fannin, and State of Texas, a part of the D. H. Davis Survey #314, William Daniels Survey #310, S. K. Blish Surveys #115 and 124, J. D. Goodman Survey #407, Thomas Ware Survey #1197, Andrew Manson Survey #732, Thomas Stalcup Survey #1008, and J. G. Ball Survey #91, also being all of tracts 6, 7, 8, 9, 10, 11, 12, 13, 15, 17, 18, 32, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, and 45, also being a part of tracts 16 and 24 as shown in deed to W. E. Burnett et al by deed recorded in Vol. 522, Page 642, of the Deed Records of said County and State, also included is a 24.75 acre tract of land formerly owned by W. A. Stone in the S. K. Blish Survey #124.

BEGINNING at an iron pin for corner in the West Boundary Line of State Highway 34 at the Southwest corner of said tract 39.

THENCE North along the center of an old road a distance of 646 ft. to an iron pin for corner at the Southeast corner of said tract #34;

THENCE West along the South Boundary Line of said Blish Survey #124 a distance of 1810 ft. to an iron pin for corner;

THENCE North 26 Deg. West along the East Boundary Line of a County Road a distance of 24 ft. to an iron pin for corner;

THENCE North 89 Deg. 30 Min. West along the North Boundary Line of said County Road a distance of 1648 ft. to an iron pin for corner at the present Southwest corner of said tract #43;

THENCE North along the East Boundary Line of said County Road a distance of 2170 ft. to an iron pin for corner at the present Northwest corner of said tract #43;

THENCE East a distance of 924 ft. to an iron pin for corner at the Southwest corner of said Stone 24.75 acre tract of land;

THENCE North 1 Deg. East a distance of 2828 ft. to an iron pin for corner at the Northwest corner of said tract #13;

THENCE West a distance of 1124 ft. to an iron pin for corner at the Northeast corner of said tract #18;

THENCE South a distance of 1224 ft. to an iron pin for corner at the Southeast corner of said tract #18;

THENCE South 89 Deg. West a distance of 330 ft. to an iron pin for corner at the Northeast corner of said tract #17;

THENCE South a distance of 1573 ft. to an iron pin for corner;

THENCE along the North Boundary Line of said County Road as follows: North 89 Deg. 15 Min. West a distance of 500 ft.; West a distance of 463 ft.; North 88 Deg. 30 Min. West a distance of 106 ft. to an iron pin for corner at the Southeast corner of said Daniels Survey #310;

Agreement for Limitation on Appraised Value

Between Bonham Independent and BT Coniglio Solar, LLC, #1363

November 18, 2019

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

Tract One Continued

THENCE along the E/B/L of an old road as follows: North 0 Deg. 45 Min. East a distance of 1244 ft.; North 1 Deg. West a distance of 2063 ft. to an iron pin for corner at the Southeast corner of said tract #6;

THENCE North 88 Deg. 15 Min. West a distance of 2665 ft. to an iron pin for corner;

THENCE North 1 Deg. 15 Min. East along the East Boundary Line of a County Road a distance of 2366 ft. to an iron pin for corner at the present Northwest corner of said tract #10;

THENCE South 89 Deg. 30 Min. East along the South Boundary Line of a Road a distance of 2323 ft. to an iron pin for corner at the Southwest corner of said tract #42;

THENCE North a distance of 1859 ft. to an iron pin for corner at the Northwest corner of said tract #38;

THENCE South 89 Deg. East a distance of 582 ft. to an iron pin for corner at the Southwest corner of said tract #37;

THENCE North 0 Deg. 45 Min. East a distance of 739 ft. to an iron pin for corner;

THENCE North 87 Deg. West a distance of 1401 ft. to an iron pin for corner;

THENCE North 1 Deg. West a distance of 597 ft. to an iron pin for corner;

THENCE North 89 Deg. West a distance of 1400 ft. to an iron pin for corner;

THENCE North 1 Deg. East along the East Boundary Line of said County Road a distance of 1260 ft. to an iron pin for corner at the Northwest corner of said tract #45 and the Northwest corner of said J. G. Ball Survey #91;

THENCE East a distance of 1164 ft. to an iron pin for corner;

THENCE North 1 Deg. 15 Min. East a distance of 1493 ft. to an iron pin for corner;

THENCE North 89 Deg. 15 Min. West a distance of 164 ft. to an iron pin for corner;

THENCE North 2 Deg. West a distance of 179 ft. to an iron pin for corner;

THENCE South 87 Deg. East a distance of 1978 ft. to an iron pin for corner at the Northeast corner of said tract #44;

THENCE South 1 Deg. 45 Min. West a distance of 1552 ft. to an iron pin for corner at the Southeast corner of said Thomas Stalcup Survey #1008;

THENCE East a distance of 1512 ft. to an iron pin for corner at the Northeast corner of said tract #37 and the Northeast corner of said Ball Survey #91;

Agreement for Limitation on Appraised Value

Between Bonham Independent and BT Coniglio Solar, LLC, #1363

November 18, 2019

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

Tract One Continued

THENCE North 0 Deg. 45 Min. East a distance of 1041 ft. to an iron pin for corner at the Northwest corner of said tract #32;

THENCE North 89 Deg. 45 Min. East a distance of 2297 ft. to a post for corner;

THENCE South 89 Deg. 30 Min. East a distance of 2035 ft. to an iron pin for corner;

THENCE South 1 Deg. East a distance of 419 ft. to an iron pin for corner;

THENCE South 89 Deg. 30 Min. East a distance of 187 ft. to an iron pin for corner;

THENCE along the West Boundary Line of Farm Road 68 as follows: South 0 Deg. 30 Min. West a distance of 176 ft.; Southerly around a curve to the left a distance of 731 ft.; South 6 Deg. 35 Min. East a distance of 1643 ft.; Southeasterly around a curve to the left a distance of 151 ft.; West a distance of 10 ft.; Southeasterly around a curve to the left a distance of 645 ft.; South 38 Deg. 30 Min. East a distance of 101 ft.; Southeasterly around a curve to the left a distance of 460 ft.; South 46 Deg. East a distance of 2540 ft.; South 40 Deg. 15 Min. East a distance of 100.5 ft.; South 46 Deg. East a distance of 664 ft.; South a distance of 146.5 ft. to an iron pin;

THENCE along the West Boundary Line of State Highway 34 as follows: South 52 Deg. 45 Min. West a distance of 303.5 ft.; South 32 Deg. 13 Min. West a distance of 1232 ft.; South 32 Deg. 05 Min. West a distance of 1500 ft.; South 32 Deg. 15 Min. West a distance of 999 ft. to an iron pin for corner in the South Boundary Line of said tract #16;

THENCE North 88 Deg. West a distance of 2574 ft. to an iron pin for corner;

THENCE South 0 Deg. 15 Min. West a distance of 1319 ft. to an iron pin for corner at the Northwest corner of said tract #39;

THENCE North 84 Deg., East a distance of 1402 ft. to a post;

THENCE North 85 Deg. 30 Min. East a distance of 330 ft. to an iron pin for corner;

THENCE South 29 Deg. West a distance of 1884 ft. to an iron pin for corner;

THENCE South 61 Deg. 30 Min. East a distance of 175 ft. to an iron pin for corner;

THENCE South 29 Deg. West along the West Boundary line of said State Highway 34 a distance of 1711 ft. to the place of beginning and containing 2339.24 acres of land, more or less.

SAVE AND EXCEPT the following described tract of land:

Situated about 35 Deg. East a distance of 13 miles from the City of Bonham, County of Fannin, and State of Texas, a part of the S. K. Blish Survey #124, and being a tract of land now or formerly owned by Mrs. J.S. Armstrong.

Tract One Continued

BEGINNING at an iron pin for corner in the most Northerly North Boundary Line of said Blish Survey #124 at the Northwest corner of said Armstrong tract of land;

THENCE South 89 Deg. East a distance of 2275 ft. to an iron pin for corner at the Northeast corner of said Armstrong tract of land;

THENCE along the center of a creek as follows: South 5 Deg. West a distance of 225 ft.; South 39 Deg. East a distance of 175 ft.; South 6 Deg. 30 Min. East a distance of 480 ft.; South 31 Deg. West a distance of 290 ft.; South 6 Deg. East a distance of 200 ft.; South 17 Deg. West a distance of 150 ft. to an iron pin for corner at the Southeast corner of said Armstrong tract of land;

THENCE North 89 Deg. West a distance of 2253 ft. to an iron pin for corner at the Southwest corner of said Armstrong tract of land;

THENCE North 0 Deg. 15 Min. East a distance of 1428 ft. to the place of beginning and containing 76.43 acres of land, more or less.

LEAVING A NET ACREAGE OF 2262.81.

As determined by an actual survey made on the ground by W. R. Abbott, Registered Public Surveyor of Texas No. 1443, on February 15, 1980.

Agreement for Limitation on Appraised Value

Between Bonham Independent and BT Coniglio Solar, LLC, #1363

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

fully copied here verbatim to provide a complete legal description to the property, SAVE, LESS AND EXCEPT the following two (2) tracts: (i) the called 4.02 acre tract described in the Warranty Deed Vendor's Lien to Mary E. Smith, dated July 30, 2004, and filed of record at Volume 1093, Page 157, of the Official Public Records of Fannin County, Texas; and, (ii) the called 0.59 acre tract described in the General Warranty Deed to C. John Coniglio, dated June 23, 2005, and filed of record at Volume 1162, Page 57, of the Official Public Records of Fannin County, Texas.

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Tract Two

Situated about 13 ½ miles South 36 Deg. East of the City of Bonham, County of Fannin, and State of Texas, a part of the J. D. Goodman Survey #407, Andrew Manson Survey #732, Thomas Ware Survey #1197, Alsey Fuller Survey #395, J. M. Sharp Survey #1028, Charles Logan Survey #643 Martha Moody Survey #699, and being all of tracts 4, 14, 25, 27, 28, 30, 31, and a part of tracts 16 and 24 as shown in deed to W. E. Burnett et al as recorded in Vol. 522, Page 642, of the Deed Records of said County and State.

Beginning at an iron pin for corner at the Northeast corner of said tract #16 and the Northeast corner of said J. D. Goodman Survey #407.

Thence along the center of an old road as follows: South 0 Deg. 45 Min. West a distance of 2691 ft.; South 1 Deg. 45 Min. West a distance of 200 ft. to an iron pin for corner in the East Boundary Line of said tract #16;

Thence along the East Boundary Line of Farm Road 68 as follows: West a distance of 23.7 ft.; South 44 Deg. West a distance of 48 ft.; North 46 Deg. West a distance of 3172 ft.; Northwesterly around a curve to the right a distance of 1279 ft.; North 6 Deg. 35 Min. West a distance of 1643 ft.; Northerly around a curve to the right a distance of 719 ft.; North 0 Deg. 30 Min. East a distance of 780 ft. to an iron pin for corner in the North Boundary Line of said tract #24;

Thence East a distance of 611 ft. to an iron pin for corner at the Northeast corner of said tract #24;

Thence South 0 Deg. 20 Min. West a distance of 2081 ft. to an iron pin for corner at the most Westerly Northwest corner of said tract #27;

Thence South 89 Deg. East a distance of 909 ft. to a post for corner;

Thence North 89 Deg. 15 Min. East a distance of 900 ft. to an iron pin for corner at an ell corner of said tract #27;

Tract Two Continued

Thence North 0 Deg. 30 Min. East a distance of 1364 ft. to an iron pin for corner at an ell corner of said tract #27;
Thence North 89 Deg. West a distance of 235 ft. to an iron pin for corner at an ell corner of said tract #27;
Thence North a distance of 1194 ft. to a post for corner;
Thence North 11 Deg. East a distance of 1380 ft. to an iron pin for corner;
Thence North 88 Deg. East a distance of 97 ft. to an iron pin for corner;
Thence North 1 Deg. 15 Min. East a distance of 162 ft. to an iron pin for corner;
Thence East a distance of 791 ft. to an iron pin for corner at the Southwest corner of said tract #28;
Thence North 0 Deg. 30 Min. West a distance of 1784 ft. to an iron pin for corner at the present Northwest corner of said tract #28;
Thence North 67 Deg. 30 Min. East along the South Boundary Line of North Sulphur River a distance of 469 ft. to an iron pin for corner at the present Northeast corner of said tract #28;
Thence South 0 Deg. 30 Min. East a distance of 1972 ft. to an iron pin for corner at the Southeast corner of said tract #28;
Thence South 89 Deg. East a distance of 292 ft. to an iron pin for corner at the Southeast corner of said Charles Logan Survey #643;
Thence North 0 Deg. 30 Min. West a distance of 1672 ft. to an iron pin for corner at the Northwest corner of said tract #4;
Thence East a distance of 1393 ft. to an iron pin for corner at the Northeast corner of said tract #4;
Thence South 5 Deg. 30 Min. East a distance of 1078 ft. to a post for corner;
Thence South 8 Deg. 45 Min. East a distance of 400 ft. to a post for corner;
Thence South 11 Deg. East a distance of 534 ft. to a post for corner;
Thence South 7 Deg. East a distance of 672 ft. to an iron pin for corner;
Thence South 89 Deg. 30 Min. East a distance of 61 ft. to an iron pin for corner;
Thence South 0 Deg. 35 Min. West a distance of 2476 ft. to an iron pin for corner at the Southeast corner of said tract #30;
Thence North 89 Deg. West a distance of 1625 ft. to an iron pin for corner in the South Boundary Line of said tract #30;
Thence South 5 Deg. East a distance of 2091 ft. to an iron pin for corner at the most Southerly Southeast corner of said tract #27;
Thence North 89 Deg. 30 Min. West a distance of 1221 Ft. to the place of beginning and containing 649.21 acres of land, more or less.

As determined by an actual survey made on the ground by W. R. Abbott, Registered Public Surveyor of Texas #1443, on February 13, 1980.

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Tract Three

Situated about 13 ½ miles South 36 Deg. East of the City of Bonham, County of Fannin, and State of Texas, a part of the J. D. Goodman Survey #407, John Clayton Survey #244, and J. B. Goodman Survey #408, and being all of tracts 1, 3, 19, 20, 21, 22, 23, and a part of tracts 2 and 16 as shown in deed to W.E. Burnett as recorded in Vol. 522, Page 642, of the Deed Records of said County and State.

Beginning at an iron pin for corner at the Southeast corner of said J. D. Goodman Survey #407 and the Southeast corner of said tract #16.

Thence North 89 Deg. West a distance of 2126 ft. to an iron pin for corner in the South Boundary Line of said tract #16;

Thence along the East and South Boundary Line of State Highway 34 as follows: North 32 Deg. 15 Min. East a distance of 953 ft.; North 32 Deg. 05 Min. East a distance of 1500 ft.; North 32 Deg. 13 Min. East a distance of 959 ft.; Northeasterly around a curve to the right a distance of 1115 ft.; East a distance of 890 ft. to an iron pin for corner at the present Northeast corner of said tract #2;

Thence South 0 Deg. 45 Min. West a distance of 1453 ft. to an iron pin for corner at the Southeast corner of said tract #2;

Thence East a distance of 1456 ft. to an iron pin for corner at the Northeast corner of said tract #1;

Thence South a distance of 1481 ft. to a post for corner;

Thence South 16 Deg. East a distance of 29 ft. to a post for corner;

Thence South 0 Deg. 30 Min. West a distance of 1050 ft. to a post for corner;

Thence South 1 Deg. East a distance of 686 ft. to an iron pin for corner at the Southeast corner of said tract #21;

Thence East a distance of 566 ft. to an iron pin for corner at the Northeast corner of said tract #20;

Thence South 1 Deg. East a distance of 1084 ft. to an iron pin for corner at the Southeast corner of said tract #19;

Thence West a distance of 2372 ft. to an iron pin for corner at the Southwest corner of said tract #19; .

Thence North 5 Deg. 30 Min. West a distance of 91 ft. to an iron pin for corner at the Northwest corner of said tract #19;

Thence South 89 Deg. 30 Min. West a distance of 1206 ft. to an iron pin for corner at the Southwest corner of said tract #20 and the Southwest corner of said J. B. Goodman Survey #408;

Thence along the center of an old road as follows: North 0 Deg. 15 Min. East a distance of 970 ft.; North 15 Deg. East a distance of 1300 ft. to the place of beginning and containing 440.01 acres of land, more or less.

As determined by an actual survey made on the ground by W. R. Abbott, Registered Public Surveyor of Texas No. 1443, on February 13, 1980.

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Tract Four

All that certain tract or parcel of land situated in Fannin County, Texas, out of the WILLIAM DANIEL SURVEY ASST. NO. 310 and the DAVID H. DAVIS SURVEY, ABST. NO. 314, and out of the SAMUEL K. BLISH SURVEY, ABST. NO. 124, situated approximately South 32 deg. East a distance of 13 miles from the City of Bonham, and being all the land described in a deed from Carlton and Faye Henslee to The First National Bank of Bonham in Vol. 673, Page 719, Land Records, Fannin County, Texas, and being more particularly described as follows:

STANDING at the Southwest corner of the William Daniel Survey, GO East a distance of 1500 feet to a steel pin in the center of an abandoned county road, in an eroded drainage channel for the point of beginning and the Southwest corner of this tract; Said point being the Southwest corner of First Tract of THIRD TRACT in the referenced deed Vol. 673, Page 719;

THENCE North 6 deg. 15 min. 52 sec. East a distance of 1577.34 feet along an eroded drainage channel to a point for an inside corner; Said point being 25 feet West of a steel pin by a corner fence post on the East bank of drainage channel and also being the Northwest corner of First Tract of THIRD TRACT in the referenced deed Vol. 673, Page 719;

THENCE North 89 deg. 34 min. 54 sec. West a distance of 1820.80 feet along an existing fence to a point in the center of a county road for an inside corner; Said point being 20 feet West of a steel pin by a corner fence post in the East Right-of-Way of county road;

THENCE South 0 deg. 07 min. 13 sec. East a distance of 130.88 feet to a steel pin for a corner; Said point being the Southeast corner of SECOND TRACT in the referenced deed Vol. 673, Page 719;

THENCE South 89 deg. 51 min. 34 sec. West a distance of 967.02 feet, along the center of a county road to a point for the Southernmost Southwest corner; Said point being 20 feet South of a steel pin by a corner fence post in North Right-of-Way of County Road;

THENCE North 01 deg. 59 min. 19 sec. West a distance of 187.85 feet along an existing fence to a steel pin by a corner fence post for an inside corner;

THENCE North 85 deg. 44 min. 04 sec. West a distance of 57.47 feet along an existing fence to a steel pin by a corner fence post for the Westernmost Southwest corner;

THENCE North a distance of 2376.64 feet along an existing fence to a steel pin by a steel corner fence post for the Northwest corner; Said point being the Northwest corner of TRACT TWO of the referenced deed Vol. 673, Page 719;

THENCE North 89 deg. 56 min. 11 sec. East a distance of 1025.46 feet along an existing fence to a point in the center of a county road for the Northernmost Northeast corner;

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Tract Four Continued

Said point being 20 feet East of a steel pin by a corner fence post in the West Right-of-Way of County road;

THENCE South 00 deg. 04 min. 01 sec. East a distance of 728.84 feet along the center of a county road to a point for an inside corner; Said point being 20 feet West of a steel pin by a corner fence post in the East Right-of-Way of county road;

THENCE North 89 deg. 50 min. 24 sec. East a distance of 2684.25 feet along an existing fence to a steel pin in an existing North-South fence on the East side of an abandoned county road for the Easternmost Northeast corner; Said point being the Northeast corner of Second Tract of THIRD TRACT in the referenced deed Vol. 673, Page 719;

THENCE South 01 deg. 27 min. 11 sec. East a distance of 3325.09 feet along an existing fence and the East side of an abandoned county road to a point in the center of an East-West abandoned county road for the Southeast corner; Said point being 15 feet South of a steel pin by a corner fence post and being the Southeast corner of Second Tract of THIRD TRACT in the referenced deed Vol. 673, Page 719;

THENCE North 88 deg. 34 min. 56 sec. West a distance of 1116.00 feet along the center of an abandoned county road to the point of beginning, containing 203.794 acres, more or less, of which 2.4 acres, more or less, lie within existing county roads.

LESS & EXCEPT:

All that certain tract or parcel of land out of the DAVID H. DAVIS SURVEY, Abstract Number 314, Fannin County, Texas, situated approximately South 25° East a distance of 12.5 miles from the City of Bonham, being part of the land described as 203.794 acres in the Warranty Deed with Vendor's Lien from the First National Bank of Bonham to Jean L. Powell and Judith A. Powell, dated May 20, 1987, and filed of record at Volume 694, Page 888, Fannin County Land Records, and being more particularly described by metes and bounds as follows:

STANDING at the Northwest corner of the referenced 203.794 acre tract, a Found Iron Pin by a steel corner post for the POINT OF BEGINNING and the Northwest corner of this tract.

THENCE N 89° 56' 11" E a distance of 1025.46 feet along a North Boundary Line of the referenced 203.794 acre tract, passing a fence post at approximately 570 feet and continuing along the general course of a fence, passing a Found Iron Pin by a corner fence post on the west side of a county road and continuing, to a point in the center of said road for the Northeast corner. Said point being the Northernmost Northeast corner of the referenced 203.794 acre tract, Volume 694, Page 888.

THENCE S 00° 07' 13" E a total distance of 2567.42 feet along the general course of the center of a county road, leaving said county road at approximately 2420 feet and continuing, to a Found Iron Pin for the Southeast corner. Said point being the Westernmost Southeast corner of the referenced 203.794 acre tract, Volume 694, Page 888.

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Tract Four Continued

THENCE S 89° 51' 34" W a total distance of 967.02 feet along a South Boundary Line of the referenced 203.794 acre tract, passing the center of a county road at approximately 150 feet and continuing along the center of said road to a point for the Southernmost Southwest corner. Said point being a Southwest corner of the referenced 203.794 acre tract.

THENCE N 01° 59' 19" W a total distance of 187.85 feet along the West Boundary Line of the referenced 203.794 acre tract, passing a Found Iron Pin by a corner fence post on the north side of a county road and continuing, to a Found Iron Pin by a corner fence post for an inside corner. Said point being an inside corner of the referenced 203.794 acre tract, Volume 694, Page 888.

THENCE N 85° 44' 04" W a distance of 57.47 feet along the general course of a fence to a Found Iron Pin by a corner fence post for the Westernmost Southwest corner. Said point being the Westernmost Southwest corner, of the referenced 203.794 acre tract, Volume 694, Page 888.

THENCE North (N. 00° 00' 00" E) a distance of 2376.64 feet along the general course of a fence and the West Boundary Line of the referenced 203.794 acre tract to the POINT OF BEGINNING, containing 60.352 acres, more or less.

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EXHIBIT 1

Tract Five

Property (including any improvements):

All that certain tract or parcel of land out of the S. K. Blish Survey, Abstract No. 124, and the same land deeded to Mrs. W. R. Stephens and W. C. Stephens by E. B. and Cora Stephens on the 27 date of December, 1906, which said deed is recorded in Vol. 112, Page 400, Fannin County Deed Records, situated about 15 miles SE from Bonham and a part of a 160 acre tract conveyed to J. F. Terry by J. W. Dunn and wife, recorded in Book 14, Page 57, Deed Records of Fannin County, Texas, beginning at the SE corner of said 160 acre tract; thence West 500 yards; thence North 564 1/2 yards; thence East 120 yards; thence North 459 yards; thence East 380 yards; thence South 1003 1/2 yards to the place of beginning, containing 80 acres of land, more or less.

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Exhibit "A"

All that certain lot, tract or parcel of land lying and situated in Fannin County, Texas, consisting of two tracts of land, a part of the Bush Estate, a 102 acre tract and a 96 acre tract, and is located approximately 1.6 miles North of the Fannin and Hunt County line, all being in Fannin County, and more particularly described by metes and bounds as follows:

TRACT ONE (WEST):

Starting at the North East corner of the William J. Morgan Survey, Abstract No. 692, Fannin County, Texas,

THENCE: North, eighty eight degrees, forty five minutes West (N 88°45'W) a distance of nineteen hundred forty five and seventy two one hundredths feet (1945.72') to an iron pin in the South right-of-way line of a County Road, this being the North West corner of this tract of land and the place of beginning;

THENCE: South, eighty eight degrees, eight minutes and twenty two seconds East (S 68°08'22" E) along the South right-of-way line of a County Road, a distance of seventeen hundred, thirty seven and forty five, one hundredths feet (1737.45') to an iron pin;

THENCE: South, along a line, a distance of one hundred eighty seven and seventy one, one hundredths feet (187.71') to an iron pin,

THENCE: South, eighty seven degrees, forty seven minutes and thirty one seconds East (S 87°47'31" E) along a line, a distance of one hundred eighty one and sixteen one hundredths feet (181.16') to an iron pin,

THENCE: South, one degree, fifty seven minutes and nineteen seconds West (01°57'19" W) along the West right-of-way line of a County Road, a distance of twenty one hundred, thirty seven and twenty five, one hundredths feet (2137.25') to an iron pin at a fence corner post, this being the South East corner;

THENCE: North, eighty eight degrees, fifty one minutes and fifty nine seconds West (N 88°51'59" W) along a fence line, a distance of eighteen hundred, eighty one and ninety two, one hundredths feet (1881.92') to an iron pin at a boss-d-arc tree, this being the South West corner;

THENCE: North, six degrees, twenty six minutes and fifty eight seconds West (N 06°26'58" W) along a fence line, a distance of two hundred eighteen and twenty, one hundredths feet (218.20') to an iron pin at a hackberry tree, ten inches (10") in diameter;

THENCE: North no degrees, forty seven minutes and six seconds East (N 0°47'06" E) along a line of old bois-d-arc fence post, a distance of sixteen hundred, eighteen and eighty eight, one hundredths feet (1618.88') to an iron pin;

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THENCE: North, four degrees, twenty one minutes and thirty seven seconds East (N 04°21'37" E) along a line, a distance of five hundred, fifteen and eighty two, one hundredths feet (515.82') to the place of beginning.

This tract of land contains, one hundred two and seventy one hundred and sixty two ten thousandths acres (102.7162 AC), more or less, as computed from the metes and bounds given herein. All of this tract of land being located in the William J. Morgan Survey.

TRACT TWO (EAST):

Starting at the North East corner of the William J. Morgan Survey, Abstract No. 692, Fannin County, Texas,

THENCE: South one degree, four minutes and eighteen seconds West (S 01°04'18" W) a distance of fourteen hundred thirty three and forty four, one hundredths feet (1433.44') to an iron pin at a fence corner post, in the D. H. Davis Survey, Abstract No. 314, Fannin County, Texas, this being the South West corner of this tract of land and the place of beginning;

THENCE: South, eighty seven degrees, forty four minutes and thirty two seconds East (S 87°44'32" E) along a fence line and past the East Boundary of the D. H. Davis Survey, a distance of twenty six hundred, seventy and sixty seven one hundredths feet (2670.67') to an iron pin in the bottom of Wolf Creek, this point being the South East corner of this tract and being in the William Daniels Survey, Abstract No. 310;

THENCE: North, eight degrees, one minute and forty eight seconds East (N 08°01'48" E) along a line, a distance of five hundred eighty one and thirty, one hundredths feet (581.30') to an iron pin,

THENCE: North, seven degrees, forty two minutes and twenty nine seconds East (N 07°42'29" E) along a line, a distance of three hundred thirty and fifty two, one hundredths feet (330.52') to an iron pin;

THENCE: North, no degrees, one minute and four seconds West (N 0°01'04" W) along a line, a distance of one hundred sixty one and eighty nine one hundredths feet (161.89') to an iron pin;

THENCE: North, twenty three degrees, forty five minutes and seven seconds East (N 23°45'07" E) along a line, a distance of one hundred nine and fifty two, one hundredths feet (109.52') to an iron pin;

THENCE: North, one degree and twelve minutes West (N 01° 12' W) along a line, a distance of ninety eight and eight one hundredths feet (98.08') to an iron pin;

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THENCE: North ten degrees, eight minutes and four seconds East (N 10°08'04" E) along a line, a distance of one hundred seventy seven and eighty seven one hundredths feet (177.87') to an iron pin;

THENCE: North two degrees, six minutes and twelve seconds East (N 02°06'12" E) along a line, a distance of one hundred forty and four one hundredths feet (140.04') to an iron pin in a fence line in the bottom of Wolf creek, this being the North East corner of this tract;

THENCE: North, eighty eight degrees, seventeen minutes and twenty five seconds West (N 88°17'25" W) along a fence line, a distance of seventeen hundred eighty six and ten one hundredths feet (1786.10') to an iron, pin at a fence corner post;

THENCE: South, thirty nine degrees, two minutes and thirty six seconds West (S 39°02'36" W) along a line and crossing the East boundary of the D.H. Davis Survey, a distance of one hundred twenty six and ninety one hundredths feet (126.90') to an iron pin;

THENCE: South, twenty degrees, fifty three minutes and fifteen seconds West (S 20°53'15" W) along a line, a distance of eighty one and sixty nine, one hundredths feet (81.69') to an iron pin;

THENCE: North, eighty eight degrees, thirty six minutes and twenty nine seconds West (N 88°36'29" W) along a line, a distance of seven hundred fifty six and twenty five, one hundredths feet (756.25') to an iron pin;

THENCE: South, twenty five degrees, forty two minutes and twelve seconds West (S 25°42'12" W) along a line, a distance of one hundred twelve and thirty eight, one hundredths feet (112.38') to an iron pin;

THENCE: South, fifteen degrees, fifty minutes and fifty four seconds West (S 15°50'54" W) along a line, a distance of one hundred eighteen and forty two, one hundredths feet (118.42') to an iron pin;

THENCE: South, one degree, fifty three minutes and twenty five seconds West (S 01°53'25" W) along the East right-of-way line of a County Road, a distance of twelve hundred fifty five and fifteen one hundredths feet (1255.15') to the place of beginning.

This tract of land contains ninety six and ten hundred sixty seven ten thousandths acres (96.1067 AC), more or less, as computed from the metes and bounds given herein.

TRACT THREE:

All that certain lot, tract or parcel of land lying and being situated in Fannin County, Texas out of and a part of the W.J. Morgan Survey, Abstract No. 692 and described as follows:

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Beginning at the Northeast Corner of said W.J. Morgan Survey (tract) about 18 miles SE from Bonham (which was deeded to M.E. Runnion by J.C. Clement)
 THENCE South 70 yards;
 THENCE West 70 yards;
 THENCE North 70 yards;
 THENCE East 70 yards and being the identical tract conveyed by M.E. Runnion and wife to J.I. Carpenter, J.C. Clement and W.S. Maddox and their successors in office, as Trustees for Chappel Hill Missionary Baptist Church as shown by deed dated Nov.20, 1902 of record in Fannin County, Texas Deed Records in Volume 119 at Page 526.
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Filed for Record in
 Fannin County
 Fannin County Clerk
 On Oct 29, 2003 at 11:51 AM

As 1

Acct

Document Number: 000725

Amount: \$ 00

Receipt Number: 100021

By: John Haly, Deputy

ANY PROVISION HEREIN WHICH RESPECTS ONE

SEX, RACE, OR AGE OF THE SIGNER OR

BEYOND THE DATE OF THIS INSTRUMENT IS

HEREBY AND IRREVOCABLY UNDERWRITTEN.

STATE OF TEXAS

COUNTY OF FANNIN

I hereby certify that this instrument was

filed on the date and time stamped herein by me

and was duly recorded in the volume and page

of the same records in Fannin County

as stamped herein by me.

Oct 29, 2003

By: *[Signature]* Deputy

Raymond Elliott, County Clerk

Fannin County

[Signature]

Agreement for Limitation on Appraised Value

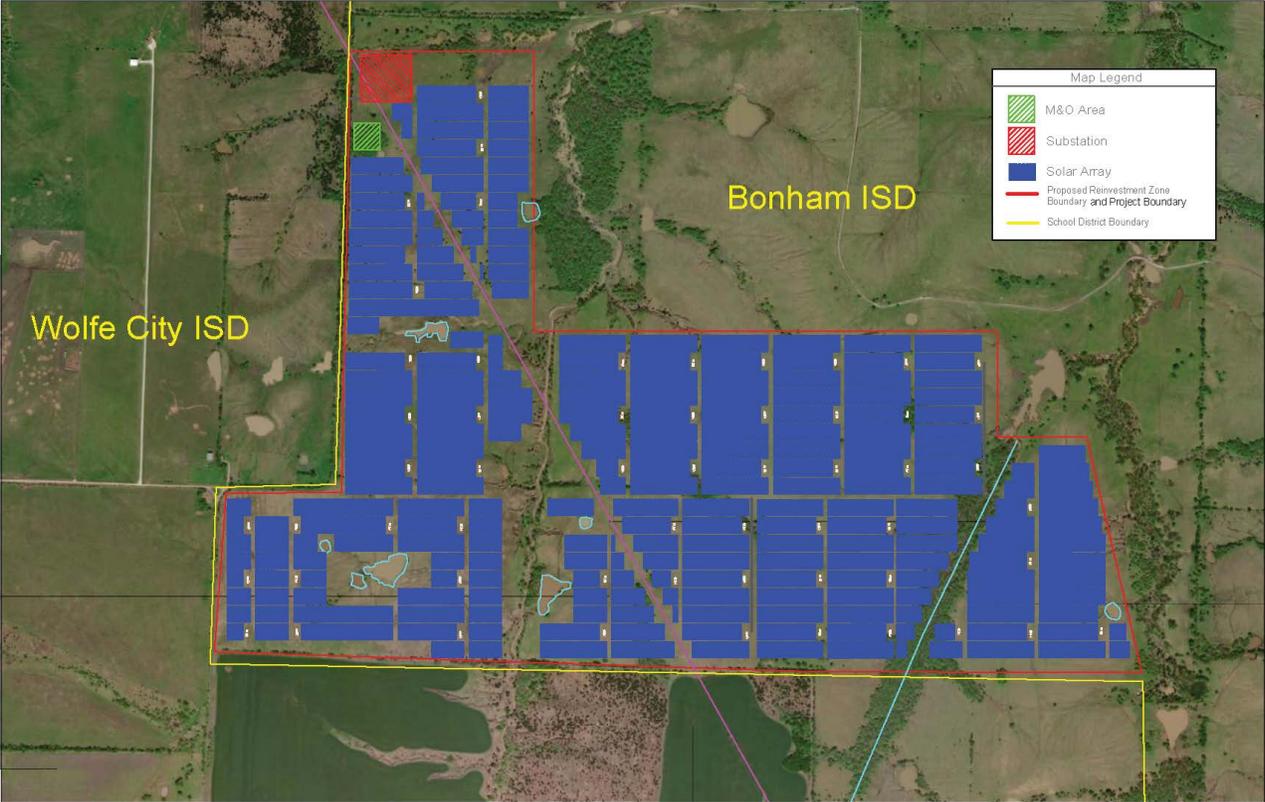
Between Bonham Independent and BT Coniglio Solar, LLC, #1363

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EXHIBIT B

SURVEY MAP OF THE “BT CONIGLIO SOLAR REINVESTMENT ZONE”



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EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

Agreement for Limitation on Appraised Value

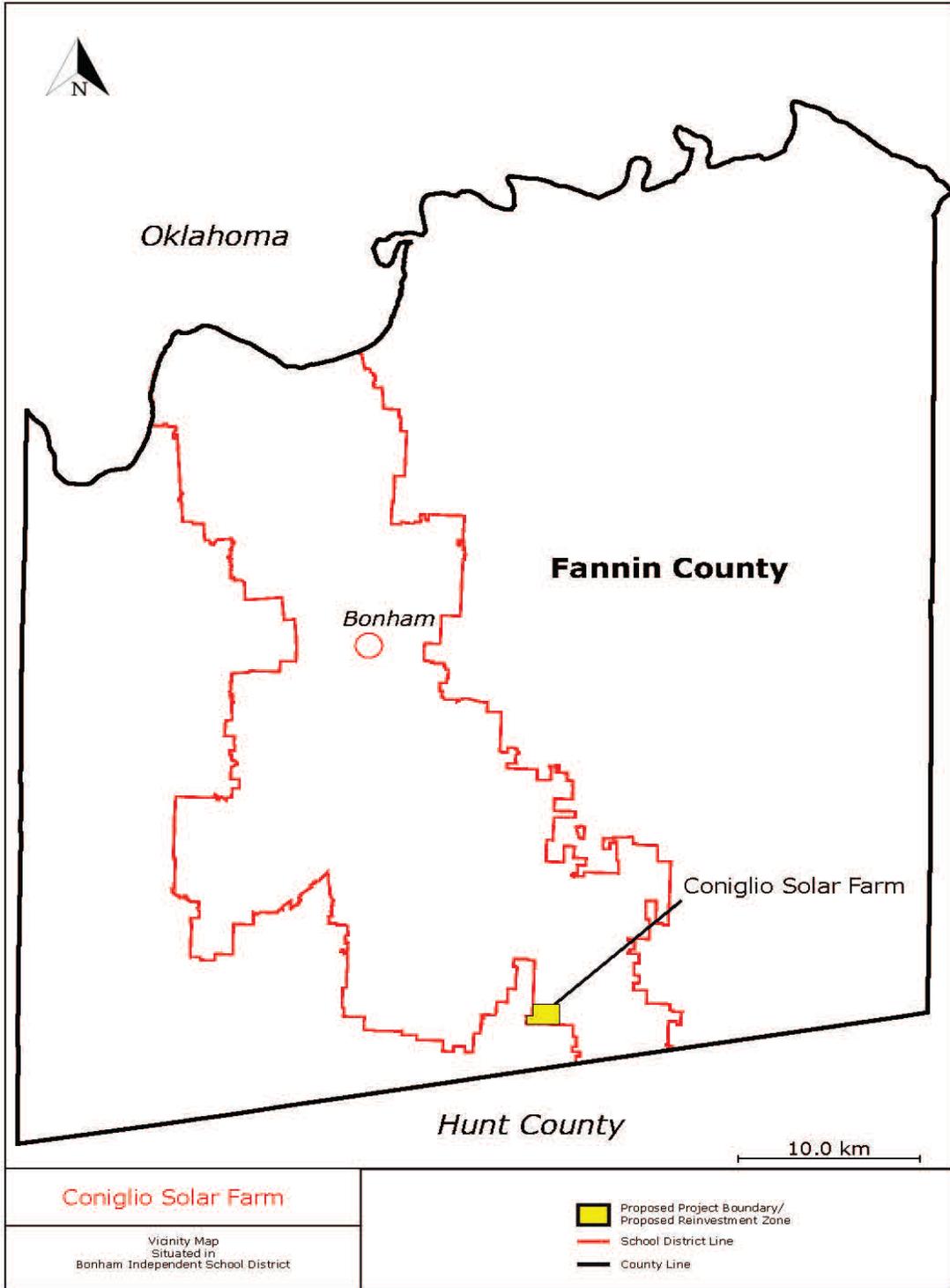
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EXHIBIT 2

VICINITY MAP

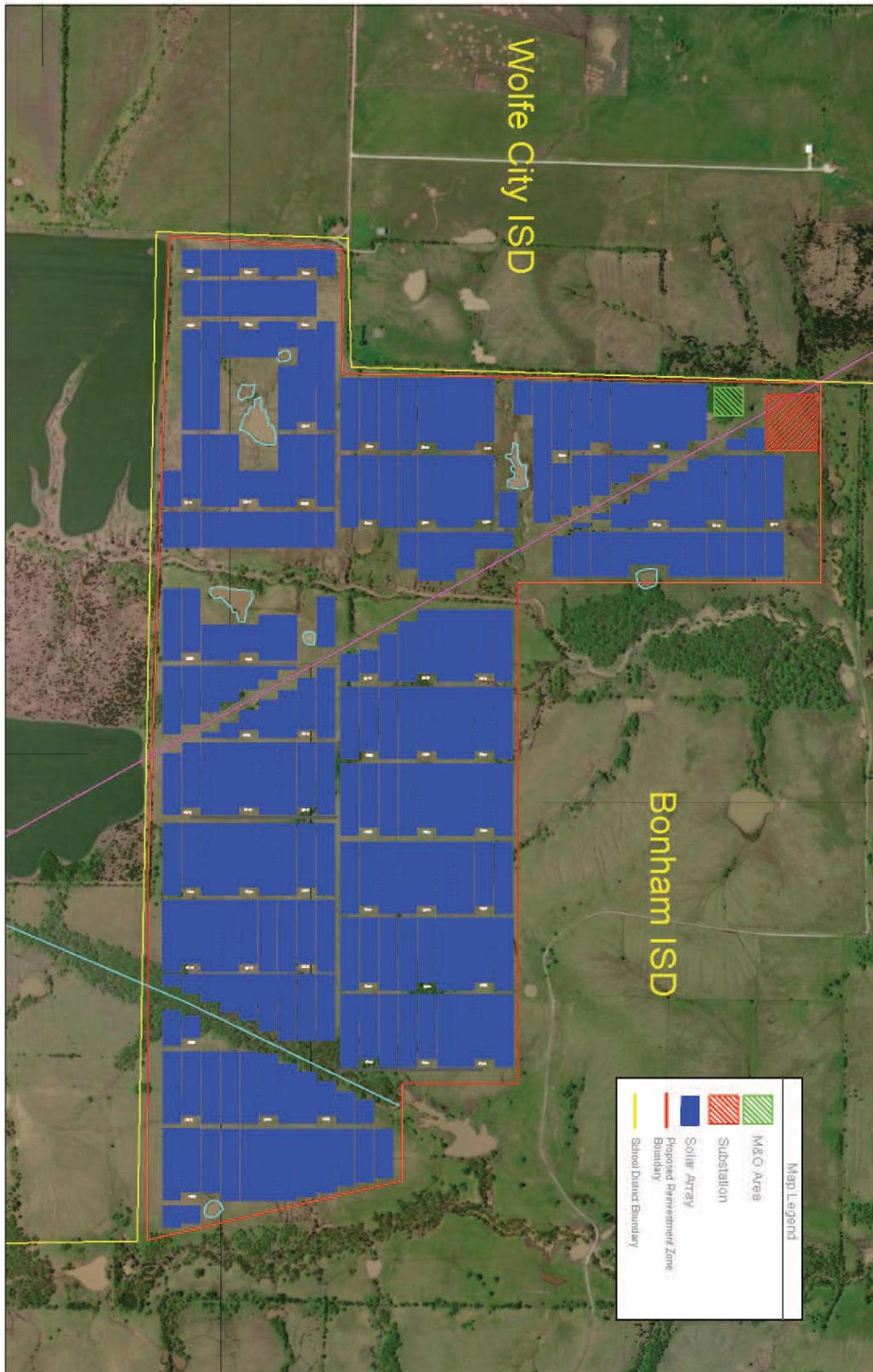


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Agreement for Limitation on Appraised Value
 Between Bonham Independent and BT Coniglio Solar, LLC, #1363

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

November 18, 2019

EXHIBIT 2

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

BT Coniglio Solar, LLC plans to construct a 94.5 MW solar farm in Fannin County.

This application covers all qualified property in the reinvestment zone and project boundary within Bonham ISD necessary for the commercial operations of the proposed solar farm described in Tab 4. Ninety-four and a half megawatts (94.5 MW) will be located in Bonham ISD. Panel placement is subject to change but for purposes of this application, the Project anticipates using approximately 284,474 PV modules or equivalent and 40 inverters.

This application covers all qualified investment and qualified property necessary for the commercial operations of the solar farm.

Qualified Investment and qualified property includes but is not limited to; solar modules/panels, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, foundations, roadways, O&M building, paving, fencing, collection system, electrical substations, generation transmission tie line and associated towers, interconnection facilities and control systems necessary for commercial generation of electricity.

**NOTE:* The map in TAB 11 shows the potential locations of improvements within Bonham ISD boundaries; however, the final number of panels and inverters and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This agreement covers all qualified property in the reinvestment zone and project boundary within Bonham ISD necessary for the commercial operations of the proposed solar farm described in Tab 4. Ninety-four and a half megawatts (94.5 MW) will be located in Bonham ISD. Panel placement is subject to change but for purposes of this application, the Project anticipates using approximately 284,474 PV modules or equivalent and 40 inverters.

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