
FINDINGS
OF THE
PRAIRILAND INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
SAMSON SOLAR ENERGY III, LLC
TEXAS TAXPAYER ID #32070517316
APPLICATION #1370

April 20, 2020

findings as **Exhibit B**. The Texas Commissioner of Education has determined that the project will not impact school enrollment.

The Board of Trustees has confirmed that the taxable value of property in the Prairiland Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in the 2018 ISD Summary Worksheet posted on the Texas Comptroller's website at:

<https://comptroller.texas.gov/data/property-tax/pvs/2018p/1391399121D.php>

After receipt of the Application, the District submitted a proposed form of Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, in the form required by the Comptroller of Public Accounts. The proposed Agreement and letter approving same are attached to these findings as **Exhibit C**.

After review of the Comptroller's recommendation, and in consideration of its own economic impact study the Board finds:

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 electric generation.

Board Finding Number 2.

The Applicant's entire proposed investment in the Prairiland Independent School District is \$230,000,000—\$230,000,000 of which is proposed to be Qualified Investment under Texas Tax Code § 313.021.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least \$42,858 per year. The review of the Application by the State Comptroller's Office indicates that 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 level of the Applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$230,000,000 on the basis of the 1 new qualifying position committed to by the Applicant for this project. The project's total investment is \$230,000,000, resulting in a relative level of investment per qualifying job of \$230,000,000.

Board Finding Number 5.

The Applicant has requested a waiver of the job creation requirement under Texas Tax Code § 313.25(f-1), and the Board finds such waiver request should be granted. The Board notes that the number of jobs proposed for this project (1 job) is consistent with industry standards in the renewable energy electric generation industry.

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 Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller’s office 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
2020	100	89	189	\$5,000,000	\$8,000,000	\$13,000,000
2021	100	93	193	\$5,000,000	\$9,000,000	\$14,000,000
2022	1	11	12	\$42,858	\$2,957,142	\$3,000,000
2023	1	5	6	\$42,858	\$1,957,142	\$2,000,000
2024	1	1	2	\$42,858	\$957,142	\$1,000,000
2025	1	5	6	\$42,858	\$957,142	\$1,000,000
2026	1	1	2	\$42,858	\$957,142	\$1,000,000
2027	1	1	2	\$42,858	\$957,142	\$1,000,000
2028	1	5	6	\$42,858	\$957,142	\$1,000,000
2029	1	1	2	\$42,858	\$957,142	\$1,000,000
2030	1	3	4	\$42,858	-\$42,858	\$0
2031	1	3	4	\$42,858	\$957,142	\$1,000,000
2032	1	7	8	\$42,858	\$957,142	\$1,000,000
2033	1	5	6	\$42,858	\$957,142	\$1,000,000
2034	1	5	6	\$42,858	-\$42,858	\$0
2035	1	5	6	\$42,858	-\$42,858	\$0

Table 4 examines the estimated direct impact on ad valorem taxes to the school district Lamar County and Red River County, with all property tax incentives sought being granted using estimated market value from the application. The difference noted in the last line is the difference between Table 3 and Table 4:

Year	Estimated Taxable Value for I&S	Estimated Taxable Value For M&O	Tax Rate ¹	Prairiland ISD I&S Tax Levy	Prairiland ISD M&O Tax Levy	Prairiland ISD M&O and I&S Tax Levies	Lamar County Tax Levy	Paris Junior College Tax Levy	Langford Creek Water District Tax Levy	Red River County Tax Levy	Estimated Total Property Taxes
			0.1295	0.9700			0.3940	0.0850	0.0251	0.8015	
2021	\$57,500,000	\$57,500,000		\$74,463	\$557,750	\$632,213	\$65,246	\$35,190	\$4,044	\$129,042	\$865,735
2022	\$214,164,500	\$20,000,000		\$277,343	\$194,000	\$471,343	\$243,017	\$131,069	\$15,063	\$480,628	\$1,341,120
2023	\$197,033,800	\$20,000,000		\$255,159	\$194,000	\$449,159	\$223,578	\$120,585	\$13,859	\$442,183	\$1,249,363
2024	\$178,549,250	\$20,000,000		\$231,221	\$194,000	\$425,221	\$202,603	\$109,272	\$12,558	\$400,700	\$1,150,355
2025	\$158,573,146	\$20,000,000		\$205,352	\$194,000	\$399,352	\$179,936	\$97,047	\$11,153	\$355,870	\$1,043,358
2026	\$137,013,684	\$20,000,000		\$177,433	\$194,000	\$371,433	\$155,472	\$83,852	\$9,637	\$307,486	\$927,880
2027	\$113,733,160	\$20,000,000		\$147,284	\$194,000	\$341,284	\$129,055	\$69,605	\$8,000	\$255,240	\$803,184
2028	\$88,593,871	\$20,000,000		\$114,729	\$194,000	\$308,729	\$100,529	\$54,219	\$6,231	\$198,822	\$668,531

2029	\$61,435,163	\$20,000,000		\$79,559	\$194,000	\$273,559	\$69,712	\$37,598	\$4,321	\$137,873	\$523,062
2030	\$46,325,382	\$20,000,000		\$59,991	\$194,000	\$253,991	\$52,566	\$28,351	\$3,258	\$103,963	\$442,131
2031	\$46,316,874	\$20,000,000		\$59,980	\$194,000	\$253,980	\$131,392	\$28,346	\$3,258	\$103,944	\$520,920
2032	\$46,308,536	\$46,308,536		\$59,970	\$449,193	\$509,162	\$131,368	\$28,341	\$3,257	\$103,926	\$776,054
2033	\$46,300,366	\$46,300,366		\$59,959	\$449,114	\$509,073	\$131,345	\$28,336	\$3,257	\$103,907	\$775,917
2034	\$46,292,358	\$46,292,358		\$59,949	\$449,036	\$508,984	\$131,322	\$28,331	\$3,256	\$103,889	\$775,783
2035	\$46,284,511	\$46,284,511		\$59,938	\$448,960	\$508,898	\$131,300	\$28,326	\$3,255	\$103,872	\$775,651
2036	\$4,627,682	\$4,627,682		\$59,928	\$448,885	\$508,814	\$131,278	\$28,321	\$3,255	\$103,854	\$775,523
			Total	\$1,982,258	\$4,742,937	\$6,725,195	\$2,209,720	\$936,789	\$107,663	\$3,435,200	\$13,414,569
			Diff	\$0	\$10,104,867	\$10,104,867	\$2,132,573	\$0	\$0	\$0	\$12,237,440

Source: CPA, Samson Solar Energy III, LLC
†Tax 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		Prairiland ISD I&S Tax Levy	Prairiland ISD M&O Tax Levy	Prairiland ISD M&O and I&S Tax Levies	Lamar County Tax Levy	Paris Junior College Tax Levy	Langford Creek Water District Tax Levy	Red River County Tax Levy	Estimated Total Property Taxes
			Tax Rate[†]	0.1295	0.9700		0.3940	0.0850	0.0251	0.8015	
2021	\$57,500,000	\$57,500,000		\$74,463	\$557,750	\$632,213	\$163,116	\$35,190	\$4,044	\$129,042	\$963,604
2022	\$214,164,500	\$214,164,500		\$277,343	\$2,077,396	\$2,354,739	\$607,542	\$131,069	\$15,063	\$480,628	\$3,589,041
2023	\$197,033,800	\$197,033,800		\$255,159	\$1,911,228	\$2,166,387	\$558,945	\$120,585	\$13,859	\$442,183	\$3,301,959
2024	\$178,549,250	\$178,549,250		\$231,221	\$1,731,928	\$1,963,149	\$506,509	\$109,272	\$12,558	\$400,700	\$2,992,188
2025	\$158,573,146	\$158,573,146		\$205,352	\$1,538,160	\$1,743,512	\$449,840	\$97,047	\$11,153	\$355,870	\$2,657,422
2026	\$137,013,684	\$137,013,684		\$177,433	\$1,329,033	\$1,506,465	\$388,680	\$83,852	\$9,637	\$307,486	\$2,296,121
2027	\$113,733,160	\$113,733,160		\$147,284	\$1,103,212	\$1,250,496	\$322,638	\$69,605	\$8,000	\$255,240	\$1,905,979
2028	\$88,593,871	\$88,593,871		\$114,729	\$859,361	\$974,090	\$251,323	\$54,219	\$6,231	\$198,822	\$1,484,686
2029	\$61,435,163	\$61,435,163		\$79,559	\$595,921	\$675,480	\$174,279	\$37,598	\$4,321	\$137,873	\$1,029,551
2030	\$46,325,382	\$46,325,382		\$59,991	\$449,356	\$509,348	\$131,416	\$28,351	\$3,258	\$103,963	\$776,336
2031	\$46,316,874	\$46,316,874		\$59,980	\$449,274	\$509,254	\$131,392	\$28,346	\$3,258	\$103,944	\$776,194
2032	\$46,308,536	\$46,308,536		\$59,970	\$449,193	\$509,162	\$131,368	\$28,341	\$3,257	\$103,926	\$776,054
2033	\$46,300,366	\$46,300,366		\$59,959	\$449,114	\$509,073	\$131,345	\$28,336	\$3,257	\$103,907	\$775,917
2034	\$46,292,358	\$46,292,358		\$59,949	\$449,036	\$508,984	\$131,322	\$28,331	\$3,256	\$103,889	\$775,783
2035	\$46,284,511	\$46,284,511		\$59,938	\$448,960	\$508,898	\$131,300	\$28,326	\$3,255	\$103,872	\$775,651
2036	\$4,627,682	\$4,627,682		\$59,928	\$448,885	\$508,814	\$131,278	\$28,321	\$3,255	\$103,854	\$775,523
			Total	\$1,982,258	\$14,847,804	\$16,830,062	\$4,342,294	\$936,789	\$107,663	\$3,435,200	\$25,652,009

Source: CPA, Samson Solar Energy III, LLC
†Tax 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 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 and direct, indirect and induced tax effects from project employment 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	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$557,750	\$557,750	\$0	\$0
Limitation Period (10 Years)	2022	\$194,000	\$751,750	\$1,883,396	\$1,883,396
	2023	\$194,000	\$945,750	\$1,717,228	\$3,600,624
	2024	\$194,000	\$1,139,750	\$1,537,928	\$5,138,551
	2025	\$194,000	\$1,333,750	\$1,344,160	\$6,482,711
	2026	\$194,000	\$1,527,750	\$1,135,033	\$7,617,743
	2027	\$194,000	\$1,721,750	\$909,212	\$8,526,955
	2028	\$194,000	\$1,915,750	\$665,361	\$9,192,316
	2029	\$194,000	\$2,109,750	\$401,921	\$9,594,237
	2030	\$194,000	\$2,303,750	\$255,356	\$9,849,593
	2031	\$194,000	\$2,497,750	\$255,274	\$10,104,867
Maintain Viable Presence (5 Years)	2032	\$449,193	\$2,946,943	\$0	\$10,104,867
	2033	\$449,114	\$3,396,056	\$0	\$10,104,867
	2034	\$449,036	\$3,845,092	\$0	\$10,104,867
	2035	\$448,960	\$4,294,052	\$0	\$10,104,867
	2036	\$448,885	\$4,742,937	\$0	\$10,104,867
Additional Years as Required by § 313.026(c)(1) (10 Years)	2037	\$448,812	\$5,191,749	\$0	\$10,104,867
	2038	\$448,740	\$5,640,490	\$0	\$10,104,867
	2039	\$448,670	\$6,089,160	\$0	\$10,104,867
	2040	\$448,601	\$6,537,761	\$0	\$10,104,867
	2041	\$448,534	\$6,986,295	\$0	\$10,104,867
	2042	\$448,468	\$7,434,763	\$0	\$10,104,867
	2043	\$448,403	\$7,883,166	\$0	\$10,104,867
	2044	\$448,340	\$8,331,506	\$0	\$10,104,867
	2045	\$448,277	\$8,779,783	\$0	\$10,104,867
	2046	\$448,217	\$9,228,000	\$0	\$10,104,867

\$9,228,000

is less than

\$10,104,867

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	No

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect+ Induced	Total	Revenue	Expenditure	Net Tax Effect
2020	100	89	189	\$5,000,000	\$8,000,000	\$13,000,000	656000	-343000	\$999,000
2021	100	93	193	\$5,000,000	\$9,000,000	\$14,000,000	671000	-214000	\$885,000
2022	1	11	12	\$42,858	\$2,957,142	\$3,000,000	145000	252000	-\$107,000
2023	1	5	6	\$42,858	\$1,957,142	\$2,000,000	137000	237000	-\$100,000
2024	1	1	2	\$42,858	\$957,142	\$1,000,000	137000	221000	-\$84,000
2025	1	5	6	\$42,858	\$957,142	\$1,000,000	145000	206000	-\$61,000
2026	1	1	2	\$42,858	\$957,142	\$1,000,000	137000	168000	-\$31,000
2027	1	1	2	\$42,858	\$957,142	\$1,000,000	122000	153000	-\$31,000
2028	1	5	6	\$42,858	\$957,142	\$1,000,000	130000	137000	-\$7,000
2029	1	1	2	\$42,858	\$957,142	\$1,000,000	145000	153000	-\$8,000
2030	1	3	4	\$42,858	-\$42,858	\$0	153000	122000	\$31,000
2031	1	3	4	\$42,858	\$957,142	\$1,000,000	168000	84000	\$84,000
2032	1	7	8	\$42,858	\$957,142	\$1,000,000	175000	107000	\$68,000
2033	1	5	6	\$42,858	\$957,142	\$1,000,000	168000	61000	\$107,000
2034	1	5	6	\$42,858	-\$42,858	\$0	145000	46000	\$99,000
2035	1	5	6	\$42,858	-\$42,858	\$0	145000	46000	\$99,000

2036	1	7	8	\$42,858	-\$42,858	\$0	137000	15000	\$122,000
2037	1	5	6	\$42,858	\$957,142	\$1,000,000	183000	-15000	\$198,000
2038	1	7	8	\$42,858	\$957,142	\$1,000,000	214000	-15000	\$229,000
2039	1	11	12	\$42,858	\$1,957,142	\$2,000,000	259000	-38000	\$297,000
2040	1	7	8	\$42,858	\$957,142	\$1,000,000	214000	-53000	\$267,000
2041	1	11	12	\$42,858	\$957,142	\$1,000,000	214000	-84000	\$298,000
2042	1	7	8	\$42,858	\$957,142	\$1,000,000	214000	-84000	\$298,000
2043	1	7	8	\$42,858	\$957,142	\$1,000,000	259000	-69000	\$328,000
2044	1	7	8	\$42,858	\$1,957,142	\$2,000,000	305000	-15000	\$320,000
2045	1	9	10	\$42,858	\$957,142	\$1,000,000	259000	-84000	\$343,000
2046	1	7	8	\$42,858	\$957,142	\$1,000,000	351000	-53000	\$404,000
Total							\$5,988,000	\$941,000	\$5,047,000
							\$14,275,000	is greater than	\$10,104,867
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 Samson Solar Energy III, LLC’s decision to invest capital and construct the project in this state.:

- I. Per Samson Solar Energy III, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Samson Solar Energy III LLC has begun typical due course, early-stage due diligence to explore feasibility of constructing a solar facility at this site. As such, certain contracts have been executed, including agreements to install meteorological monitoring equipment, lease and easement agreements with landowners, and contracts with various contractors for environmental surveys, geotechnical, topographical, and vegetation management analysis. None of these activities, agreements, or contracts obligate Samson Solar Energy III LLC to construct the project.”
 - B. “Without tax incentives such as the Ch.313 Value Limitation on Qualified Property, the economic return for this project is negatively impacted to the point that locating the project in Lamar County and Red River County becomes unlikely. If Samson Solar Energy III LLC was not able to obtain a value limitation agreement for this project, the project would most likely be terminated and financial resources would be allocated to projects with more favorable economic returns.”

- C. “Invenergy is currently considering alternative sites outside the State of Texas for solar developments, including locations in the following states: Oklahoma and New Mexico.”

II. Per Comptroller Research

- A. On November 20, 2018 The Paris News reported that Bristi Cure, Senior Manager of Development of Invenergy, made a presentation to Prairiland ISD board regarding the steps they had taken to get Samson Solar Energy off the ground. Cure stated, “We’ve done our preliminary work- property-core samples, environmental assessment, wetlands delineation, hydrology study, solar monitoring and more. As we have done all that due diligence, everything looks very positive. As we market the project, power participation agreements will determine the size of the project. We believe we could produce about 500 megawatts of the solar there, but that final number will be determined by how much electricity we get contracted.”
- B. On March 23, 2019 The Paris News reported that County Judge Brandon Bell would enter negotiations with Invenergy LLC for the tax abatements regarding Samson Solar Energy. Bell stated, “Where they’re talking about buildings sits on the old Monticello transmission line. That means they have a point of injection nearby, where they don’t have to build extra lines. It’s cheaper and more efficient for them to build on those.”
- C. The qualified property for Samson Solar Energy III (Application #1370) is placed adjacent to the qualified property Samson Solar Energy II (Application #1371), Samson Solar Energy I (Application #1328), Delilah Solar Energy (Application #1385), and Delilah Solar Energy II (Application #1386). (Refer to Vicinity Map provided)

III. Provided by Applicant

- A. Samson Solar Energy was split into phases, which are known as Samson Solar Energy I (Application #1328), Samson Solar Energy II (Application #1371), and Samson Solar Energy III (Application #1370).
- B. Samson Solar Energy III, LLC applied for ERCOT on July 23, 2018 and the IGNR number is 211NR0001.
- C. Samson Solar I, II, II and Delilah I, and II projects will likely be connected electrically via underground or overhead electric transmission lines. There will be no shared qualified property or property transported from one project to another.

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

Board Finding Number 12.

The Board of Trustees of the Prairiland Independent School District hired consultants to review and verify the information in Application #1370. 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 of Trustees 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 ID 32070517316) 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 for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto 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 to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

It is therefore ORDERED that the Agreement attached hereto as **Exhibit C** is approved and hereby authorized to be executed and delivered by and on behalf of the Prairiland 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 Prairiland Independent School District.

Dated the 20th day of April, 2020.

PRAIRILAND INDEPENDENT SCHOOL DISTRICT

By: 
Michael Sessums
President, Board of Trustees

ATTEST:

By: 
David Basinger
Secretary, Board of Trustees

Findings and Order of the Prairiland Independent School District
Board of Trustees under the Texas Economic Development Act on the Application Submitted by
Samson Solar Energy III, LLC (Tax ID 32070517316) (Application #1370)

EXHIBIT A

Comptroller's Economic Impact Analysis



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 10, 2019

Jeff Ballard
Superintendent
Prairiland Independent School District
466 FM 196 South
Pattonville, Texas 75468

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Prairiland Independent School District and Samson Solar Energy III, LLC, Application 1370

Dear Superintendent Ballard:

On September 25, 2019, the Comptroller issued written notice that Samson Solar Energy III, LLC (applicant) submitted a completed application (Application 1370) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on May 13, 2019, to the Prairiland 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 1370.

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 within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of September 25, 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 blue ink that reads "Lisa Craven". The signature is written in a cursive style with a large initial "L".

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Samson Solar Energy III, LLC (project) applying to Prairiland 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 Samson Solar Energy III, LLC.

Applicant	Samson Solar Energy III, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Prairiland ISD
2017-2018 Average Daily Attendance	1,076
County	Lamar and Red River
Proposed Total Investment in District	\$230,000,000
Proposed Qualified Investment	\$230,000,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2021-2022
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	\$824
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$824
Minimum annual wage committed to by applicant for qualified jobs	\$42,858
Minimum weekly wage required for non-qualifying jobs	\$812
Minimum annual wage required for non-qualifying jobs	\$42,212
Investment per Qualifying Job	\$230,000,000
Estimated M&O levy without any limit (15 years)	\$14,847,804
Estimated M&O levy with Limitation (15 years)	\$4,742,937
Estimated gross M&O tax benefit (15 years)	\$10,104,867

* 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 Samson Solar Energy III, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	100	89	189	\$5,000,000	\$8,000,000	\$13,000,000
2021	100	93	193	\$5,000,000	\$9,000,000	\$14,000,000
2022	1	11	12	\$42,858	\$2,957,142	\$3,000,000
2023	1	5	6	\$42,858	\$1,957,142	\$2,000,000
2024	1	1	2	\$42,858	\$957,142	\$1,000,000
2025	1	5	6	\$42,858	\$957,142	\$1,000,000
2026	1	1	2	\$42,858	\$957,142	\$1,000,000
2027	1	1	2	\$42,858	\$957,142	\$1,000,000
2028	1	5	6	\$42,858	\$957,142	\$1,000,000
2029	1	1	2	\$42,858	\$957,142	\$1,000,000
2030	1	3	4	\$42,858	-\$42,858	\$0
2031	1	3	4	\$42,858	\$957,142	\$1,000,000
2032	1	7	8	\$42,858	\$957,142	\$1,000,000
2033	1	5	6	\$42,858	\$957,142	\$1,000,000
2034	1	5	6	\$42,858	-\$42,858	\$0
2035	1	5	6	\$42,858	-\$42,858	\$0

Source: CPA REMI, Samson Solar Energy III, 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*	Prairiland ISD	Prairiland ISD	Prairiland ISD	Lamar County	Paris Junior	Langford	Red River	Estimated Total Property Taxes	
				I&S Tax Levy	M&O Tax Levy	M&O and I&S Tax Levies	Tax Levy	College Tax Levy	Creek Water District Tax Levy	County Tax Levy		
				0.1295	0.9700		0.3940	0.0850	0.0251	0.8015		
2021	\$57,500,000	\$57,500,000		\$74,463	\$557,750	\$632,213	\$163,116	\$35,190	\$4,044	\$129,042	\$963,604	
2022	\$214,164,500	\$214,164,500		\$277,343	\$2,077,396	\$2,354,739	\$607,542	\$131,069	\$15,063	\$480,628	\$3,589,041	
2023	\$197,033,800	\$197,033,800		\$255,159	\$1,911,228	\$2,166,387	\$558,945	\$120,585	\$13,859	\$442,183	\$3,301,959	
2024	\$178,549,250	\$178,549,250		\$231,221	\$1,731,928	\$1,963,149	\$506,509	\$109,272	\$12,558	\$400,700	\$2,992,188	
2025	\$158,573,146	\$158,573,146		\$205,352	\$1,538,160	\$1,743,512	\$449,840	\$97,047	\$11,153	\$355,870	\$2,657,422	
2026	\$137,013,684	\$137,013,684		\$177,433	\$1,329,033	\$1,506,465	\$388,680	\$83,852	\$9,637	\$307,486	\$2,296,121	
2027	\$113,733,160	\$113,733,160		\$147,284	\$1,103,212	\$1,250,496	\$322,638	\$69,605	\$8,000	\$255,240	\$1,905,979	
2028	\$88,593,871	\$88,593,871		\$114,729	\$859,361	\$974,090	\$251,323	\$54,219	\$6,231	\$198,822	\$1,484,686	
2029	\$61,435,163	\$61,435,163		\$79,559	\$595,921	\$675,480	\$174,279	\$37,598	\$4,321	\$137,873	\$1,029,551	
2030	\$46,325,382	\$46,325,382		\$59,991	\$449,356	\$509,348	\$131,416	\$28,351	\$3,258	\$103,963	\$776,336	
2031	\$46,316,874	\$46,316,874		\$59,980	\$449,274	\$509,254	\$131,392	\$28,346	\$3,258	\$103,944	\$776,194	
2032	\$46,308,536	\$46,308,536		\$59,970	\$449,193	\$509,162	\$131,368	\$28,341	\$3,257	\$103,926	\$776,054	
2033	\$46,300,366	\$46,300,366		\$59,959	\$449,114	\$509,073	\$131,345	\$28,336	\$3,257	\$103,907	\$775,917	
2034	\$46,292,358	\$46,292,358		\$59,949	\$449,036	\$508,984	\$131,322	\$28,331	\$3,256	\$103,889	\$775,783	
2035	\$46,284,511	\$46,284,511		\$59,938	\$448,960	\$508,898	\$131,300	\$28,326	\$3,255	\$103,872	\$775,651	
2036	\$46,276,821	\$46,276,821		\$59,928	\$448,885	\$508,814	\$131,278	\$28,321	\$3,255	\$103,854	\$775,523	
				Total	\$1,982,258	\$14,847,804	\$16,830,062	\$4,342,294	\$936,789	\$107,663	\$3,435,200	\$25,652,009

Source: CPA, Samson Solar Energy III, LLC
 *Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Lamar County and Red River 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*	Prairiland ISD I&S Tax Levy	Prairiland ISD M&O Tax Levy	Prairiland ISD M&O and I&S Tax Levies	Lamar County Tax Levy	Paris Junior College Tax Levy	Langford Creek Water District Tax Levy	Red River County Tax Levy	Estimated Total Property Taxes
				0.1295	0.9700		0.3940	0.0850	0.0251	0.8015	
2021	\$57,500,000	\$57,500,000		\$74,463	\$557,750	\$632,213	\$65,246	\$35,190	\$4,044	\$129,042	\$865,735
2022	\$214,164,500	\$20,000,000		\$277,343	\$194,000	\$471,343	\$243,017	\$131,069	\$15,063	\$480,628	\$1,341,120
2023	\$197,033,800	\$20,000,000		\$255,159	\$194,000	\$449,159	\$223,578	\$120,585	\$13,859	\$442,183	\$1,249,363
2024	\$178,549,250	\$20,000,000		\$231,221	\$194,000	\$425,221	\$202,603	\$109,272	\$12,558	\$400,700	\$1,150,355
2025	\$158,573,146	\$20,000,000		\$205,352	\$194,000	\$399,352	\$179,936	\$97,047	\$11,153	\$355,870	\$1,043,358
2026	\$137,013,684	\$20,000,000		\$177,433	\$194,000	\$371,433	\$155,472	\$83,852	\$9,637	\$307,486	\$927,880
2027	\$113,733,160	\$20,000,000		\$147,284	\$194,000	\$341,284	\$129,055	\$69,605	\$8,000	\$255,240	\$803,184
2028	\$88,593,871	\$20,000,000		\$114,729	\$194,000	\$308,729	\$109,529	\$54,219	\$6,231	\$198,822	\$668,531
2029	\$61,435,163	\$20,000,000		\$79,559	\$194,000	\$273,559	\$69,712	\$37,598	\$4,321	\$137,873	\$523,062
2030	\$46,325,382	\$20,000,000		\$59,991	\$194,000	\$253,991	\$52,566	\$28,351	\$3,258	\$103,963	\$442,131
2031	\$46,316,874	\$20,000,000		\$59,980	\$194,000	\$253,980	\$131,392	\$28,346	\$3,258	\$103,944	\$520,920
2032	\$46,308,536	\$46,308,536		\$59,970	\$449,193	\$509,162	\$131,368	\$28,341	\$3,257	\$103,926	\$776,054
2033	\$46,300,366	\$46,300,366		\$59,959	\$449,114	\$509,073	\$131,345	\$28,336	\$3,257	\$103,907	\$775,917
2034	\$46,292,358	\$46,292,358		\$59,949	\$449,036	\$508,984	\$131,322	\$28,331	\$3,256	\$103,889	\$775,783
2035	\$46,284,511	\$46,284,511		\$59,938	\$448,960	\$508,898	\$131,300	\$28,326	\$3,255	\$103,872	\$775,651
2036	\$46,276,821	\$46,276,821		\$59,928	\$448,885	\$508,814	\$131,278	\$28,321	\$3,255	\$103,854	\$775,523
			Total	\$1,982,258	\$4,742,937	\$6,725,195	\$2,209,720	\$936,789	\$107,663	\$3,435,200	\$13,414,569
			Diff	\$0	\$10,104,867	\$10,104,867	\$2,132,573	\$0	\$0	\$0	\$12,237,440

Assumes School Value Limitation and Tax Abatements with the County.

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$557,750	\$557,750	\$0	\$0
Limitation Period (10 Years)	2022	\$194,000	\$751,750	\$1,883,396	\$1,883,396
	2023	\$194,000	\$945,750	\$1,717,228	\$3,600,624
	2024	\$194,000	\$1,139,750	\$1,537,928	\$5,138,551
	2025	\$194,000	\$1,333,750	\$1,344,160	\$6,482,711
	2026	\$194,000	\$1,527,750	\$1,135,033	\$7,617,743
	2027	\$194,000	\$1,721,750	\$909,212	\$8,526,955
	2028	\$194,000	\$1,915,750	\$665,361	\$9,192,316
	2029	\$194,000	\$2,109,750	\$401,921	\$9,594,237
	2030	\$194,000	\$2,303,750	\$255,356	\$9,849,593
	2031	\$194,000	\$2,497,750	\$255,274	\$10,104,867
Maintain Viable Presence (5 Years)	2032	\$449,193	\$2,946,943	\$0	\$10,104,867
	2033	\$449,114	\$3,396,056	\$0	\$10,104,867
	2034	\$449,036	\$3,845,092	\$0	\$10,104,867
	2035	\$448,960	\$4,294,052	\$0	\$10,104,867
	2036	\$448,885	\$4,742,937	\$0	\$10,104,867
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$448,812	\$5,191,749	\$0	\$10,104,867
	2038	\$448,740	\$5,640,490	\$0	\$10,104,867
	2039	\$448,670	\$6,089,160	\$0	\$10,104,867
	2040	\$448,601	\$6,537,761	\$0	\$10,104,867
	2041	\$448,534	\$6,986,295	\$0	\$10,104,867
	2042	\$448,468	\$7,434,763	\$0	\$10,104,867
	2043	\$448,403	\$7,883,166	\$0	\$10,104,867
	2044	\$448,340	\$8,331,506	\$0	\$10,104,867
	2045	\$448,277	\$8,779,783	\$0	\$10,104,867
	2046	\$448,217	\$9,228,000	\$0	\$10,104,867

\$9,228,000

is less than

\$10,104,867

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	No

NOTE: The analysis above only takes into account this project’s estimated impact on the M&O portion of the school district property tax levv directly related to this project.
Source: CPA, Samson Solar Energy III, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2020	100	89	189	\$5,000,000	\$8,000,000	\$13,000,000	656000	-343000	\$999,000
2021	100	93	193	\$5,000,000	\$9,000,000	\$14,000,000	671000	-214000	\$885,000
2022	1	11	12	\$42,858	\$2,957,142	\$3,000,000	145000	252000	-\$107,000
2023	1	5	6	\$42,858	\$1,957,142	\$2,000,000	137000	237000	-\$100,000
2024	1	1	2	\$42,858	\$957,142	\$1,000,000	137000	221000	-\$84,000
2025	1	5	6	\$42,858	\$957,142	\$1,000,000	145000	206000	-\$61,000
2026	1	1	2	\$42,858	\$957,142	\$1,000,000	137000	168000	-\$31,000
2027	1	1	2	\$42,858	\$957,142	\$1,000,000	122000	153000	-\$31,000
2028	1	5	6	\$42,858	\$957,142	\$1,000,000	130000	137000	-\$7,000
2029	1	1	2	\$42,858	\$957,142	\$1,000,000	145000	153000	-\$8,000
2030	1	3	4	\$42,858	-\$42,858	\$0	153000	122000	\$31,000
2031	1	3	4	\$42,858	\$957,142	\$1,000,000	168000	84000	\$84,000
2032	1	7	8	\$42,858	\$957,142	\$1,000,000	175000	107000	\$68,000
2033	1	5	6	\$42,858	\$957,142	\$1,000,000	168000	61000	\$107,000
2034	1	5	6	\$42,858	-\$42,858	\$0	145000	46000	\$99,000
2035	1	5	6	\$42,858	-\$42,858	\$0	145000	46000	\$99,000
2036	1	7	8	\$42,858	-\$42,858	\$0	137000	15000	\$122,000
2037	1	5	6	\$42,858	\$957,142	\$1,000,000	183000	-15000	\$198,000
2038	1	7	8	\$42,858	\$957,142	\$1,000,000	214000	-15000	\$229,000
2039	1	11	12	\$42,858	\$1,957,142	\$2,000,000	259000	-38000	\$297,000
2040	1	7	8	\$42,858	\$957,142	\$1,000,000	214000	-53000	\$267,000
2041	1	11	12	\$42,858	\$957,142	\$1,000,000	214000	-84000	\$298,000
2042	1	7	8	\$42,858	\$957,142	\$1,000,000	214000	-84000	\$298,000
2043	1	7	8	\$42,858	\$957,142	\$1,000,000	259000	-69000	\$328,000
2044	1	7	8	\$42,858	\$1,957,142	\$2,000,000	305000	-15000	\$320,000
2045	1	9	10	\$42,858	\$957,142	\$1,000,000	259000	-84000	\$343,000
2046	1	7	8	\$42,858	\$957,142	\$1,000,000	351000	-53000	\$404,000
Total							\$5,988,000	\$941,000	\$5,047,000
							\$14,275,000	is greater than	\$10,104,867
Analysis Summary									
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?								Yes	

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

Attachment C – Limitation as a Determining Factor

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

Methodology

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

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

Determination

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

- Per Samson Solar Energy III, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Samson Solar Energy III LLC has begun typical due course, early-stage due diligence to explore feasibility of constructing a solar facility at this site. As such, certain contracts have been executed, including agreements to install meteorological monitoring equipment, lease and easement agreements with landowners, and contracts with various contractors for environmental surveys, geotechnical, topographical, and vegetation management analysis. None of these activities, agreements, or contracts obligate Samson Solar Energy III LLC to construct the project.”
 - B. “Without tax incentives such as the Ch.313 Value Limitation on Qualified Property, the economic return for this project is negatively impacted to the point that locating the project in Lamar County and Red River County becomes unlikely. If Samson Solar Energy III LLC was not able to obtain a value limitation agreement for this project, the project would most likely be terminated and financial resources would be allocated to projects with more favorable economic returns.”
 - C. “Invenergy is currently considering alternative sites outside the State of Texas for solar developments, including locations in the following states: Oklahoma and New Mexico.”
- Per Comptroller Research
 - A. On November 20, 2018 The Paris News reported that Bristi Cure, Senior Manager of Development of Invenergy, made a presentation to Prairiland ISD board regarding the steps they had taken to get Samson Solar Energy off the ground. Cure stated, “We’ve done our preliminary work- property-core samples, environmental assessment, wetlands delineation, hydrology study, solar monitoring and more. As we have done all that due diligence, everything looks very positive. As we market the project, power participation agreements will determine the size of the project. We believe we could produce about 500 megawatts of the solar there, but that final number will be determined by how much electricity we get contracted.”

- B. On March 23, 2019 The Paris News reported that County Judge Brandon Bell would enter negotiations with Invenergy LLC for the tax abatements regarding Samson Solar Energy. Bell stated, "Where they're talking about buildings sits on the old Monticello transmission line. That means they have a point of injection nearby, where they don't have to build extra lines. It's cheaper and more efficient for them to build on those."
- C. The qualified property for Samson Solar Energy III (Application #1370) is placed adjacent to the qualified property Samson Solar Energy II (Application #1371), Samson Solar Energy I (Application #1328), Delilah Solar Energy (Application #1385), and Delilah Solar Energy II (Application #1386). (Refer to Vicinity Map provided)
- Provided by Applicant
 - A. Samson Solar Energy was split into phases, which are known as Samson Solar Energy I (Application #1328), Samson Solar Energy II (Application #1371), and Samson Solar Energy III (Application #1370).
 - B. Samson Solar Energy III, LLC applied for ERCOT on July 23, 2018 and the IGNR number is 211NR0001."
 - C. Samson Solar I, II, II and Delilah I, and II projects will likely be connected electrically via underground or overhead electric transmission lines. There will be no shared qualified property or property transported from one project to another.

Supporting Information

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

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

Supporting Information

Section 8 of the Application for a Limitation on Appraised Value

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

Supporting Information

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



Samson Solar Energy III LLC
Application for Appraised Value Limitation on Qualified Property
To
Prairiland ISD

Tab #5

Documentation to assist in determining if limitation is a determining factor

Section 8, Question 2: Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Samson Solar Energy III LLC has begun typical due course, early-stage due diligence to explore feasibility of constructing a solar facility at this site. As such, certain contracts have been executed, including agreements to install meteorological monitoring equipment, lease and easement agreements with landowners, and contracts with various contractors for environmental surveys, geotechnical, topographical, and vegetation management analysis. None of these activities, agreements, or contracts obligate Samson Solar Energy III LLC to construct the project.

Section 8, Questions 7 and 10: Is the applicant evaluating other locations not in Texas for the proposed project? 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?

Invenergy, as the parent company of Samson Solar Energy III LLC, is North America's largest privately-held renewable energy provider, with a national portfolio of wind, solar, storage, and natural gas projects. With operations in several regions throughout the contiguous United States, Invenergy considers economic return on investment as they decide where to locate development projects.

Without tax incentives such as the Ch.313 Value Limitation on Qualified Property, the economic return for this project is negatively impacted to the point that locating the project in Lamar County and Red River County becomes unlikely. If Samson Solar Energy III LLC was not able to obtain a value limitation agreement for this project, the project would most likely be terminated and financial resources would be allocated to projects with more favorable economic returns.

Invenergy is currently considering alternative sites outside the State of Texas for solar developments, including locations in the following states: Oklahoma and New Mexico.

ATTACHMENT TO APPLICATION FOR CHAPTER 313 APPRAISED VALUE
LIMITATION BY SAMSON SOLAR ENERGY III LLC TO PRAIRILAND 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)
– Prairiland ISD– Samson Solar III, LLC App. #1370

Comptroller Questions (via email on October 2, 2019):

1. Is Samson Solar III, LLC currently known by any other project names?
2. 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.
3. Confirm this information is correct. "Samson Solar Energy III, LLC applied for ERCOT on July 23, 2018 and the IGNR number is 211NR0001."
4. Will there be any interconnections between Samson Solar I, II, and III.
5. Will there be any interconnections between Samson Solar I, II, III and Delilah I, and II.

Comptroller Questions (via email on October 14, 2019):

1. Can you please clarify what "If all projects go forward, they will likely be connected in some way," Will there be qualified property that will be shared, will things be transported from one project to another, will the employees be working on all the Samson Solar I, II, III. The statement was vague and could have multiple possibilities, can you further explain what was meant?

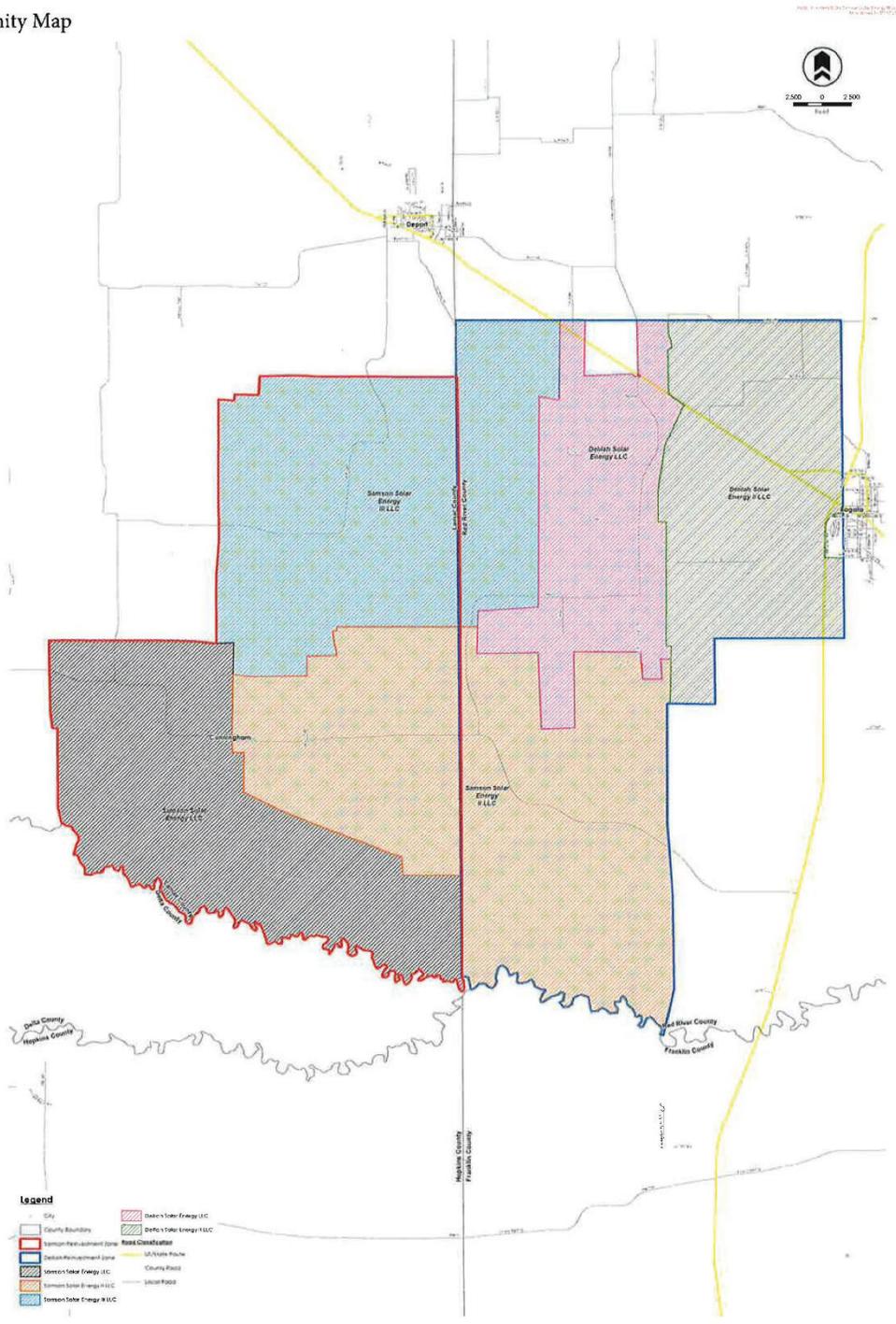
Applicant Response (via email on October 2, 2019):

1. No
2. N/A
3. Confirmed
4. TBD – If all projects go forward, they will likely be connected in some way and share a gen-tie. However, final design and point of interconnect for all projects has not yet been finalized.
5. If all projects go forward, they will likely be connected in some way and share a gen-tie. However, final design and point of interconnect for all projects has not yet been finalized.

Applicant Response (via email on October 30, 2019):

1. What is meant is that the projects will likely be connected electrically via underground or overhead electric transmission lines. There will be no shared qualified property or property transported from one project to another.

Vicinity Map



Project Summary

Deliah & Samson Solar Energy Projects | Linn & Rau River Counties, Texas

Rev. 00
June 11, 2019 **Invenergy**

http://theparisnews.com/free/article_52b7df28-ece4-11e8-8cea-1be2d0a84fa7.html

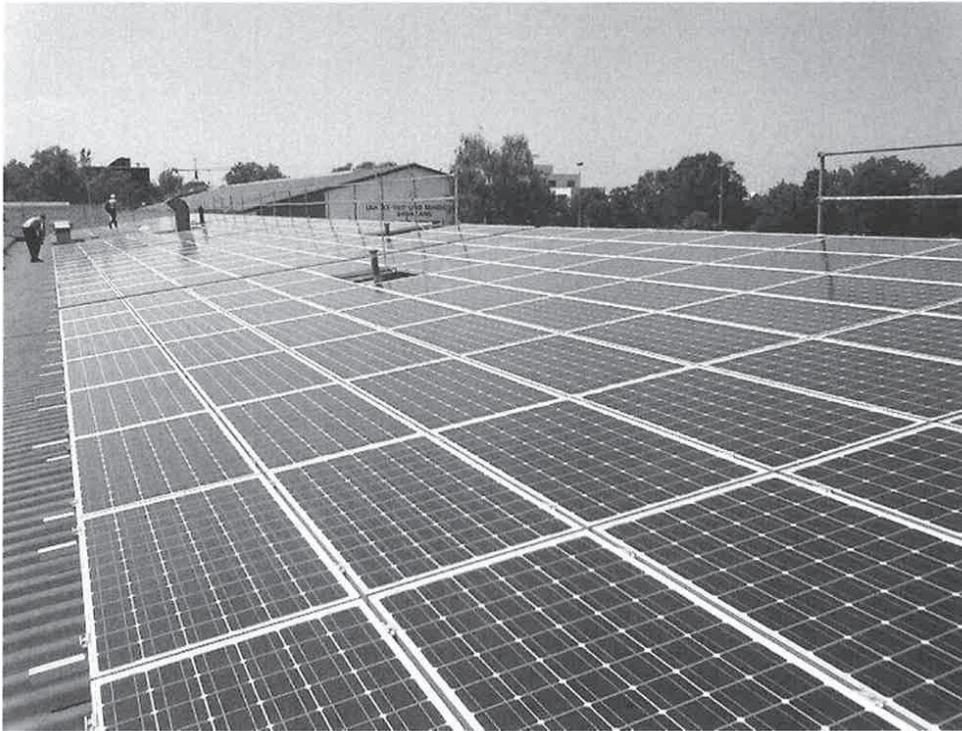
FEATURED TOP STORY

Solar firms eye Lamar County area

2 companies look at Pattonville area for sun farm

Mary Madewell Nov 20, 2018

1 of 2



Alpin Sun, a German-based solar company, is one of two firms looking to build solar farms in Lamar County. Left is a solar farm the company built in Belgium.

Submitted Photo

Time is of the essence for two large alternative energy companies with eyes on the East Texas sun and available acreage along a high-powered electric transmission line.

Chicago-based Invenery and Germany-based Alpin Sun are seeking approval with Prairiland and Bonham school districts for three large solar energy farms in Lamar and Fannin counties.

Invenergy approached Prairiland ISD last week with a plan to build a 300- to 500-megawatt solar farm on 6,500 leased acres near Cunningham in southeastern Lamar County. Cost of the Samson Solar Energy Center is between \$350 million to \$450 million.

In August, the district gave preliminary approval to German-based Alpin Sun to build a 250-megawatt farm on 1,867 acres, also near Cunningham. With a cost of \$240 million, the Impact Solar project has a value limitation agreement with Prairiland ISD awaiting approval with the Texas Comptroller's Office.

Alpin Sun also plans a 100-megawatt solar farm on 968 acres in Fannin County, according to the firm's value limitation application, available online with the Texas Comptroller's Office. The Impact Solar farm comes with a cost of \$96 million.

Closure leaves space

The closure of the coal-fired Monticello Power Plant near Mount Pleasant in January left about 1,800 megawatts of available capacity on a transmission line from Titus County through Red River, Lamar and Fannin counties on the way to the Dallas Metroplex.

Shortly after, both companies leased land in southeastern Lamar County and southcentral Fannin County and began due diligence, according to company representatives.

If approved, the three farms will take up almost half the available transmission capacity space on the high voltage line.

More pressing, however, is a rush to get Texas comptroller approval for tax limitation agreements on multimillion dollar capital investments, according to Fred Wilkerson, school finance consultant with Region VIII Education Service Center near Mount Pleasant.

"There's a rush to get applications approved before the Texas Legislature either does away with the program or places more restrictions on it," Wilkerson said.

Since its origin in 2002, Chapter 313 of the Texas property tax code has been labeled as the largest corporate give-away program in the state, charged with giving away billions in tax breaks. Others, however, have credited the the Texas Economic Development Act for attracting huge energy and technology investments to the state at a time other states are losing ground.

"No one knows what the legislature might do, and the comptroller's office has been flooded with applications," Wilkerson said.

With comptroller approval, Chapter 313 currently would allow Prairiland and Bonham ISDs to limit property tax values for 10 years. In return, companies will pay the district \$100 per student per year to be used for maintenance and operation costs. The appraised value limitation does not apply to the debt service side of the tax rate, used to build facilities and pay off debt.

Steps to production

In a presentation to Prairiland ISD board members last week, Senior Manager of Development Bristi Cure outlined steps Invenergy has taken to get its Samson Solar Energy Center off the ground.

"We've done our preliminary work —property — core samples, environmental assessment, wetlands delineation, hydrology study, solar monitoring and more," Cure said.

"As we have done all that due diligence, everything looks very positive."

Marketing is key

"As we market the project, power participation agreements will determine the size of the project," Cure said. "We believe we could produce about 500 megawatts of solar there, but that final number will be determined by how much electricity we get contracted."

Because her company has such a large footprint across the globe, Cure said she is confident in the company's marketing department. In 2017 alone, she said, the company developed 3,884 megawatts of electricity from wind, solar and natural gas-fired facilities, enough to power 101,580 additional homes.

Attempts to contact a representative of Alpin Sun were unsuccessful.

Mary Madewell is a staff writer for The Paris News. She can be reached at 903-785-6976 or at mary.madewell@theparisnews.com.

Mary Madewell

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Paris Life October 2019

Sep 29, 2019

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Jun 30, 2019

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FEATURED

Lamar County judge to negotiate tax breaks for new solar farm

By Tommy Culkin tommy.culkin@theparisnews.com Mar 23, 2019



Submitted

Buy Now

Lamar County is working on becoming a bright spot in the solar farm industry.

The Lamar County Commissioners' Court unanimously voted last week to allow County Judge Brandon Bell to enter negotiations with Invenergy LLC on a possible tax abatement to bring a solar farm to the Cunningham community.

4/24/2019

Lamar County judge to negotiate tax breaks for new solar farm | Free | theparisnews.com

Bell said the solar farm, named the Samson Solar Energy Center, a proposed \$350 million to \$470 million farm, would cover roughly 6,500 acres with a 500 megawatt capacity.

Negotiations are expected to take about a month, Bell said, and the proposed tax abatement will need to be voted on by the Commissioners' Court before being approved.

Work on the farm should be completed in 2020, Bell said. The county judge said Lamar County is an attractive location for solar farms because of its proximity to transmission lines.

"Where they're talking about building sits on the old Monticello transmission line," he said. "That means they have a point of injection nearby, where they don't have to build extra lines. It's cheaper and more efficient for them to build on those."

With that in mind, Bell said the county would be open to further solar farm growth.

He said the benefits of Samson Solar Energy Center could be wide reaching.

"People will benefit because it will create jobs, hotels will benefit because construction workers will need to live here essentially for three months, and it'll just have a ripple effect on our economy," Bell said.

Tommy Culkin is a staff writer for The Paris News. He can be reached at 903-785-6972 or at tommy.culkin@theparisnews.com.

tommyculkin

Findings and Order of the Prairiland Independent School District
Board of Trustees under the Texas Economic Development Act on the Application Submitted by
Samson Solar Energy III, LLC (Tax ID 32070517316) (Application #1370)

EXHIBIT B

**Summary of Financial Impact on
Prairiland ISD Prepared by
Jigsaw School Finance Consulting**

**SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED
SAMSON SOLAR ENERGY III, LLC PROJECT
(APPLICATION # 1370)
ON THE FINANCES OF
PRAIRILAND INDEPENDENT SCHOOL DISTRICT
UNDER A REQUESTED
CHAPTER 313 APPRAISED VALUE LIMITATION**

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

Introduction

Samson Solar Energy III, LLC (“Company”) has submitted an application to the Prairiland Independent School District (“District”) requesting a property value limitation on a proposed project located within the school district boundaries, under Chapter 313 of the Texas Tax Code. The proposed project is a renewable energy electric generation project located in Lamar County, TX. The company estimates that the total investment in this project will be approximately \$214 million.

Local government entities in Texas, including school districts, rely heavily on the ad valorem property tax to fund operations and building projects. Thus, the property tax burden that Texas imposes on individuals and business entities is higher compared to most other states. Seeking to encourage economic development and to attract large scale capital investment, the 77th Texas Legislature in 2001 enacted House Bill 1200 creating Tax Code Chapter 313, the Texas Economic Development Act. The act as amended by the legislature in 2007, 2009 and 2013 now grants eligibility to companies engaging in manufacturing, advanced clean energy projects, research and development, clean coal projects, renewable electric energy generation, electric power generation using integrated gasification combined cycle technology, nuclear electric power generation and a computer center used primarily in connection to one of the other categories or a Texas Priority Project. Under the provisions of this law, the Prairiland Independent School District may grant a value limitation for maintenance and operation taxes in the amount of \$20 million dollars for a period of ten years.

The application calls for the project to be fully taxable for both maintenance and operation (M&O) and interest and sinking (I&S) during the 2021-22 school year. Beginning with the 2022-23 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 2031-32 school year. The full value of the project will be taxable for debt service purposes using the I&S tax rate in all years of the agreement.

Revenue Protection Payment to Prairiland ISD -	\$1,883,396
Supplemental Payments to Prairiland ISD -	\$1,615,500
Total Revenue to Prairiland ISD Resulting From Tax Code Chapter 313 Agreement -	<u>\$3,498,896</u>
Total Tax Savings to Company after all Payments -	<u>\$6,605,971</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 Prairiland 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 2036-37 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 16 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 Lamar CAD. Prairiland ISD currently has other approved Chapter 313 projects. These values have been included in the base data illustrated in **Table 1**.

Table 1 Base District Information
Prairiland ISD, Samson Solar Energy III LLC, Project # 1370

Year of Agreement	School Year	ADA	WADA	Assumed M&O Tax Rate	Assumed I&S Tax Rate	Property Value Without Project	Project Values	Property Value No Limit	Property Value With Limit	Property Value with Project per WADA	Property Value with Limitation per WADA
0	2019-20	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$0	\$259,099,239	\$259,099,239	\$155,428	\$155,428
0	2020-21	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$0	\$259,099,239	\$259,099,239	\$155,428	\$155,428
QTP 1	2021-22	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$57,500,000	\$316,599,239	\$316,599,239	\$189,922	\$189,922
QTP2/L1	2022-23	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$214,164,500	\$473,263,739	\$279,099,239	\$283,901	\$167,426
L2	2023-24	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$197,033,800	\$456,133,039	\$279,099,239	\$273,625	\$167,426
L3	2024-25	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$178,549,250	\$437,648,489	\$279,099,239	\$262,537	\$167,426
L4	2025-26	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$158,573,146	\$417,672,385	\$279,099,239	\$250,553	\$167,426
L5	2026-27	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$137,013,684	\$396,112,923	\$279,099,239	\$237,620	\$167,426
L6	2027-28	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$113,733,160	\$372,832,399	\$279,099,239	\$223,655	\$167,426
L7	2028-29	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$88,593,871	\$347,693,110	\$279,099,239	\$208,574	\$167,426
L8	2029-30	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$61,435,163	\$320,534,402	\$279,099,239	\$192,282	\$167,426
L9	2030-31	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$46,325,382	\$305,424,621	\$279,099,239	\$183,218	\$167,426
L10	2031-32	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$46,316,874	\$305,416,113	\$279,099,239	\$183,213	\$167,426
MVP1	2032-33	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$46,308,536	\$305,407,775	\$305,407,775	\$183,208	\$183,208
MVP2	2033-34	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$46,300,366	\$305,399,605	\$305,399,605	\$183,203	\$183,203
MVP3	2034-35	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$46,292,358	\$305,391,597	\$305,391,597	\$183,198	\$183,198
MVP4	2035-36	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$46,284,511	\$305,383,750	\$259,099,239	\$183,194	\$155,428
MVP5	2036-37	1,077	1,667	\$0.9700	\$0.1295	\$259,099,239	\$46,276,821	\$305,376,060	\$259,099,239	\$183,189	\$155,428

To isolate the impact of the value limitation on the District's finances over the term of the agreement, average daily attendance and maintenance and operation tax rates were held constant at levels that existed in the 2019-20 school year. An ADA of 1077, a WADA of 1667 and an M&O tax rate of \$0.97 were used for each year of the of the initial forecast. Due to HB 3, however, 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 Lamar 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 Prairiland 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			
District:	Prairiland ISD		
Applicant:	Samson Solar Energy III LLC		
Project #	1370		
Summary of Finances 2019-20 School Year			
Basic Information:			
Total Refined ADA (adj. for decline, if applicable)		1,076.51	1,076.51
CPTD Property Value	267,037,640		259,099,239
Total M&O Tax Collections	2,694,632		2,513,263
HB 3 WADA			1,667.00
		2019-20 Old Law	2019-20 HB 3
Total Cost of Tier I		8,468,275	10,406,641
LESS: Local Fund Assignment		2,616,969	2,409,623
State Share of Tier I		5,851,306	7,997,018
TIER I STATE AID:			
Greater of State Share of Tier I or Current Law ASF+HS NIFA; or HB3 ASF		5,851,306	7,997,018
Gross Recapture - Tier 1		0	0
Adjustments to Gross Recapture in Order to Maintain Revenue, if applicable		0	0
Adjusted Gross Recapture - Tier 1		0	0
CAD credit		0	0
Net Recapture - Tier I		0	0
Tier II State Aid for "Golden" Level		1,041,128	553,392
Tier II State Aid for "Copper" Level		0	0
TOTAL TIER II STATE AID		1,041,128	553,392
Gross Recapture - Copper Penny Level		0	0
CAD credit		0	0
Net Recapture - Copper Penny Level		0	0
Other Programs:		0	0
Supplemental TIF Payment		0	0
State Aid Reduction for WADA Sold		0	0
Ch 313 Tax Credits		0	0
Staff Allotment	25,625	0	0
TSD Charge	0	0	0
TSB Charge	0	0	0
TOTAL OTHER PROGRAMS		25,625	0
Less: Available School Fund (estimated)		(278,443)	(278,443)
		0	0
		0	0
SUMMARY OF TOTAL STATE/LOCAL M&O REVENUE:			
		0	0
M&O Revenue From State (not including Fund 599)	6,918,059		8,550,410
M&O Revenue From Local Taxes Before Recapture	2,694,632		2,513,263
Recapture, if any	0		0
			0
STATE/LOCAL M&O REVENUE (prior to Formula Transition & Equalized Wealth Transition Gra	9,612,692		11,063,673
Formula Transition Grant		N/A	0
Equalized Wealth Transition Grant		N/A	0
		0	0
HB 3 NET TOTAL STATE/LOCAL M&O REVENUE		9,612,692	11,063,673

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 \$1.883 million 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 2022-23 and remaining limited through school year 2031-32. The potential gross and net tax savings to Samson Solar Energy III, LLC are shown in **Table 3**. As stated earlier, an M&O tax rate of \$0.97 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 \$10.104 million over the length of the contract. Net tax savings are estimated to be \$6.605 million. To estimate supplemental payments to the school district of \$100 per ADA, a model of ADA was applied to the base ADA of 1077, which was the ADA for Prairiland ISD through the end of the first six-weeks of the 2019-20 school year.

Facilities Funding Impact on the District

Reports submitted by Samson Solar Energy III, LLC 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. While the project is expected to provide additional employment opportunities in the area, the impact on student enrollment is predicted to be minimal.

Conclusion

The Samson Solar Energy III, LLC project proposed in this application will benefit the community, the district, Prairiland ISD and the taxpayer, Samson Solar Energy III, LLC. 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 action that could potentially change the impact of this 313 valuation limitation agreement on the finances of Prairiland 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.

Table 3 Estimated Financial Impact
Prairiland ISD, Samson Solar Energy III LLC, Project # 1370

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 Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits	School District Benefit \$100 per ADA	Company Tax Benefit
0	2019-20	\$0	\$0	\$0	0.9700	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	2020-21	\$0	\$0	\$0	0.9700	\$0	\$0	\$0	\$0	\$0	\$107,700	-\$107,700
QTP 1	2021-22	\$57,500,000	\$57,500,000	\$0	0.9700	\$557,750	\$557,750	\$0	\$0	\$0	\$107,700	-\$107,700
QTP2/L1	2022-23	\$214,164,500	\$20,000,000	\$194,164,500	0.9700	\$2,077,396	\$194,000	\$1,883,396	-\$1,883,396	\$0	\$107,700	-\$107,700
L2	2023-24	\$197,033,800	\$20,000,000	\$177,033,800	0.9700	\$1,911,228	\$194,000	\$1,717,228	\$0	\$1,717,228	\$107,700	\$1,609,528
L3	2024-25	\$178,549,250	\$20,000,000	\$158,549,250	0.9700	\$1,731,928	\$194,000	\$1,537,928	\$0	\$1,537,928	\$107,700	\$1,430,228
L4	2025-26	\$158,573,146	\$20,000,000	\$138,573,146	0.9700	\$1,538,160	\$194,000	\$1,344,160	\$0	\$1,344,160	\$107,700	\$1,236,460
L5	2026-27	\$137,013,684	\$20,000,000	\$117,013,684	0.9700	\$1,329,033	\$194,000	\$1,135,033	\$0	\$1,135,033	\$107,700	\$1,027,333
L6	2027-28	\$113,733,160	\$20,000,000	\$93,733,160	0.9700	\$1,103,212	\$194,000	\$909,212	\$0	\$909,212	\$107,700	\$801,512
L7	2028-29	\$88,593,871	\$20,000,000	\$68,593,871	0.9700	\$859,361	\$194,000	\$665,361	\$0	\$665,361	\$107,700	\$557,661
L8	2029-30	\$61,435,163	\$20,000,000	\$41,435,163	0.9700	\$595,921	\$194,000	\$401,921	\$0	\$401,921	\$107,700	\$294,221
L9	2030-31	\$46,325,382	\$20,000,000	\$26,325,382	0.9700	\$449,356	\$194,000	\$255,356	\$0	\$255,356	\$107,700	\$147,656
L10	2031-32	\$46,316,874	\$20,000,000	\$26,316,874	0.9700	\$449,274	\$194,000	\$255,274	\$0	\$255,274	\$107,700	\$147,574
MVP1	2032-33	\$46,308,536	\$46,308,536	\$0	0.9700	\$449,193	\$449,193	\$0	\$0	\$0	\$107,700	-\$107,700
MVP2	2033-34	\$46,300,366	\$46,300,366	\$0	0.9700	\$449,114	\$449,114	\$0	\$0	\$0	\$107,700	-\$107,700
MVP3	2034-35	\$46,292,358	\$46,292,358	\$0	0.9700	\$449,036	\$449,036	\$0	\$0	\$0	\$107,700	-\$107,700
MVP4	2035-36	\$46,284,511	\$46,284,511	\$0	0.9700	\$448,960	\$448,960	\$0	\$0	\$0	\$0	\$0
MVP5	2036-37	\$46,276,821	\$46,276,821	\$0	0.9700	\$448,885	\$448,885	\$0	\$0	\$0	\$0	\$0
TOTALS						\$14,847,804	\$4,742,937	\$10,104,867	-\$1,883,396	\$8,221,471	\$1,615,500	\$6,605,971

*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 Prairiland Independent School District
Board of Trustees under the Texas Economic Development Act on the Application Submitted by
Samson Solar Energy III, LLC (Tax ID 32070517316) (Application #1370)

EXHIBIT C

**Proposed Agreement between
Prairiland Independent School District
and Samson Solar III, LLC**

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

by and between

PRAIRILAND INDEPENDENT SCHOOL DISTRICT

and

SAMSON SOLAR ENERGY III LLC

Texas Taxpayer ID #32070517316

Comptroller Application # 1370

Dated

April 20, 2020

*Texas Economic Development Act
Agreement Comptroller Form 50-826 (Jan 2020)*

WHEREAS, the District, acting through its Superintendent of Schools, by letter dated February 17, 2020, extended the statutory deadline by which the District must consider the Application until April 30, 2020;

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 April 20, 2020 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 April 20, 2020 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 April 20, 2020, 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 313.021(A)(iv)(b) of the Texas Tax Code;

WHEREAS, on April 1, 2020 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 April 20, 2020 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 Samson Solar Energy III, LLC, (Texas Taxpayer ID #32070517316), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

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

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

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the Texas Tax Code) filed with the District by the Applicant on May 13, 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 Lamar County and Red River County Appraisal Districts.

“Board of Trustees” means the Board of Trustees of the Prairiland 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 Lamar County, Texas and Red River County, Texas.

“District” or “School District” means the Prairiland 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 acts of God, war, fires, explosions, hurricanes, floods, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each Party must inform the other in writing with proof of receipt within 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 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 Operation” means the date on which the project becomes commercially operational, has installed or constructed Qualified Property on the Land, and is able to generate electricity and is connected to the grid with an interconnection agreement.

“Cumulative Payments” 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 48 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 49 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, with respect to any school year, the total State and local Maintenance and Operations Tax Revenue that the District actually received for such school year after all adjustments have been made to such Maintenance and Operations Tax Revenue in accordance with Applicable School Law.

“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.

“Option to Terminate” means, in the event that the Applicant shall fail to make the Qualified Investment during the Qualifying Time Period, the Applicant may Terminate this Agreement without penalty or further liability consistent with Section 7.1.

“Original M&O Revenue” means, with respect to any school year, 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 or 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 September 25, 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 April 20, 2020.
- C. The Qualifying Time Period for this Agreement:
 - i. Starts on the April 20, 2020, Application Approval Date; and
 - ii. Ends on December 31, 2022, the last day of the second complete Tax Year following the Qualifying Time Period start date;
- D. The Tax Limitation Period for this Agreement:
 - i. Starts on January 1, 2022, the first complete Tax Year after the date of Commercial Operations.
 - ii. Ends on December 31, 2031; 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, 2036.

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

Section 2.4. TAX LIMITATION.

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

- A. the Market Value of the Applicant's Qualified Property; or
- B. \$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 of the TEXAS TAX CODE.

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

- A. have completed the Applicant's Qualified Investment in the amount of \$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 \$812 for all New Non-Qualifying Jobs created by the Applicant.

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

- A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V
- C. provide such Supplemental Payments as more fully specified in Article VI;
- D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and

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 a renewable electric generation facility.

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.

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.

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) for any Tax Year during the Tax Limitation Period and (ii) Seven Thousand Five Hundred Dollars (\$7,500.00) for any Tax Year not included in the Tax Limitation Period.

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 Payments for any Tax Year during the Limitation Period of this Agreement shall exceed the Applicant's Net Tax Benefit for that Tax Year, then the Cumulative Payments owed for that year shall be limited to the Applicant's Net Tax Benefit 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.

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 is 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 (2034), Supplemental Payments shall be owed. During the Qualifying Time Period and for the three years following the end of the Tax Limitation Period, the Supplemental Payment shall not be subject to the Aggregate Limit.

If, for any Tax Year during the Limitation Period of this Agreement the Cumulative Payments exceed the Aggregate Limit for such Tax Year, then the Supplemental Payment for such Tax Year shall be reduced in an amount required to cause the Cumulative Payments to be equal to the Aggregate Limit. In such event, the amount by which the Supplemental Payment was reduced shall be carried forward from year-to-year until paid to the District (but in no event shall be carried forward beyond the Final Termination Date). Any carried-forward amounts not paid by the Final Termination Date shall be considered canceled and no longer owed by Applicant. The Aggregate Limit shall not apply nor limit Supplemental Payments owed to the District during any Tax Year that is not included in the Tax Limitation Period (i.e., any Qualifying Time Period years that are not also included in the Tax Limitation Period and the three years following the end of the Tax Limitation Period).

For illustrative purposes, the Supplemental Payments shall be paid as follows:

Tax Year	Supplemental Payment Amount Owed
2020	The greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance for the previous school year.
2021	The greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance for the previous school year.
2022	The greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance for the previous school year.
2023	The greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance for the previous school year.
2024	The greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance for the previous school year.
2025	The greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance for the previous school year.
2026	The greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance for the previous school year.
2027	The greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance for the previous school year.
2028	The greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance for the previous school year.
2029	The greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance for the previous school year.
2030	The greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance for the previous school year.
2031	The greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance for the previous school year.
2032	The greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance for the previous school year.
2033	The greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance for the previous school year.
2034	The greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance for the previous school year.

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 Payments; (ii) the determination of the Supplemental Payment amount 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 Supplemental Payments 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. EFFECT OF OPTIONAL TERMINATION.

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

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

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

ARTICLE VIII
ADDITIONAL OBLIGATIONS OF APPLICANT

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

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

Section 8.2. REPORTS.

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

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

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

Section 8.4. DATA REQUESTS.

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

Section 8.5. SITE VISITS AND RECORD REVIEW.

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

A. All inspections will be made at a mutually agreeable time after the giving of not less than ninety-six (96) 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 Trustees' 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 Lamar 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 Lamar 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 7.1 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:	Prairiland Independent School District	Sara Leon & Associates, LLC
Attn:	Superintendent Jeff Ballard or his successor	Sara Hardner Leon
Address:	466 FM 196	2901 Via Fortuna, Suite 475
City/Zip:	South Pattonville, TX 75468	Austin, TX 78746
Phone :	903-652-6476	(512) 637-4244
Fax :	903-652-3728	(512) 637-4245
Email:	jballard@prairiland.net	sleon@saraleonlaw.com

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

To the Applicant

With Copy to

Name:	Samson Solar Energy III LLC	Ernst & Young
Attn:	James Williams Vice President of Development	Adam Glatz Senior Manager
Address:	1401 17 th Street, Suite 1100	
City/Zip:	Denver, CO 80202	
Phone :	303-557-4488	512-542-7787
Fax:		855-856-7894
Email:	jwilliams@invenergyllc.com	adam.h.glatz@ey.com

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

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

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

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

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

- i. The Applicant shall submit to the District and the Comptroller:
 - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
 - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;
- ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller’s Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and
- iii. If the Comptroller has not denied the request, the District’s Board of Trustees shall approve or disapprove the request before the expiration of 150 days after

the request is filed.

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

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

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

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

Section 10.3. ASSIGNMENT.

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

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

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

Section 10.4. MERGER.

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

Section 10.5. GOVERNING LAW.

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

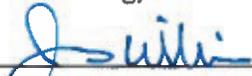
Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

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 20th day of April 2020.

Samson Solar Energy III LLC

By: 
Authorized Representative

James Williams
Vice President

Prairiland ISD

By: 
Michael Sessums
President, Board of Trustees

ATTEST:

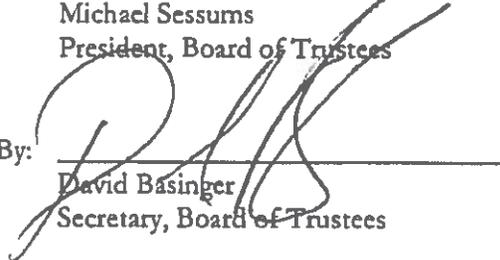
By: 
David Basinger
Secretary, Board of Trustees

EXHIBIT 1
DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

Information for the reinvestment zones created in Lamar County (the Samson Solar Energy Reinvestment Zone) and Red River County (the Delilah Solar Energy Reinvestment Zone) is attached.

Exhibit A

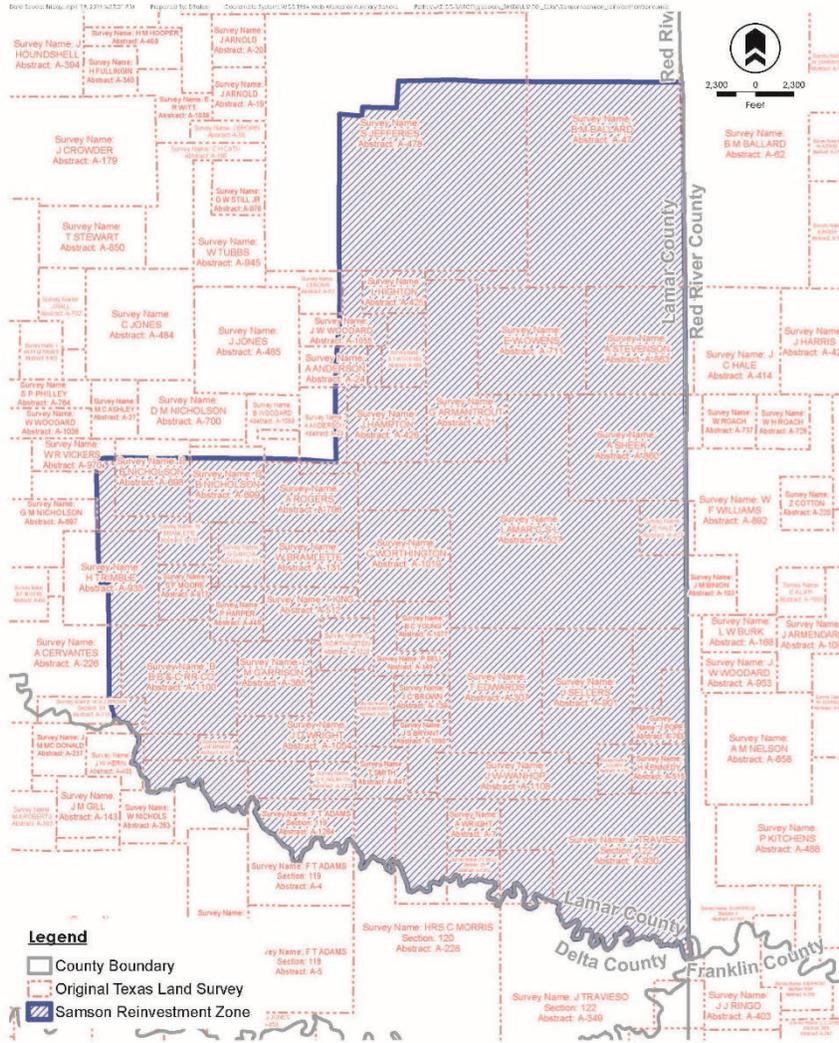
Property Included in the Samson Solar Energy Reinvestment Zone

The Samson Solar Energy Reinvestment Zone is described below, and a map is attached as the last page of this Exhibit A:

Survey Name	Survey No.	Abstract Name	Abstract Number
A ANDERSON			A-24, 23
A CERVANTES			A-226
A ROGERS			A-796
A SHEEK			A-860
A STEVENSON			A-863
A WRIGHT			A-?
B B & C RR CO			A-1100
B B NICHOLSON			A-698, 699
B C YOUNG			A-1077
B HALE			A-427
B M BALLARD			A-47
B WOODARD			A-1068
			A-1019, 1020
C WORTHINGTON			
D S HAMMOND	7	SF 1877	A-1276
E B DRINKARD	208		A-1320
E W OWENS			A-711
F T ADAMS	119		A-1264
F W WAGGENER	6	SF 1689	A-1280
G ARMANTROUT			A-21
G GARCIA			A-381
G I HERROD			A-?
G K WILMUTH			A-1226
G M NICHOLSON			A-697
H KENNEDY			A-515
H TRIMBLE			A-935
HRS C MORRIS	120		A-1329
J B VANMETER			A-969
J BAUGH			A-1227
J BROWN			A-57
J C BROWN			A-139
J CLARK			A-186
J D WRIGHT			A-1054
J HAMPTON			A-426

Survey Name	Survey No.	Abstract Name	Abstract Number
J J WHITE	161	SF 12797	A-1323
		D	
J L BULL	30	HARRIS	A-1352
J M ARNEST			A-1165
J M FORBESS			A-352
J POPE			A-763
J S BRYANT			A-1080
J SELLERS			A-901
J TRAVIESO	122		A-930
J W HERIN			A-1327
J W WANHOP			A-1108
J W WOODARD			A-1055
L HIGHTON			A-425
L M GARRISON			A-365
LAMAR C S L			A-527
M E P & P RR CO	211		A-667
MRS B MOWREY			A-680
P BELL			A-149
P HARPER			A-449
R B CRAFT	516		A-169
R M LEGET	26		A-538
S F MOORE			A-617
S JEFFERIES			A-478
S T WOODARD			A-1056
STATE OF TEXAS		SF 1861	A-?
T EDWARDS			A-307
T KING			A-512
T SMITH			A-847
W A J BROWN	63		A-119
W A J BROWN	93		A-1121
W BRAMLETTE			A-130, 131
W NICHOLS			A-?
W R VICKERS			A-970
W S STEVENSON	60		A-913

Amendment 1 - May 8, 2019



Reinvestment Zone Area Map

Samson Solar Energy Project | Lamar County, Texas

Rev. 00
April 19, 2019



Agreement for Limitation on Appraised Value
Between Prairiland ISD and Samson Solar Energy III LLC, # 1370
April 20, 2020
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Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2020)

**RED RIVER COUNTY
COMMISSIONERS COURT**

**RESOLUTION AND ORDER DESIGNATING THE
DELILAH SOLAR ENERGY REINVESTMENT ZONE
IN THE JURISDICTION OF RED RIVER COUNTY, TEXAS**

The Commissioners Court of Red River County, Texas, meeting in Regular Session on June 5, 2019, considered the following resolution:

WHEREAS, the Commissioners Court of Red River County, Texas (the "County") has elected to become eligible to participate in tax abatement agreements under the provisions of the Texas Property Redevelopment and Tax Abatement Act (Chapter 312 of the Texas Tax Code) (the "Act"); and,

WHEREAS, the County has adopted guidelines and criteria governing tax abatement agreements in a resolution dated on or about April 17, 2019 (the "Guidelines and Criteria"); and

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

WHEREAS, the County (a) timely published or posted all applicable notices of public hearing regarding the designation of the real estate described in the attached Exhibit A as a reinvestment zone for tax abatement purposes and (b) timely notified all applicable presiding officers of the governing body of each taxing unit that includes in its boundaries real property that may be included in the proposed reinvestment zone;

WHEREAS, the improvements proposed for the reinvestment zone are feasible and of benefit to the reinvestment zone after expiration of an abatement agreement; and

WHEREAS, the property described on Exhibit A meets the criteria established in the Guidelines and Criteria for a reinvestment zone; and

WHEREAS, the designation of the reinvestment zone would contribute to the retention or expansion of primary employment or would attract major investment in the reinvestment zone that would be of benefit to the property described on Exhibit A and would contribute to the economic development of the County; and

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

NOW, THEREFORE, BE IT ORDERED, by the Commissioners Court of Red River County that:

1. Red River County is eligible to participate in tax abatements; and further
2. The County hereby designates the property located in Red River County, Texas, having the property description in Exhibit A attached to this Resolution and Order as a reinvestment zone under the County's Guidelines and Criteria, having determined that (a) the property described on Exhibit A meets the criteria established in the Guidelines and Criteria, and (b) the designation of such reinvestment zone would contribute to the retention or expansion of primary employment or would attract major investment in the reinvestment zone that would be of benefit to the property described on Exhibit A and that would contribute to the economic development of the County.
3. The reinvestment zone created by this Resolution and Order to include the real property described in Exhibit A shall be known as "Delliah Solar Reinvestment Zone."
4. This resolution shall become effective immediately upon its passage

The foregoing Resolution and Order was lawfully moved by Commissioner Gentry duly seconded by Commissioner Hutson, and duly adopted by the Commissioners Court of Red River County, Texas, on June 5, 2019.

L.D. Williamson
L.D. Williamson
County Judge

Donnie Gentry
Donnie Gentry
Commissioner, Precinct 1

David Hutson
David Hutson
Commissioner, Precinct 2

Jeff Moore
Jeff Moore
Commissioner, Precinct 3

Dan Halley
Dan Halley,
Commissioner, Precinct 4

The foregoing Resolution and Order is a true and correct copy of the Resolution and Order passed by the Commissioners Court in Open and Regular Session at the Red River County Annex at 8:30 a.m. on June 5, 2019.

Shawn Weemes
Shawn Weemes
County Clerk, Red River County, Texas



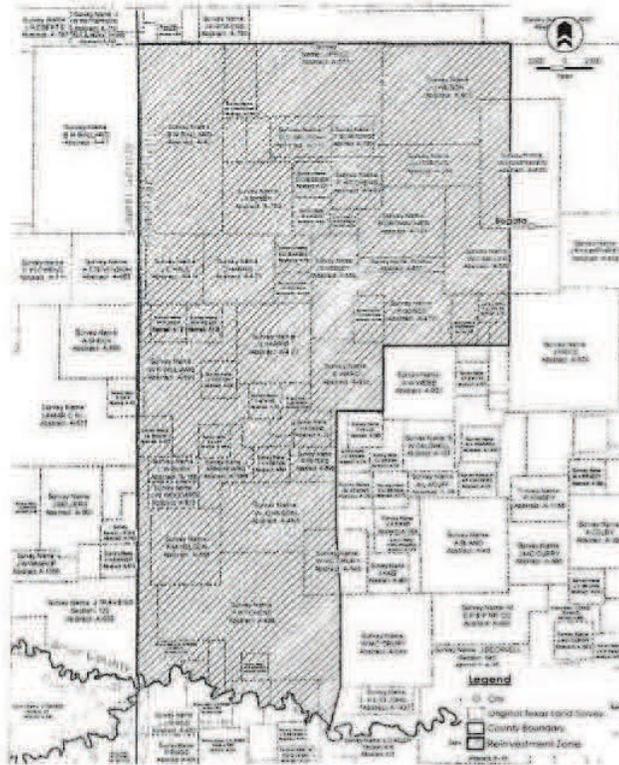
Exhibit A

Property Included in the Delilah Solar Energy Reinvestment Zone

The Delilah Solar Energy Reinvestment Zone includes the real property listed below. A map of the reinvestment zone is attached as the last page of this Exhibit A:

Survey Name	Abstract Number
J PRICE	A-673
W CHRISTIAN	A-194
B M BALLARD	A-62
I WILSON	A-610
W HUMPHRIES	A-420
W A HANCOCK	A-459
F SCANTLING	A-783
D BRUTON	A-113
W COTTON	A-222
W A DAVIS	A-276
J H DIRCKS	A-256
P KITCHENS	A-489
B H EPPERSON	A-295
D CHESSHIER	A-221
A SHEEK	A-769
B CROWNOVER	A-191
W G MILLER	A-560
R A NICKS	A-661
B H EPPERSON	A-296
A STEVENSON	A-1073
J C HALE	A-414
J HARRIS	A-423
A O BARBEE	A-70
S NEELEY	A-656
W NALL	A-657
R JONES	A-472
J R ROACH	A-735
W STEPHENSON	A-821
F SCANTLING	A-784
F SCANTLING	A-796
W H ROACH	A-728
W ROACH	A-737
W F WILLIAMS	A-892
J HARRIS	A-422
J C BROWN	A-148
I STEPHENSON	A-1491
B B B & C RR CO	A-1406

E WARD	A-933
Z COTTON	A-220
B HALE	A-1053
C ADKINS	A-23
H JOHNSON	A-485
H ADKINS	A-22
R FORESTER	A-1535
J M BINION	A-103
R PETERS	A-695
J ARMENDARIS	A-1086
E A LIPP	A-1090
J V HORTON	A-461
L W BURK	A-168
G I HERROD	A-1107
J W WOODARD	A-953
W JOHNSON	A-465
A M NELSON	A-659
W MC CRURY	A-549
P KITCHENS	A-488
A B RINGO	A-724
W N DAWSON	A-256
B H EPPERSON	A-310
H L ST JOHN	A-1469
H L ST JOHN	A-1455
H L ST JOHN	A-1650
W REYNOLDS	A-1469



Reinvestment Zone Area Map

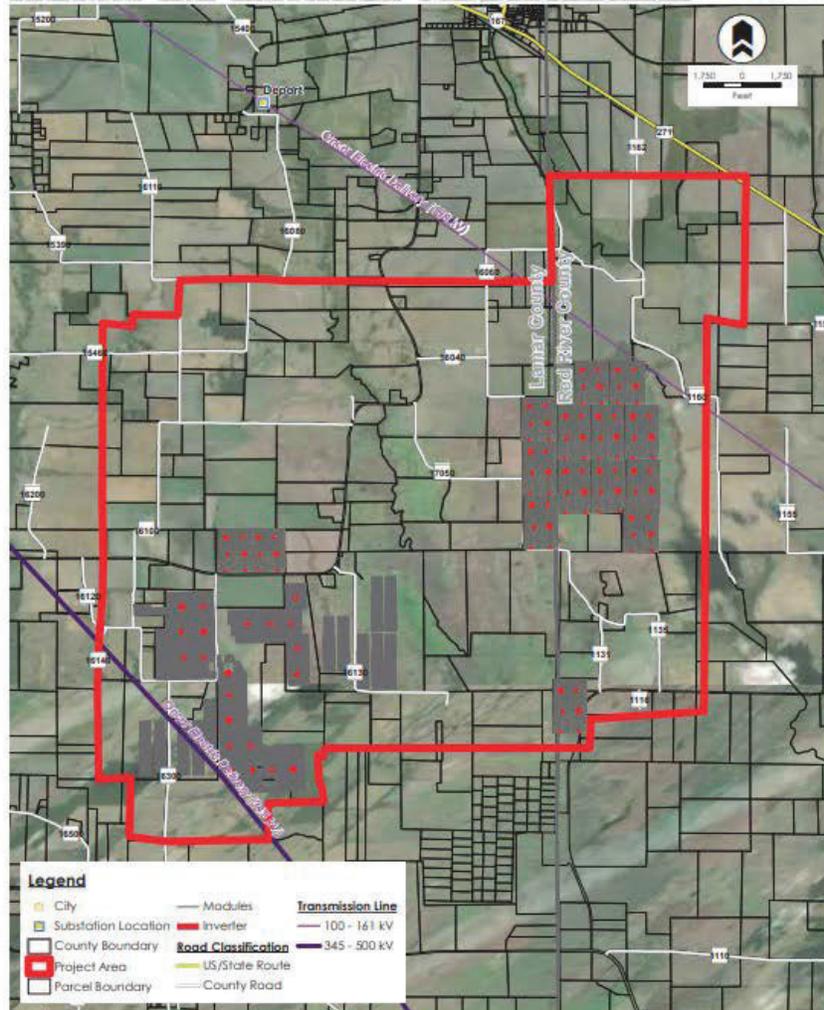
March 2020
Invenergy

EXHIBIT 2
DESCRIPTION AND LOCATION OF LAND

Samson Solar Energy III LLC will lease up to 10,382 acres of land with local landowners in Lamar County and Red River County, Texas for the construction and operation of the Project.

Agreement for Limitation on Appraised Value
Between Prairiland ISD and Samson Solar Energy III LLC, # 1370
April 20, 2020
Page 41 of 44

Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2020)



Site Layout - Samson Solar Energy III LLC
 Samson Solar Energy III LLC | Lamar & Red River Counties, Texas
 Rev. 03 June 13, 2019 **Invenery**

Agreement for Limitation on Appraised Value
 Between Prairiland ISD and Samson Solar Energy III LLC, # 1370
 April 20, 2020
 Page 42 of 44

Texas Economic Development Act Agreement
 Comptroller Form 50-82.6 (Jan 2020)

EXHIBIT 3
APPLICANT'S QUALIFIED INVESTMENT

The proposed qualified investment consists of solar photovoltaic modules, a single axis tracking system, driven-pile foundations, DC wiring, DC/AC inverters, medium voltage step-up transformers, AC cabling and a central substation with a high voltage step-up transformer. Upon completion the site will include 45-65 inverters and 450,000 – 1,000,000 panels depending on the final size of the project built and the technology used.

Other improvements include an electrical substation or switchyard, collection cable, foundations and raking, and other equipment associated with the solar facility.

The capital investment for this project is estimated to be \$225 million to \$275 million. Samson Solar Energy III LLC anticipates the commencement of commercial operations for this project by the fourth quarter of 2021.

This application covers all qualified property in the reinvestment zone and project boundary within Prairiland ISD.

EXHIBIT 4
DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Samson Solar Energy III LLC proposes constructing an up to 250 MW solar electric generation facility on up to 10,382 acres of privately-owned land in Lamar County and Red River County.

The proposed qualified investment consists of solar photovoltaic modules, a single axis tracking system, driven-pile foundations, DC wiring, DC/AC inverters, medium voltage step-up transformers, AC cabling and a central substation with a high voltage step-up transformer. Upon completion the site will include 45-65 inverters and 450,000 – 1,000,000 panels depending on the final size of the project built and the technology used.

Other improvements include an electrical substation or switchyard, collection cable, foundations and raking, and other equipment associated with the solar facility.

The capital investment for this project is estimated to be \$225 million to \$275 million. Samson Solar Energy III LLC anticipates the commencement of commercial operations for this project by the fourth quarter of 2021.

This application covers all qualified property in the reinvestment zone and project boundary within Prairiland ISD.