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

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

June 13, 2019

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

RE: Amendment001 to Bronte Independent School District from BNB Tennyson Solar LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed is Amendment001 of the Application to Bronte Independent School District from BNB Tennyson Solar LLC. In response to your request for information, the following responses have been provided:

Application page 5: Section 11

- Question 1 shows minimum qualified investment required by school district as $20,000,000, is this correct? it is $10MM and has been modified to reflect that

Application page 7: Section 14

- Question 9 and 10 should be $45,016.40. Please revise. – It has been Revised
- Please update schedule C. – It has been updated

Tab 5

- What other locations not in Texas is the applicant evaluating for the proposed project? – A sentence has been changed to read "BNB is actively developing a select group of renewable energy projects in Connecticut, California, New York, Ohio, Oregon, Pennsylvania, and Texas and these projects are competing for financing with the proposed project in Bronte ISD"

Tab 11 – Maps

- Map labeled "Project Map", please use to indicate/label the proposed project boundary. – All new maps are provided as the boundaries of the RZ changed and this has been updated
- What is "area transmission"? Some of these lines are outside the proposed RZ. Please advise. – This has been changed to "Transmission line"

Tab 14 Schedules-Please review all schedules for accuracy and consistency. – These have been reviewed

Tab 16 – Description of Reinvestment Zone

1. Tab 16 indicates the reinvestment zone will be created when the ISD considers the final approval of the Chapter 313 application. The applicable documentation is required for completeness.

a. RZ created by County – Guidelines and criteria are required for completeness. – The G&C and RZ were created and 16b, 16c, and 16d have all been updated

b. RZ created by ISD, Chapter 41 District – ISD guidelines and criteria "OR" a letter from the ISD Superintendent (on ISD letterhead) stating the intent to establish the zone at the meeting is required for completeness.

c. RZ created by ISD, Chapter 42 District – ISD guidelines and criteria "OR" a letter from the ISD Superintendent (on ISD letterhead) stating the intent to establish the zone at the meeting is required for completeness.

Please provide a new signature page. – See attached

Other Notes-

In Section 8 the notation of "in negotiations with Coke County and East Coke Co Hospital District but no agreement has been signed" has been added to numbers 2 and 6
Tab 4 was updated to include when the RZ was established

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

Sincerely,

Kevin O'Hanlon
School District Consultant

Cc: Coke County Appraisal District
BNB Tennyson Solar LLC

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

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

SECTION 8: Limitation as Determining Factor

	Yes	No
1. Does the applicant currently own the land on which the proposed project will occur?		✓
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? in negotiations with Coke County and East Coke Co Hospital District but no agreement has been signed		✓
3. Does the applicant have current business activities at the location where the proposed project will occur?		✓
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?		✓
5. Has the applicant received any local or state permits for activities on the proposed project site?		✓
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? in negotiations with Coke County and East Coke Co Hospital District but no agreement has been signed		✓
7. Is the applicant evaluating other locations not in Texas for the proposed project?	✓	
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?		✓
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?		✓
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?	✓	

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

SECTION 9: Projected Timeline

1. Application approval by school board ..... January 2020
2. Commencement of construction Q3 2020
3. Beginning of qualifying time period ..... January 1, 2021
4. First year of limitation ..... January 1, 2022
5. Begin hiring new employees ..... December 2021
6. Commencement of commercial operations ..... December 2021
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date *(date your application is finally determined to be complete)*? ..... ☑ Yes ☐ No

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

SECTION 10: The Property

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

   County: Coke County; 100%; .389411 *(Name, tax rate and percent of project)*

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

   Hospital District: East Coke Co Hosp; 100%; .3888942 *(Name, tax rate and percent of project)*

   Water District: *(Name, tax rate and percent of project)*

   Other *(describe)*: Coke County FM & FC; 100%; .11834 *(Name, tax rate and percent of project)*

   Other *(describe)*: Coke Cnty Undrgrnd Water; 100%; .010600 *(Name, tax rate and percent of project)*
5. Is the project located entirely within the ISD listed in Section 1? ..... ☑ Yes ☐ No

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

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

SECTION 11: Investment

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

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

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

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0

2. What is the last complete calendar quarter before application review start date:

   ☑ First Quarter ☐ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2019 (year)

3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0

   Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).

4. What is the number of new qualifying jobs you are committing to create? 2

5. What is the number of new non-qualifying jobs you are estimating you will create? 0

6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? . . . . . ☑ Yes ☐ No

   6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).

   a. Average weekly wage for all jobs (all industries) in the county is 776.50

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

   c. 110% of the average weekly wage for manufacturing jobs in the region is 865.70

8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? . . . . . ☐ §313.021(5)(A) or ☑ §313.021(5)(B)

9. What is the minimum required annual wage for each qualifying job based on the qualified property? 45,016.40

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 45,016.40

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

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

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

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

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

SECTION 15: Economic Impact

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

TAB 4

Detailed Description of the Project

Provide 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.

BNB Tennyson Solar LLC (Tennyson Solar) is requesting an appraised value limitation from Bronte Independent School District (ISD) for the Tennyson Solar Project (the "Project"), a proposed solar powered electric generating facility in Coke County. The proposed Bronte ISD Project (this application) will be constructed within the BNB Tennyson Solar Coke County Reinvestment Zone that was established by Coke County Commissioners on May 28th, 2019. A map showing the location of the project is included in Tab 11.

The proposed Project is anticipated to have a total capacity of 150 MW located in Bronte ISD. Solar equipment selection is ongoing at this time and has not been finalized. The exact number of PV panels and their capacity will vary depending upon the panels and inverters selected, manufacturer's availability and prices, ongoing engineering design optimization and the final megawatt generating capacity of the Project when completed. Current plans are to install 528,840 Canadian Solar or equivalent panels and 60 Sunny Central inverters or equivalent within Bronte ISD. The proposed project will include, but is not limited to, the following

- Solar modules/panels;
- Racking and mounting structures;
- Inverters boxes;
- Combiner boxes;
- Meteorological equipment;
- Foundations;
- One O & M Building;
- Roadways, paving and fencing;
- Collection system;
- Electrical substations;
- Generation transmission tie line and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin in the third quarter of 2020 with completion by December 31, 2021.

TAB 5

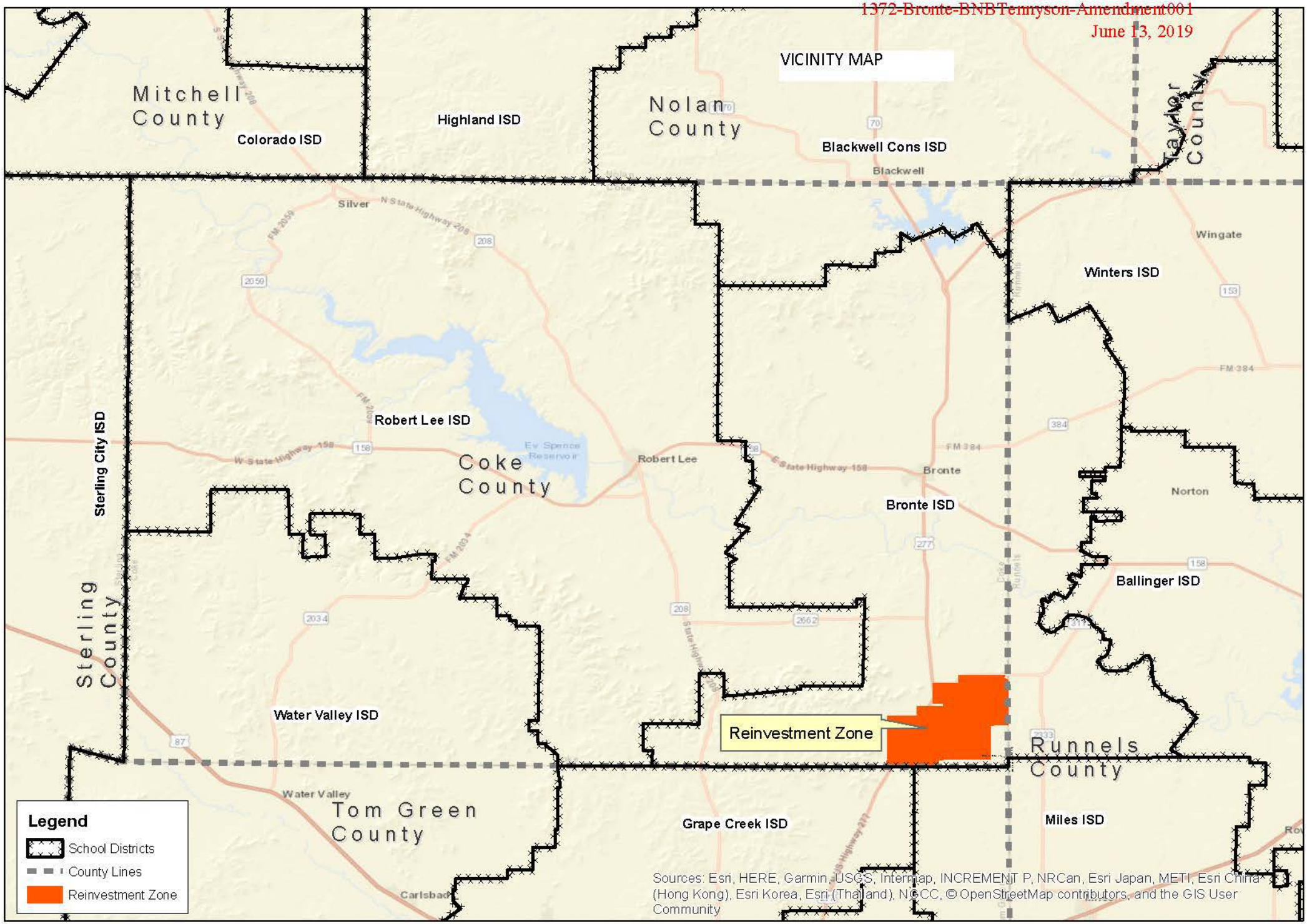
Documentation to assist in determining if limitation is a determining factor.

BNB Renewable Energy Holdings LLC (BNB), the parent company of BNB Tennyson Solar LLC, was founded in 2004 to develop clean-energy power plants. More than 700MW of BNB-developed wind and solar plants are operating or under construction throughout the United States and Mexico, with another 500MW in the near-term pipeline. That total includes various projects including the 181MW Bull Creek Wind farm (operating) and the 225MW Long Draw Solar plant (under development). (In nearby Dawson County, BNB developed the 152MW Lamesa Solar plant and the 211MW Mesquite Creek Wind farm.) BNB is actively developing a select group of renewable energy projects in Connecticut, California, New York, Ohio, Oregon, Pennsylvania, and Texas and these projects are competing for financing with the proposed project in Bronte ISD. BNB is also active in the development of "inside the fence" renewable energy generation projects and is working with schools, universities, and Fortune 500 companies on various sites across the United States.

Depending on the ability to generate cost-effective electricity for regional consumers, BNB has the ability to allocate or reallocate investments to another state, another region of Texas, or another region of the world. BNB Tennyson Solar LLC believes, however, that the proposed site in Coke County is a desirable business location and can provide electricity at a price that is competitive with other regions of Texas. Electric utilities are focused on providing low-cost energy supply to their customers and contracting for the sale of electricity is currently highly competitive, particularly because of the large number of potential solar energy facilities that can be built in West and Central Texas given the newly constructed transmission capacity.

Receiving the Appraised Value Limitation from the school district is vital to obtaining long-term financing and to maintaining the economic competitiveness of the project with other projects currently being developed in Texas by BNB and by others.

1372-Bronte-BNBTennyson-Amendment001
June 13, 2019



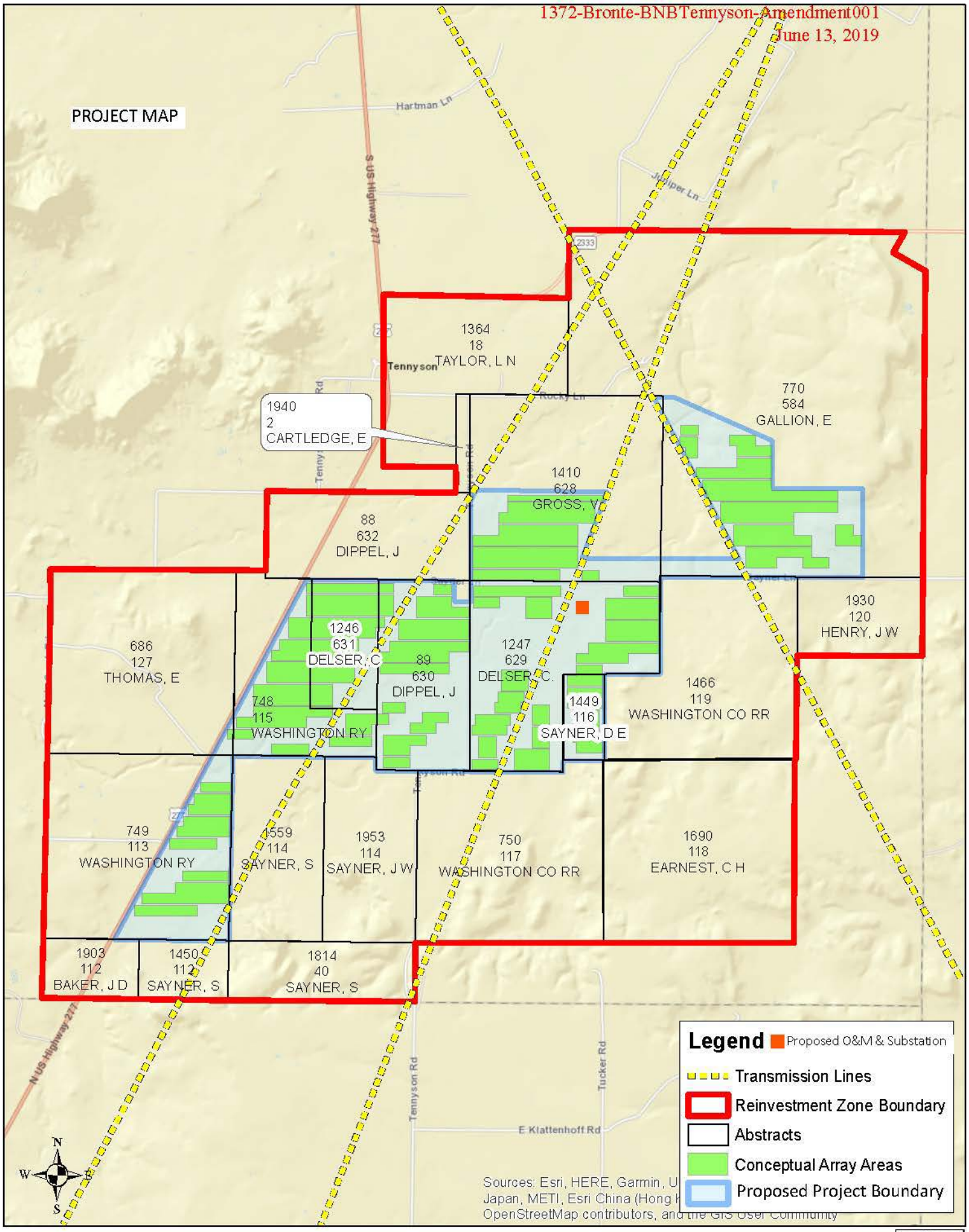
1:350,000

0 2.5 5 10 Miles

BNB Tennyson Solar LLC
Coke County, TX

Prepared May 31, 2019

1372-Bronte-BNBTennyson-Amendment001
June 13, 2019



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BNB Tennyson Solar LLC
Bronte ISD Map

Prepared May 31, 2019

BNB TENNYSON SOLAR LLC
TAB 13 TO CHAPTER 313 APPLICATION

COKE COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2018	$ 740	$ 38,480
SECOND	2018	$ 758	$ 39,416
THIRD	2018	$ 809	$ 42,068
FOURTH	2018	$ 799	$ 41,548
	AVERAGE	$ 776.50	$ 40,378

COKE COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2017	Data Not Available	Data Not Available
SECOND	2017	Data Not Available	Data Not Available
THIRD	2017	Data Not Available	Data Not Available
FOURTH	2017	Data Not Available	Data Not Available
	AVERAGE		
	X	110%	110%
		$ -	$ -

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Concho Valley	2017	$ 787	$ 40,924
	X	110%	110%
		$ 865.70	$ 45,016.40

** SEE ATTACHED TWC DOCUMENTATION*

Schedule C: Employment Information

Date 5/1/2019
Applicant Name BNB TENNYSON SOLAR LLC
ISD Name BRONTE ISD

Form 50-296A
Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	**Column B**	**Column C**	**Column D**	**Column E**
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	**Average** annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	**Average** annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*	0	2021-2022	2021	275	45,000	0	0	0
Value Limitation Period *The qualifying time period could overlap the value limitation period.*	1	2022-2023	2022	N/A	N/A	0	2	45,016.40
	2	2023-2024	2023	N/A	N/A	0	2	45,016.40
	3	2024-2025	2024	N/A	N/A	0	2	45,016.40
	4	2025-2026	2025	N/A	N/A	0	2	45,016.40
	5	2026-2027	2026	N/A	N/A	0	2	45,016.40
	6	2027-2028	2027	N/A	N/A	0	2	45,016.40
	7	2028-2029	2028	N/A	N/A	0	2	45,016.40
	8	2029-2030	2029	N/A	N/A	0	2	45,016.40
	9	2030-2031	2030	N/A	N/A	0	2	45,016.40
	10	2031-2032	2031	N/A	N/A	0	2	45,016.40
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2046	N/A	N/A	0	2	45,016.40

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) [X] Yes [ ] No

If yes, answer the following two questions:

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

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? [ ] Yes [X] No

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

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

16 a) Not Applicable
16 b) See Attached
16 c) See Attached
16 d) See Attached

16 b) Legal description of reinvestment zone

Coke County, Texas Tax Abatement
Reinvestment Zone No. 2019-001

No.	Abstract	Section	Survey Name
1	1940	2	CARTLEDGE, E
2	770	584	GALLION, E
3	88	632	DIPPEL, J
4	1410	628	GROSS, V
5	1466	119	WASHINGTON CO RR
6	1246	631	DELSER, C
7	1449	116	SAYNER, D E
8	89	630	DIPPEL, J
9	750	117	WASHINGTON CO RR
10	1247	629	DELSER, C.
11	1953	114	SAYNER, J W
12	1559	114	SAYNER, S
13	1450	112	SAYNER, S
14	1930	120	HENRY, J W
15	1690	118	EARNEST, C H
16	1903	112	BAKER, J D
17	1364	18	TAYLOR, L N
18	748	115	WASHINGTON RY
19	686	127	THOMAS, E
20	749	113	WASHINGTON RY
21	1814	40	SAYNER, S

ORDER NO. 2019-0002

AN ORDER OF THE COMMISSIONERS COURT OF COKE COUNTY, TEXAS: (1) APPROVING AN ECONOMIC DEVELOPMENT PROGRAM REGARDING CERTAIN CONTIGUOUS REAL PROPERTY LOCATED IN SAID COUNTY, PURSUANT TO CHAPTER 381 OF THE TEXAS LOCAL GOVERNMENT CODE AND OTHER AUTHORITY; (2) DECLARING COUNTY INTENT TO PARTICIPATE IN TAX ABATEMENT AGREEMENTS, APPROVING COUNTY ELIGIBILITY TO PARTICIPATE IN TAX ABATEMENT, AND APPROVING CREATION AND DESIGNATION OF A TAX ABATEMENT REINVESTMENT ZONE ON CONTIGUOUS REAL PROPERTY LOCATED IN SAID COUNTY, PURSUANT TO CHAPTER 312 OF THE TEXAS TAX CODE AND OTHER AUTHORITY; AND (3) ESTABLISHING AN EFFECTIVE DATE AND COMPLIANCE WITH THE TEXAS OPEN MEETING ACT.

WHEREAS, Coke County, Texas ("County") is a county of the State of Texas, having been duly created and organized under the constitution and laws of Texas, and the Coke County Commissioners Court ("Commissioners Court") is the governing body of the County; and

WHEREAS, pursuant to Article V, Section 18 and Article III Section 52-a of the Texas Constitution, Chapters 81 and 381 of the Texas Local Government Code, Chapter 312 of the Texas Tax Code, and other authority, the County may develop and administer economic development programs to stimulate business and commercial activity in Coke County, Texas, including the creation of tax abatement reinvestment zones to be created, designated, and administered regarding tax abatement agreements; and

WHEREAS, the Commissioners Court in the public interest and through the use of its lawful authority, discretion, and best business judgment finds it should, from time to time, directly engage and assist in the effort to stimulate and improve business and commercial activity in Coke County, Texas through the successful enactment, implementation, and administration of worthwhile economic development programs for said county, as allowed by law, including but not limited to the (1) execution and implementation of economic development and tax abatement agreements, (2) creation and administration of tax abatement reinvestment zones, and (3) performance of other activities allowed by law, and further, finds these activities are authorized economic development tools available to the County to stimulate business and commercial activity pursuant to the authority herein described; and

WHEREAS, there exists certain contiguous real property in Coke County, Texas being considered by the County for approval, creation, and designation as a tax abatement reinvestment zone, said property being more particularly described as follows: all those certain tracts or parcels of land, containing approximately 9,201 acres, more or less, as described in the attached **Exhibit A** ("Property" or "Zone"); and

FILED FOR RECORD
TIME: 9:00 AM

MAY 28 2019

COKE COUNTY & DIST. CLERK
MONICA REYES

WHEREAS, in order to stimulate business and commercial activity in Coke County, Texas, the Commissioners Court desires by this order to establish, implement, and administer the following economic development program ("Project") for the Property: the acquisition, placement, location, construction, maintenance, repair, and operation, by a private party or business entity, or by a governmental entity, on all or part of the Property of machinery, equipment, materials, structures, improvements, personal property, facilities, and infrastructure actually constructed and operated on the Property to generate, produce, and/or distribute electricity, including but not limited to machinery, equipment, materials, structures, improvements, personal property, facilities, and infrastructure constituting or related to solar energy facilities; and

WHEREAS, the acquisition, placement, location, construction, maintenance, repair, and operation of the Project on the Property, due to its size and scope, will result over time in increased economic opportunity for the people of Coke County, Texas and have a positive effect regarding local economic issues, including but not limited to (1) increased local tax bases, (2) increased employment and wages, (3) increased wholesale and retail sales, and (4) a decrease in the number of families living in poverty; and

WHEREAS, BNB Tennyson Solar LLC filed an application with the County and (1) indicated a desire to develop the Property in accordance with the Project requirements herein described, and (2) requested the County's creation of a tax abatement reinvestment zone regarding the Property prior to the negotiation for and potential execution of a tax abatement agreement with the County regarding the Property and Project; and

WHEREAS, all prerequisites to the creation and designation of a tax abatement reinvestment zone for the Property and Project, including public notice and a public hearing, have been established and accomplished by the County as required by law and the active Tax Abatement Guidelines and Criteria for Coke County, Texas dated April 23, 2019; and

WHEREAS, the Commissioners Court desires by this order to approve the (1) Project for the Property, (2) County's eligibility to participate in tax abatement, and (3) designation of a tax abatement reinvestment zone regarding the Property and Project; and

WHEREAS, the Commissioners Court finds that all public purposes described in this order shall be obtained or substantially achieved through the creation, designation, implementation, and administration of a tax abatement reinvestment zone on and regarding the Property for the Project.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Commissioners Court of Coke County, Texas, for and on behalf of the County and in the public interest, as follows:

(1) Unless otherwise designated, the past, present, or future tense shall each include the other, the masculine, feminine, or neuter gender shall each include the other, and the singular and plural number shall each include the other where necessary for a correct meaning.

(2) All statements made in the caption and preliminary recitals of this order, and all attached documents, are incorporated by reference.

(3) The following economic development program (or Project) is approved regarding the Property to stimulate business and commercial activity in Coke County, Texas: the acquisition, placement, location, construction, maintenance, repair, and operation, by a private party or business entity, or by a governmental entity, on all or part of the Property of machinery, equipment, materials, structures, improvements, personal property, facilities, and infrastructure actually constructed and operated on the Property to generate, produce, and/or distribute electricity, including but not limited to machinery, equipment, materials, structures, improvements, personal property, facilities, and infrastructure constituting or related to solar energy facilities.

(4) The Commissioners Court hereby declares: (a) the County's intent to participate in tax abatement agreements from time to time through the exercise of its lawful authority, discretion, and best business judgment to stimulate business and commercial activity in Coke County, Texas; and (b) that the County elects to become eligible to participate in tax abatement as allowed by law.

(5) The following tax abatement reinvestment zone is hereby approved, created, and designated, and shall be implemented and administered, by the County regarding the Property and Project – specifically, the **Coke County, Texas Tax Abatement Reinvestment Zone No. 2019-001** ("Zone"), containing approximately 9,201 acres, more or less, generally located near the southeast corner of said county, near the community of Tennyson, Texas, and more particularly described by the public records of the County Clerk of Coke County, Texas and the Coke County Appraisal District (to which reference is made for all purposes), and as further described in the attached **Exhibit A**.

(6) The Commissioners Court finds that: (a) all public notice for the creation and designation of the Zone and Project on the Property was accomplished as required by law; (b) a public hearing regarding the proposed Zone was properly conducted at a public meeting of the Commissioners Court, after all notice was accomplished as required by law; (c) the improvements sought within the Zone area are feasible and practical and would be a benefit to the land to be included in the Zone and to Coke County, Texas after the expiration of any tax abatement agreement; (d) the Zone designation will contribute to the retention or expansion of primary employment or will attract major investment in the Zone that would be a benefit to the Property included in the Zone and would contribute to the economic development of said county; and (e) the Zone area is eligible for commercial-industrial tax abatement.

(7) This order shall take effect immediately after its passage.

(8) This matter was ordered, adopted, and approved at a meeting held in compliance with Chapter 551 of the Texas Government Code, the Texas Open Meetings Act.

ORDERED, ADOPTED, AND APPROVED on the 28th day of May, 2019.

THE COMMISSIONERS COURT OF COKE COUNTY, TEXAS

County Judge
Coke County, Texas

County Commissioner, Precinct 1
Coke County, Texas

County Commissioner, Precinct 2
Coke County, Texas

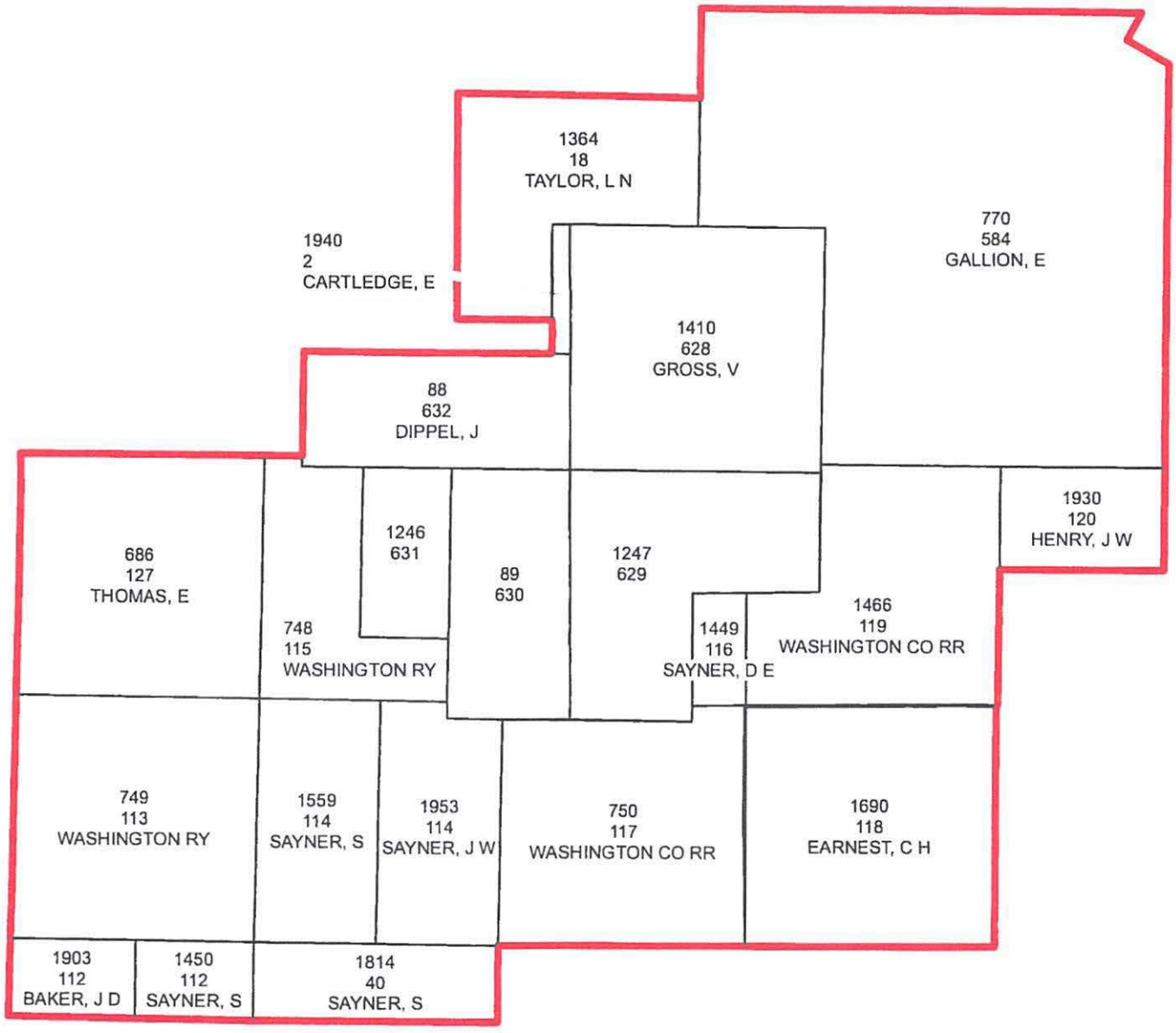
County Commissioner, Precinct 3
Coke County, Texas

County Commissioner, Precinct 4
Coke County, Texas

ATTEST:

District and County Clerk
Coke County, Texas

EXHIBIT A
(Property Description: Coke County, Texas Tax Abatement Reinvestment Zone No. 2019-001)



Legend

- Reinvestment Zone Boundary; 9,201 acres
- Abstracts

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0 0.25 0.5 1 Miles

Coke County, Texas Tax Abatement
Reinvestment Zone No. 2019-001

Exhibit A - p.1

Prepared May 12, 2019

Coke County, Texas Tax Abatement
Reinvestment Zone No. 2019-001

No.	Abstract	Section	Survey Name
1	1940	2	CARTLEDGE, E
2	770	584	GALLION, E
3	88	632	DIPPEL, J
4	1410	628	GROSS, V
5	1466	119	WASHINGTON CO RR
6	1246	631	DELSER, C
7	1449	116	SAYNER, D E
8	89	630	DIPPEL, J
9	750	117	WASHINGTON CO RR
10	1247	629	DELSER, C.
11	1953	114	SAYNER, J W
12	1559	114	SAYNER, S
13	1450	112	SAYNER, S
14	1930	120	HENRY, J W
15	1690	118	EARNEST, C H
16	1903	112	BAKER, J D
17	1364	18	TAYLOR, L N
18	748	115	WASHINGTON RY
19	686	127	THOMAS, E
20	749	113	WASHINGTON RY
21	1814	40	SAYNER, S

ORDER NO. _____

AN ORDER OF THE COMMISSIONERS COURT OF COKE COUNTY, TEXAS: (1) ADOPTING AND APPROVING COUNTY TAX ABATEMENT GUIDELINES AND CRITERIA; (2) APPROVING COUNTY ELIGIBILITY TO PARTICIPATE IN TAX ABATEMENT; AND (3) ESTABLISHING AN EFFECTIVE DATE AND COMPLIANCE WITH THE TEXAS OPEN MEETING ACT.

WHEREAS, Coke County, Texas ("County") is a county of the State of Texas, having been duly created and organized under the constitution and laws of Texas, and further, the Coke County Commissioners Court ("Commissioners Court") is the governing body of the County; and

WHEREAS, pursuant to Article V, Section 18 of the Texas Constitution, Chapter 381 of the Texas Local Government Code ("Chapter 381"), and Chapter 312 of the Texas Tax Code ("Chapter 312"), and other authority, the County may participate in tax abatement agreements as part of an economic development program designed to stimulate economic development and business and commercial activity in Coke County, Texas; and

WHEREAS, pursuant to Chapters 381 and 312, and the exercise of its lawful authority, discretion, and best business judgment, the Commissioners Court desires by this order to (1) adopt and approve **Tax Abatement Guidelines and Criteria for Coke County, Texas**, attached as **Exhibit A**, in order to stimulate economic development and business and commercial activity in said county, and (2) approve County eligibility to participate in tax abatement as allowed by law.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Commissioners Court of Coke County, Texas, for and on behalf of said County and in the public interest, as follows:

(1) Unless otherwise designated, the past, present, or future tense shall each include the other, the masculine, feminine, or neuter gender shall each include the other, and the singular and plural number shall each include the other where necessary for a correct meaning.

(2) All statements made in the caption and preliminary recitals of this instrument, and all attached documents, are incorporated by reference.

(3) The Commissioners Court hereby establishes, adopts, and approves the **Tax Abatement Guidelines and Criteria for Coke County, Texas ("Guidelines")**, attached as **Exhibit A**, in order to stimulate economic development and business and commercial activity in Coke County, Texas.

FILED FOR RECORD
TIME: 9:00 AM

APR 23 2019

COKE COUNTY & DIST. CLERK
MONICA REYES

(4) All prior enacted tax abatement guidelines and criteria of the County are hereby repealed, rescinded, and replaced by the Guidelines attached as **Exhibit A**.

(5) Pursuant to the authority described in this order, the Commissioners Court: (a) elects for Coke County to become eligible to participate in tax abatement; and (b) declares Coke County's intent to participate in tax abatement agreements, from time to time through the exercise of the lawful authority, discretion, and best business judgment of the Commissioners Court in order to stimulate economic development and business and commercial activity in Coke County, Texas.

(6) This order shall take effect immediately from and after its passage.

(7) This matter was ordered, adopted, and approved at a meeting held in compliance with Chapter 551 of the Texas Government Code, the Texas Open Meetings Act.

(8) This matter was ordered, adopted and approved by a recorded, public vote of at least a three-fourths of the members of the Commissioners Court, as required by Section 312.002 of the Texas Tax Code.

ORDERED, ADOPTED, AND APPROVED on the 23rd day of April, 2019.

THE COMMISSIONERS COURT OF COKE COUNTY, TEXAS

County Judge
Coke County, Texas

County Commissioner, Precinct 1
Coke County, Texas

County Commissioner, Precinct 2
Coke County, Texas

Marshall Millican
County Commissioner, Precinct 3
Coke County, Texas

Joe Lytle
County Commissioner, Precinct 4
Coke County, Texas

ATTEST:

Marcea Reeves
District and County Clerk
Coke County, Texas

EXHIBIT A
(Tax Abatement Guidelines and Criteria for Coke County, Texas; Effective Date: April 23, 2019)

TAX ABATEMENT GUIDELINES AND CRITERIA FOR COKE COUNTY, TEXAS
(Effective Date: April 23, 2019)

I. Preliminary Recitals

1.1. Coke County, Texas, by and through its governing body, the Commissioners Court of Coke County, Texas, is committed to the promotion of the economic growth and development of Coke County, Texas and improving the quality of life for the public.

1.2. These **Tax Abatement Guidelines and Criteria for Coke County, Texas** are enacted and shall be implemented pursuant to Chapter 381 of the Texas Local Government Code, Chapter 312 of the Texas Tax Code, and other authority to establish a uniform policy of tax abatement designed to provide long term, significant, and positive economic growth for the County in the public interest.

1.3. Pursuant to its lawful authority, discretion, and best business judgment, the Commissioners Court reserves the right to negotiate a tax abatement agreement in order to compete favorably with governmental or private entities in Texas and elsewhere for positive economic growth for Coke County, Texas.

1.4. The Commissioners Court may grant a tax abatement on the same or similar terms and conditions as the other taxing entities having jurisdiction regarding a subject property or business prospect; however, nothing in these Guidelines shall limit the discretion of the Commissioners Court to consider, adopt, modify, or decline any tax abatement request.

1.5. The Effective Date of these Guidelines is April 23, 2019. They shall be reviewed in a timely manner pursuant to the operative statutes and kept current pursuant to the County's economic development needs and the lawful authority, discretion, and best business judgment of the Commissioners Court.

1.6. All prior enacted tax abatement guidelines and criteria of the County are hereby repealed, rescinded, and replaced by these Guidelines.

II. Definitions and Interpretation

2.1. **Definitions** -- As used in these Guidelines, unless otherwise designated, the following terms shall have the following meanings:

(a) **"Abatement"** shall mean the full or partial abatement from ad valorem taxation (based on an agreed diminution of appraised value) of certain property located in a County tax abatement reinvestment zone or enterprise zone for authorized economic development purposes.

(b) **"Affected Jurisdiction"** shall mean Coke County, Texas or any municipality, school district, or other taxing entity located in said county that levies ad valorem taxes upon or provides services to property located

within a proposed or existing County tax abatement reinvestment zone or enterprise zone.

(c) **"Agreement"** shall mean a tax abatement and economic development agreement approved and executed between the County and a property owner or lessee of Eligible Property located in a Zone.

(d) **"Applicant"** shall mean an eligible person or business entity (being the actual owner, lessor, or lessee of real property or tangible personal property) seeking the creation of a County: (i) tax abatement reinvestment zone; (ii) enterprise zone; and/or (iii) tax abatement and economic development agreement.

(e) **"Application"** shall mean the documents required by these Guidelines to be filed by an Applicant with the County for the creation of a County: (i) tax abatement reinvestment zone; (ii) enterprise zone; and/or (ii) tax abatement and economic development agreement.

(f) **"Chapter 312"** shall mean Chapter 312 of the Texas Tax Code.

(g) **"Chapter 381"** shall mean Chapter 381 of the Texas Local Government Code.

(h) **"Commencement of Construction"** shall mean the placement and initial construction of Project improvements in a County tax abatement reinvestment zone or enterprise zone, however: (i) the sole storage of building materials or equipment in the Zone shall not constitute commencement of construction; and (ii) design, engineering, site preparation, and similar activities shall not constitute commencement of construction, provided the placement or initial construction of Project improvements has not yet begun in the Zone.

(i) **"County"** shall mean Coke County, Texas, by and through its governing body, the Commissioners Court of Coke County, Texas **("Commissioners Court")**.

(j) **"County Judge"** shall mean the County Judge of Coke County, Texas.

(k) **"District"** shall mean the Coke County Appraisal District, including but not limited to its Board of Directors, Chief Appraiser **("Chief Appraiser")**, officers, employees, and other representatives of the District.

(l) **"Economic Development Program" or "Program"** shall mean an economic development program approved and adopted by the County

pursuant to Chapter 381 and designed to stimulate economic development and business and commercial activity in Coke County, Texas.

(m) **"Effective Date"** shall mean April 23, 2019, the date these Guidelines were approved and adopted by the Commissioners Court.

(n) **"Eligible Property"** shall mean property eligible for tax abatement pursuant to these Guidelines, as described in Paragraph 3.4.

(o) **"Facility"** shall mean Project improvements (including structures) completed or in the process of construction on the tax abatement reinvestment zone property, which together comprise an integral whole.

(p) **"Guidelines"** shall mean these Tax Abatement Guidelines and Criteria for Coke County, Texas.

(q) **"Ineligible Property"** shall mean property ineligible for tax abatement pursuant to these Guidelines, as described in Paragraph 3.5.

(r) **"Modernization"** shall mean the expansion, upgrading, or replacement of existing Facilities which increases productive input or output, updates technology, or substantially lowers unit cost of the project's operation. Modernization may result from the construction, alteration, or installation of buildings, structures, or fixed machinery or equipment; however, Modernization shall not include the reconditioning, refurbishing or repairing of real or personal property.

(s) **"New Jobs"** shall mean a newly created employment position on a full-time, permanent basis. Two or more part-time permanent employees totaling an average of not less than 40 hours per week may be considered as one full-time permanent employee under these Guidelines.

(t) **"Project"** shall mean an authorized economic development project (including all Facilities related thereto) conducted in Coke County, Texas by a governmental entity or private party: (i) pursuant to Chapters 312, 381, or other authority; (ii) pursuant to an Economic Development Program approved and adopted by the County; and/or (iii) on real property located or to be located in a Zone in Coke County, Texas.

(u) **"Recipient"** shall mean the person or business entity receiving tax abatement in a County Agreement.

(v) **"Zone"** shall mean a County tax abatement reinvestment zone or enterprise zone comprised of a contiguous land area located in Coke County, Texas and authorized by Chapter 312, 381, or other applicable

authority (including Chapter 2303 of the Texas Government Code regarding an enterprise zone).

2.2. **Interpretation** -- The past, present, or future tense shall each include the other, the masculine, feminine, or neuter gender shall each include the other, and the singular and plural number shall include each other where necessary for a correct meaning. The preliminary recitals of these Guidelines are incorporated by reference.

III. Minimum Standards

3.1. **Taxable Value** -- In order for real property in Coke County, Texas to be designated as a County tax abatement reinvestment zone or enterprise zone, and for an Applicant to receive a County tax abatement for its proposed Eligible Property in the Zone for its Project, that proposed Eligible Property for the Applicant Project in the Zone must add at least $1,000,000.00 in taxable value (in aggregate) to the tax roll of the County.

3.2. **Economic Development Factors** -- In considering a request for creation of a County tax abatement reinvestment zone and/or tax abatement agreement, certain economic development factors shall be considered by the Commissioners Court regarding a proposed Project, including without limitation the following:

(a) **Jobs** – including the: (i) number and type of existing jobs to be retained as a result of the Project; (ii) number and type of new jobs (including all temporary and permanent jobs) to be created by the Project; (iii) average amount of local payroll to be created as a result of the Project; (iv) the salary, wage structure, and/or benefits (including health care and pension benefits) associated with the new jobs, and whether the annual salary amount for each new job shall exceed the Coke County, Texas average wage or salary rate as determined and published by the Texas Labor Market & Career Information ("LMCI") Department of the Texas Workforce Commission, pursuant to the LMCI data released for the most recent year with four full quarters of data determined, and further, whether the new jobs will include additional compensation for health care insurance, with 100% of such insurance paid by the employer, and any other employment benefits for such jobs; and (v) number and type of new jobs that will be performed by persons projected to reside in Coke County, Texas for the Project, and whether those new jobs solely or primarily will have the effect of transferring employment from one part of said county to another;

(b) **Fiscal Impact** – including the: (i) type, value, and productive life of existing and proposed Project improvements; (ii) amount of real and personal property value to be added to the local tax rolls as a result of the Project; (iii) payments to be made to the County regarding any proposed deferral year compensation, payments in lieu of taxes (or "PILOT"), or economic development grants or donations associated with the Project;

(iv) type, value, and productive life of all County-funded road, bridge, transportation, utility, or other infrastructure required a result of the Project, and whether Applicant agrees to maintain and/or repair county roads, bridges, or other County infrastructure damaged or destroyed during Project operations; (v) amount by which property tax valuations may be increased by the Project, during and after the proposed tax abatement period; (vi) all costs and expenses (including but not limited to attorney's fees, appraisal fees, newspaper publication fees, and mailing/courier expenses) to be incurred by the County as a result of the consideration, negotiation, approval, implementation, and administration of the Project and Agreement, and whether Applicant agrees to reimburse the County for those costs and expenses; (vii) amount of taxes to be paid to the County for the life of the Project, and considering the existing Project value, percentage abatement, abatement period, and Project value after expiration of the abatement period; (viii) population growth projected for Coke County, Texas as a direct result of the Project; (ix) type, value, and productive life of public improvements resulting from, needed for, or to be constructed by Applicant for the Project; (x) impact on the opportunities of existing businesses in said county as a result of the Project; (xi) potential for new business activity to be attracted to said county as a result of the Project; and (xii) Applicant's agreement, if any, to restore and repair Project lands after the cessation or completion of Project operations; and

(c) **Community Impact** – including the: (i) opportunities for Coke County, Texas businesses and persons to supply goods, services, and/or labor for the Project; (ii) revitalization of any economically depressed area in said county as a result of the Project; (iii) impact on other taxing entities in said county as a result of the Project; (iv) local and regional employment opportunities associated with the Project, and the potential attraction of other businesses to the area as a result of the Project; and (v) competition, if any, resulting from the Project with existing businesses to the detriment of the local economy, and the impact of the Project on the opportunities of existing businesses.

3.3. **Applicant Eligibility for Tax Abatement --**

(a) An Applicant shall be eligible to apply for a County tax abatement agreement if: (i) a Zone already is established, or a Zone is being requested in the Application for tax abatement, regarding a Project; (ii) Commencement of Construction for the Project has not yet occurred; and (iii) the Project meets the requirements of these Guidelines, or a lawful variance is requested.

(b) Subject to the terms and provisions of these Guidelines (including its descriptions of Eligible Property, Ineligibility Property, and variance

requirements), the County may execute a tax abatement agreement with and grant tax abatement to an Applicant in accordance with the applicable provisions of Section 312.402 and 312.204 of the Texas Tax Code.

(c) A County Agreement may be granted only for the additional value of Applicant's Eligible Property for its Project placed in the Zone after the County Agreement is approved and executed, as specified in the County Agreement. A County Agreement shall be subject to the rights of the holders of the outstanding bonds of the County.

3.4. **Eligible Property** -- Unless designated as Ineligible Property by these Guidelines, and subject to the variance procedures herein described, all taxable property identified by Chapter 312 as being eligible for county tax abatement may be considered by the County. However, nothing in these Guidelines shall limit the lawful authority, discretion, and best business judgment of the Commissioners Court to consider, adopt, grant, modify, or decline any request for tax abatement.

3.5. **Ineligible Property** – The following property is ineligible for tax abatement pursuant to these Guidelines, and said Ineligible Property shall be fully taxable at all times: (a) land; (b) inventories; (c) supplies; (d) tools; (e) animals; (f) furnishings; (g) vehicles and vessels; (h) private aircraft; (i) deferred maintenance investments; (j) property in a Reinvestment Zone owned by a lessor of the land in said zone; (k) property not located in the Zone; (l) property located in the Zone before the effective date of a County Agreement; (m) property located in the Zone after the termination or expiration of a County Agreement; (n) property located in the Zone and used by Applicant for an activity not for or related to the Project or the County's Program; (o) property located in the Zone and used by Applicant in violation of a County Agreement or the County's Program; and (p) property designated by Chapter 312 of the Texas Tax Code, a County Agreement, or these Guidelines as ineligible for tax abatement.

3.6. **Certain Property Fully Taxable** – Regarding a County Agreement, the Applicant's Eligible Property and Ineligible Property in the Zone shall be assessed and taxed by the County according to its full appraised value without tax abatement for the periods occurring: (a) after the effective date of a County Agreement, but prior to commencement of the abatement period specified therein; and (b) after the expiration of the abatement period specified in a County Agreement, and/or the termination of said agreement. Regarding a County Agreement, the Applicant's Ineligible Property in and outside the Zone, and Eligible Property outside the Zone, shall be assessed and taxed according to its full appraised value without tax abatement at all times.

IV. Procedural Requirements

4.1. **Application and Filing Fee Required** – Pursuant to the requirements of these Guidelines, the Applicant may request the creation of a tax abatement reinvestment zone, enterprise zone, and/or tax abatement agreement by submitting a written application to the County at following public office: County Judge, Coke County, Texas, Coke County Courthouse, 13 East 7th Street, Robert Lee, Texas 76945. A non-refundable filing fee in the

amount of $1,000.00 (in the form of a company check, cashier's check, or money order made payable to the order of Coke County, Texas) shall be paid by Applicant when the Application is submitted to the County.

4.2. **Applicant Signature Required** – An Application and County Agreement are not authorized to be executed by the County with Applicant that is not the actual owner, lessor, or lessee of the Eligible Property in the proposed Zone. The Application and County Agreement shall contain sufficient documentation to verify and confirm those facts to the County.

4.3. **Application for Zone** -- An application for the creation of a Zone at minimum shall contain the following matters and be signed by the Applicant:

(a) documents sufficient to describe in detail the proposed Project;

(b) a map or plat, property description, site plan, and other documents which adequately describe and confirm: (i) the boundaries of the contiguous land area of the Zone and Project; (ii) the contiguous land area of the Zone being wholly located in Coke County, Texas; and (iii) the Zone does not contain any land in the taxing jurisdiction of a municipality;

(c) documents and facts sufficient to establish the eligibility of the Zone for: (i) residential tax abatement; (ii) commercial-industrial tax abatement; or (iii) tax increment financing as described in Chapter 311 of the Texas Tax Code;

(d) documents and facts sufficient to establish that the Zone designation would contribute to the retention or expansion of primary employment or would attract major investment in the Zone that would be a benefit to the property to be included in the Zone and would contribute to the economic development of Coke County, Texas;

(e) a description of the proposed increase in economic development to occur in Coke County, Texas through successful completion and implementation of the Project in the Zone, including but not limited to: (i) increased capital improvements and tax base; (ii) Modernization of existing improvements; (iii) creation of new jobs, retention of existing jobs, and employment opportunities for residents of said county; (iv) participation opportunities for local suppliers and contractors; and (v) the economic development factors described in Paragraph 3.2;

(f) a description of all tangible personal property improvements for which a tax abatement will be requested;

(g) a proposed time-line and construction schedule for completing and implementing Applicant's Project;

(h) financial and Project information sufficient for the County to evaluate Applicant's eligibility to submit the Application and financial capacity to successfully complete and implement the Project;

(i) regarding a tax abatement reinvestment zone request, all information required by Sections 312.201-.202 and 312.401 of the Texas Tax Code to support Zone creation;

(j) regarding a request for creation of an enterprise zone, all information required by Chapter 312 of the Texas Tax Code and Chapter 2303 of the Texas Government Code; and

(k) other information or material considered by Applicant as necessary or advisable to support the Application, including any variance request sought by Applicant.

4.4. **Duration of Zone** -- The designation of a Reinvestment Zone expires five years after the date of the designation and may be renewed for periods not to exceed five years. The expiration of the designation does not affect existing tax abatement agreements.

4.5. **Application for Agreement** -- An application for a County tax abatement and economic development agreement at minimum shall contain the following matters:

(a) all matters described in Paragraph 4.3;

(b) a map or plat, site plan, and detailed property description which sufficiently describe all land and other property to be made the subject of the Agreement, including a description of Eligible Property for which a tax abatement is requested;

(c) in the case of a Modernization Project, a statement of the assessed value of the existing improvements, which shall be separately stated for real and personal property for the tax year immediately preceding the Application date;

(d) an analysis of the Project in terms of the economic development factors described in Paragraph 3.2, including a description of the positive economic growth projected to occur in Coke County, Texas as a result of the Project;

(e) a description of the requested tax abatement period (described by beginning and ending dates), including any period requested to defer the beginning of the tax abatement period and all facts and documents to support the deferral period request;

(f) a description of the level or degree of tax abatement requested, and a description of all Eligible Property to be the subject of the requested abatement;

(g) a description of any monetary amounts, property, or services to be paid and/or or delivered to the County by Applicant as consideration or reimbursement for the Agreement, including: (i) taxes; (ii) payment in lieu of taxes ("PILOT"); (iii) deferral year payments; (iv) economic development grants or donations, including road/bridge damage repair and/or maintenance obligations; and (v) reimbursement of all costs and expenses (including but not limited to attorney's fees, appraisal fees, newspaper publication fees, and mailing/courier expenses) incurred by the County as a result of the consideration, negotiation, approval, implementation, and administration of the Project and Agreement; and

(h) other information or material considered by Applicant as necessary or advisable to support the Application, including any variance request sought by Applicant.

4.6. **Commissioners Court Action** -- Using its lawful authority, discretion, and best business judgment, and upon its review and consideration of the Application and all attendant facts and circumstances, the Commissioners Court may grant in full, deny in full, grant in part, or deny in part the Application pursuant to the public interests of Coke County, Texas.

4.7. **Procedure** – The creation of an enterprise zone and approval of any related tax abatement agreement shall be governed by the applicable provisions of these Guidelines and Chapters 551 and 2303 of the Texas Government Code, Chapter 312 of the Texas Tax Code, and Chapter 381 of the Texas Local Government Code. Regarding a tax abatement reinvestment zone and County approval of any related tax abatement agreement, the following procedures shall apply:

(a) Should Applicant request to locate the Project in an area of Coke County not then designated as an existing County Zone, the Commissioners Court may proceed to consider Applicant's tax abatement reinvestment zone request and shall set the matter for a public hearing as required by law. If the Zone is approved and created by the Commissioners Court, a tax abatement agreement request submitted by Applicant may be considered for approval by the Court pursuant to these Guidelines and the notice and other requirements of Chapter 312 of the Texas Tax Code and Chapter 551 of the Texas Government Code.

(b) Should Applicant request to locate the Project in an area of Coke County designated as an existing, active tax abatement reinvestment zone, the Commissioners Court may proceed to consider for approval a proposed tax abatement agreement request submitted by Applicant

pursuant to these Guidelines and the notice and other requirements of the aforesaid Chapters 312 and 551.

4.8. **Variance** -- A variance request regarding a Zone Application or County Agreement Application shall be made in writing by the Applicant and submitted to the County with the Application. A variance from these Guidelines may only be granted: (a) by a recorded public vote of the Commissioners Court conducted in an authorized public meeting in compliance with Chapter 551 of the Texas Government Code; (b) pursuant to the lawful authority, discretion, and best business judgment of the Commissioners Court; and (c) if the variance does not violate Chapter 312 or other applicable state law or local regulation.

4.9. **Public Notice** -- The County shall give all public notice required by law regarding a proposed Zone or County Agreement, including the notice requirements contained in Chapter 312 of the Texas Tax Code and Chapter 551 of the Texas Government Code.

V. Tax Abatement Agreement

5.1. **Approval and Execution** -- Once a tax abatement and economic development agreement is approved by the Commissioners Court in the manner required by law and these Guidelines, the Agreement shall be executed by the Applicant and the County.

5.2. **Abatement Period Duration** -- The total duration of an abatement period in a County Agreement, shall not exceed ten years as required by Chapter 312.

5.3. **Modification or Termination** -- At any time before its expiration, a County Agreement may be modified by the parties to include other provisions that could have been included in the original Agreement or to delete provisions that were not necessary to the original Agreement. The modification must be made by the same procedure by which the original Agreement was approved and executed. A County Agreement may not be modified to extend beyond 10 years from the date of the original agreement. A County Agreement may be terminated by the mutual consent of the parties in the same manner that the Agreement was approved and executed.

5.4. **Minimum Requirements** -- The County Agreement at minimum shall sufficiently describe the following matters:

(a) the abatement period, which shall be no longer than 10 years in duration as required by Chapter 312;

(b) the total value of Eligible Property to be abated, and the percent or degree of value to be abated each year;

(c) the proposed use of the Eligible Property for the Project in compliance with the County's Program (including the kind, number, and location of said property, and the nature and type of construction thereof), a time schedule for completing Project construction, sufficient mapping

and property description for the Project, and list of all proposed Project Facilities and improvements;

(d) the term of the Agreement, abatement period, deferral period (if any), termination, amendment or revision, contractual obligations and remedies of the parties (financial or otherwise) in the event of default (including recapture of delinquent taxes, interest, and costs, payment of monetary amounts owed to the County, and reimbursement of incurred County expenses including attorney's fees), rules for assignment, and the requirements for implementation and administration of the Agreement;

(e) reasonable access to and inspection of Project land, property, improvements, Facilities, and the business records of Applicant, by the County and the District to ensure compliance with the Agreement and controlling authority;

(f) the kind, number, and location of all proposed Project improvements and Facilities to be located in the Zone;

(g) the limitation of the uses of the Applicant's Project property in the Zone consistent with the County's Program for the Zone and the County's general purpose of encouraging redevelopment of the Zone during the Agreement;

(h) a description of each term agreed by the parties to the Agreement;

(i) maps showing existing uses and conditions of real property in the Zone, and proposed improvements and uses in the Zone;

(j) provisions defining a material default, including when an Applicant performance requirement stated in the Agreement is not established or maintained by Applicant in compliance with the Agreement;

(k) provisions describing material default, the County's remedies in the event Applicant commits a material default of the Agreement, including the County's rights to recapture or recover full remedies allowed by law for the default, including: (i) lost or abated taxes, and associated penalties, interest, costs, and attorney's fees; (ii) all monetary amounts due the County under the Agreement; (iii) accrued attorney's fees, expert expenses, or other litigation or enforcement costs, and interest; and (iv) all other remedies allowed by law or equity;

(l) provisions describing mandatory venue for any suit regarding the Agreement in: (i) a court of competent jurisdiction located in Coke

County, Texas; or (2) the appropriate United States District Court designated for said county;

(m) compliance with other applicable statutory authority not previously mentioned in these Guidelines, including Chapters 2252, 2264, and 2270 of the Texas Government Code, and applicable local regulations;

(n) a description of any monetary amounts, property, or services to be paid or delivered to the County by Applicant as consideration or reimbursement for the Agreement, including: (i) taxes; (ii) payment in lieu of taxes; (iii) deferral year payments; (iv) economic development grants or donations, including public infrastructure improvements to be constructed by Applicant, and road/bridge damage repair and/or maintenance obligations of Applicant; and (v) reimbursement of all costs and expenses (including but not limited to attorney's fees, appraisal fees, newspaper publication fees, and mailing/courier expenses) incurred by the County as a result of the consideration, negotiation, approval, implementation, and administration of the Project and Agreement;

(o) provisions describing that: (i) the abatement period and all obligations for monetary amounts (including taxes) to be timely paid by the Applicant to the County shall not be deferred or extended for any reason, including a default cure period or the occurrence of an authorized Force Majeure event; (ii) a material default committed by the Applicant shall entitle the County to pursue and recover all remedies allowed by law and/or equity; and (iii) the obligation for monetary amounts to be paid by the Applicant to the County shall cease upon Agreement termination -- however, that all accrued monetary amounts due the County which were not timely paid by the Applicant to the County as of the termination date, and all monetary amounts due the County in the event a material default is committed by the Applicant, shall be subject to recovery by the County pursuant to all remedies allowed by law and/or equity; and

(p) all other matters and issues described in Section 312.205 of the Texas Tax Code or these Guidelines for inclusion in the Agreement.

VI. Administration

6.1. **Annual Administration Requirements --** The District (by and through its Chief Appraiser) annually shall determine a certified appraised value assessment, and tax abatement assessment, of all real and personal property in the Zone, pursuant to the following requirements and procedures:

(a) On May 1st of each year of an Agreement, the tax abatement recipient ("Recipient") in the Agreement shall certify to the following entities that it is in compliance with the Agreement: (i) the County; (ii)

the District; and (iii) each Affected Jurisdiction with jurisdictional land area located in the Zone.

(b) The County and the District shall annually evaluate the Project and Facility in the Zone receiving a County tax abatement under the Agreement to verify compliance by the Recipient with the Agreement. A formal report shall be made annually to the Commissioners Court by the County and District regarding the evaluation.

(c) Each year of the Agreement, the Recipient shall furnish the District with such information as may be necessary for the certified appraised value and abatement evaluation. Once those evaluations have been established, the Chief Appraiser shall notify the Commissioners Court and Recipient of those evaluations.

(d) The Zone, Recipient Eligible Property, and Recipient Ineligible Property will be appraised by the District at full market value for the purposes of property tax assessment for each year of the Agreement. This value may change during the term of the Agreement. The calculation of tax abatement and other components of the Agreement will make use of this appraised value determination, as determined for each tax year of the Agreement.

(e) The District annually shall determine on January 1st of each tax year of the Agreement the certified appraised value of the: (i) land area of the Zone (with existing improvements, if any) at full value without tax abatement; (ii) tangible personal property in said Zone at full value without tax abatement; (iii) Recipient Eligible Property in said Zone at full value without tax abatement; and (iv) Recipient Ineligible Property in said Zone at full value without tax abatement; and (v) taxable value of the immediately preceding items (i) through (iv) pursuant to the terms of tax abatement described in the Agreement.

(f) The District will record in the District's record its determination of the aforesaid certified appraised value, and abated taxable value. The Recipient may apply for all applicable tax exemptions authorized by law. The certified appraised value listed in the District records shall be used to compute the amount of abated taxes required to be recaptured and paid in the event of a termination or default of the Agreement.

6.2. **Property Render and Situs Obligations** -- During each year of the Agreement, the Recipient shall timely: (a) furnish the District with the information described in Chapter 22 of the Texas Tax Code, or other authority, as may be necessary or advisable for the proper administration the Agreement; and (b) render its Project improvements, Eligible Property, and Ineligible Property located in the Zone for ad valorem taxation in Coke County, Texas, said county to be designated in the Agreement as the situs for the appraisal, assessment, levy, and

collection of taxes on said property by the County, and the payment of said taxes by the Recipient regarding said property, for the purposes of and pursuant to the Agreement.

6.3. **Confidential Proprietary Information** -- All confidential proprietary information acquired by the County from the Applicant or Recipient for purpose of review regarding a Zone Application, Agreement Application, or the monitoring of compliance with a County Agreement, shall be considered confidential unless otherwise required by law, including Section 312.003 of the Texas Tax Code and Chapter 552 of the Texas Government Code.

VII. Assignment

7.1. **No Assignment Without County Consent** – A County Agreement shall not be assigned, in whole or in part, without the written consent and approval of the County.

7.2. **County Discretion** -- The County's decision to approve or not approve, an assignment of the Agreement shall be based upon: (a) the exercise of the lawful authority, discretion, and best business judgment of the Commissioners Court; (b) the financial capacity of the proposed assignee; (c) a determination of whether Applicant or the proposed assignee allowed taxes owed to any Affected Jurisdiction in Coke County, Texas to become delinquent, and failed to timely and properly follow the lawful procedures for a tax protest; and (d) the interests of the public.

7.3. **Conditions** -- A permitted assignment of an Agreement shall: (a) require the assignee to irrevocably and unconditionally assume all duties and obligations of the assignor upon the same terms and conditions provided in the Agreement; (b) not exceed the termination date of the initial Agreement; and (c) not violate the provisions of any applicable statute, local regulation, or these Guidelines.

VIII. Guidelines Approval, Term, and Revision

8.1 **Approval by Commissioners Court** – These Guidelines were adopted and approved by a recorded, public vote of at least a three-fourths of the members of the Commissioners Court, as required by Section 312.002 of the Texas Tax Code.

8.2 **Term** -- These Guidelines shall be effective and operable on the Effective Date. They shall remain in force for two years from the Effective Date unless amended or revised by the Commissioners Court as allowed by law.

8.3 **Amendment or Revision** -- Should the Commissioners Court consider the amendment or revision of these Guidelines, all existing Zones and County Agreements shall be reviewed to determine whether the County's public policy goals have been substantially achieved. Based on that review, these Guidelines may be modified, renewed, eliminated, or discontinued, as allowed by law, provided that such actions shall not affect existing contracts.

8.4 **Continuing Discretion of Commissioners Court** – The adoption of these Guidelines by the Commissioners Court does not: (a) limit the discretion of the Commissioners

Court to decide whether to enter into a specific tax abatement agreement; (b) limit the discretion of the Commissioners Court to delegate to its employees the authority to determine whether or not it should consider a particular application or request for tax abatement; or (c) create any property, contract, or other legal right in any person to have the Commissioners Court consider or grant a specific application or request for tax abatement.

ORDERED, ADOPTED, AND APPROVED on the 23rd day of April, 2019.

THE COMMISSIONERS COURT OF COKE COUNTY, TEXAS

County Judge
Coke County, Texas

County Commissioner, Precinct 1
Coke County, Texas

County Commissioner, Precinct 2
Coke County, Texas

County Commissioner, Precinct 3
Coke County, Texas

County Commissioner, Precinct 4
Coke County, Texas

ATTEST:

District and County Clerk
Coke County, Texas

ORDER NO. 2019-0002

AN ORDER OF THE COMMISSIONERS COURT OF COKE COUNTY, TEXAS: (1) APPROVING AN ECONOMIC DEVELOPMENT PROGRAM REGARDING CERTAIN CONTIGUOUS REAL PROPERTY LOCATED IN SAID COUNTY, PURSUANT TO CHAPTER 381 OF THE TEXAS LOCAL GOVERNMENT CODE AND OTHER AUTHORITY; (2) DECLARING COUNTY INTENT TO PARTICIPATE IN TAX ABATEMENT AGREEMENTS, APPROVING COUNTY ELIGIBILITY TO PARTICIPATE IN TAX ABATEMENT, AND APPROVING CREATION AND DESIGNATION OF A TAX ABATEMENT REINVESTMENT ZONE ON CONTIGUOUS REAL PROPERTY LOCATED IN SAID COUNTY, PURSUANT TO CHAPTER 312 OF THE TEXAS TAX CODE AND OTHER AUTHORITY; AND (3) ESTABLISHING AN EFFECTIVE DATE AND COMPLIANCE WITH THE TEXAS OPEN MEETING ACT.

WHEREAS, Coke County, Texas ("County") is a county of the State of Texas, having been duly created and organized under the constitution and laws of Texas, and the Coke County Commissioners Court ("Commissioners Court") is the governing body of the County; and

WHEREAS, pursuant to Article V, Section 18 and Article III Section 52-a of the Texas Constitution, Chapters 81 and 381 of the Texas Local Government Code, Chapter 312 of the Texas Tax Code, and other authority, the County may develop and administer economic development programs to stimulate business and commercial activity in Coke County, Texas, including the creation of tax abatement reinvestment zones to be created, designated, and administered regarding tax abatement agreements; and

WHEREAS, the Commissioners Court in the public interest and through the use of its lawful authority, discretion, and best business judgment finds it should, from time to time, directly engage and assist in the effort to stimulate and improve business and commercial activity in Coke County, Texas through the successful enactment, implementation, and administration of worthwhile economic development programs for said county, as allowed by law, including but not limited to the (1) execution and implementation of economic development and tax abatement agreements, (2) creation and administration of tax abatement reinvestment zones, and (3) performance of other activities allowed by law, and further, finds these activities are authorized economic development tools available to the County to stimulate business and commercial activity pursuant to the authority herein described; and

WHEREAS, there exists certain contiguous real property in Coke County, Texas being considered by the County for approval, creation, and designation as a tax abatement reinvestment zone, said property being more particularly described as follows: all those certain tracts or parcels of land, containing approximately 9,201 acres, more or less, as described in the attached **Exhibit A** ("Property" or "Zone"); and

FILED FOR RECORD
TIME: 9:00 AM

MAY 28 2019

COKE COUNTY & DIST. CLERK
MONICA REYES

WHEREAS, in order to stimulate business and commercial activity in Coke County, Texas, the Commissioners Court desires by this order to establish, implement, and administer the following economic development program ("Project") for the Property: the acquisition, placement, location, construction, maintenance, repair, and operation, by a private party or business entity, or by a governmental entity, on all or part of the Property of machinery, equipment, materials, structures, improvements, personal property, facilities, and infrastructure actually constructed and operated on the Property to generate, produce, and/or distribute electricity, including but not limited to machinery, equipment, materials, structures, improvements, personal property, facilities, and infrastructure constituting or related to solar energy facilities; and

WHEREAS, the acquisition, placement, location, construction, maintenance, repair, and operation of the Project on the Property, due to its size and scope, will result over time in increased economic opportunity for the people of Coke County, Texas and have a positive effect regarding local economic issues, including but not limited to (1) increased local tax bases, (2) increased employment and wages, (3) increased wholesale and retail sales, and (4) a decrease in the number of families living in poverty; and

WHEREAS, BNB Tennyson Solar LLC filed an application with the County and (1) indicated a desire to develop the Property in accordance with the Project requirements herein described, and (2) requested the County's creation of a tax abatement reinvestment zone regarding the Property prior to the negotiation for and potential execution of a tax abatement agreement with the County regarding the Property and Project; and

WHEREAS, all prerequisites to the creation and designation of a tax abatement reinvestment zone for the Property and Project, including public notice and a public hearing, have been established and accomplished by the County as required by law and the active Tax Abatement Guidelines and Criteria for Coke County, Texas dated April 23, 2019; and

WHEREAS, the Commissioners Court desires by this order to approve the (1) Project for the Property, (2) County's eligibility to participate in tax abatement, and (3) designation of a tax abatement reinvestment zone regarding the Property and Project; and

WHEREAS, the Commissioners Court finds that all public purposes described in this order shall be obtained or substantially achieved through the creation, designation, implementation, and administration of a tax abatement reinvestment zone on and regarding the Property for the Project.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Commissioners Court of Coke County, Texas, for and on behalf of the County and in the public interest, as follows:

(1) Unless otherwise designated, the past, present, or future tense shall each include the other, the masculine, feminine, or neuter gender shall each include the other, and the singular and plural number shall each include the other where necessary for a correct meaning.

(2) All statements made in the caption and preliminary recitals of this order, and all attached documents, are incorporated by reference.

(3) The following economic development program (or Project) is approved regarding the Property to stimulate business and commercial activity in Coke County, Texas: the acquisition, placement, location, construction, maintenance, repair, and operation, by a private party or business entity, or by a governmental entity, on all or part of the Property of machinery, equipment, materials, structures, improvements, personal property, facilities, and infrastructure actually constructed and operated on the Property to generate, produce, and/or distribute electricity, including but not limited to machinery, equipment, materials, structures, improvements, personal property, facilities, and infrastructure constituting or related to solar energy facilities.

(4) The Commissioners Court hereby declares: (a) the County's intent to participate in tax abatement agreements from time to time through the exercise of its lawful authority, discretion, and best business judgment to stimulate business and commercial activity in Coke County, Texas; and (b) that the County elects to become eligible to participate in tax abatement as allowed by law.

(5) The following tax abatement reinvestment zone is hereby approved, created, and designated, and shall be implemented and administered, by the County regarding the Property and Project – specifically, the **Coke County, Texas Tax Abatement Reinvestment Zone No. 2019-001** ("Zone"), containing approximately 9,201 acres, more or less, generally located near the southeast corner of said county, near the community of Tennyson, Texas, and more particularly described by the public records of the County Clerk of Coke County, Texas and the Coke County Appraisal District (to which reference is made for all purposes), and as further described in the attached **Exhibit A**.

(6) The Commissioners Court finds that: (a) all public notice for the creation and designation of the Zone and Project on the Property was accomplished as required by law; (b) a public hearing regarding the proposed Zone was properly conducted at a public meeting of the Commissioners Court, after all notice was accomplished as required by law; (c) the improvements sought within the Zone area are feasible and practical and would be a benefit to the land to be included in the Zone and to Coke County, Texas after the expiration of any tax abatement agreement; (d) the Zone designation will contribute to the retention or expansion of primary employment or will attract major investment in the Zone that would be a benefit to the Property included in the Zone and would contribute to the economic development of said county; and (e) the Zone area is eligible for commercial-industrial tax abatement.

(7) This order shall take effect immediately after its passage.

(8) This matter was ordered, adopted, and approved at a meeting held in compliance with Chapter 551 of the Texas Government Code, the Texas Open Meetings Act.

ORDERED, ADOPTED, AND APPROVED on the 28th day of May, 2019.

THE COMMISSIONERS COURT OF COKE COUNTY, TEXAS

County Judge
Coke County, Texas

County Commissioner, Precinct 1
Coke County, Texas

County Commissioner, Precinct 2
Coke County, Texas

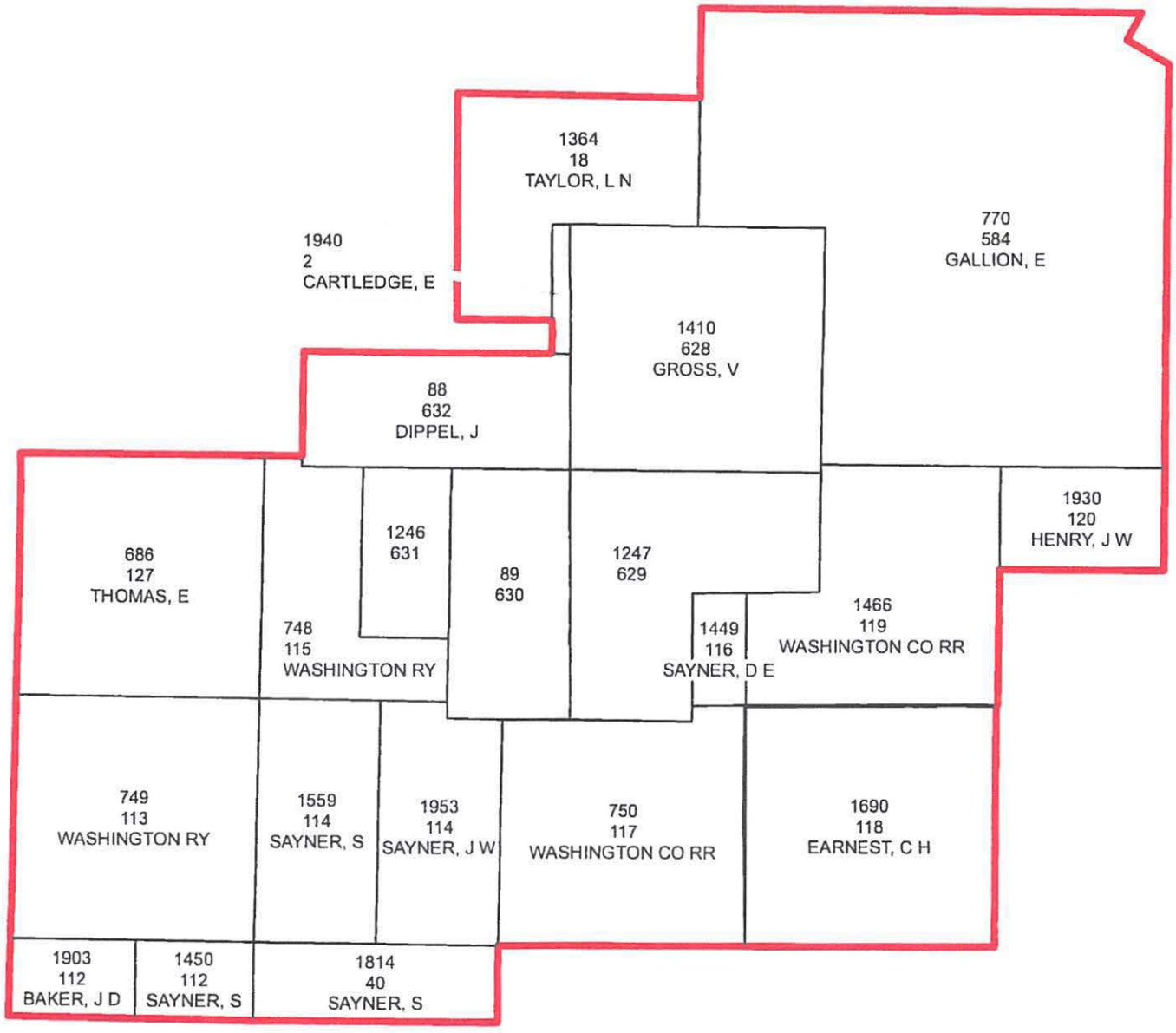
County Commissioner, Precinct 3
Coke County, Texas

County Commissioner, Precinct 4
Coke County, Texas

ATTEST:

District and County Clerk
Coke County, Texas

EXHIBIT A
(Property Description: Coke County, Texas Tax Abatement Reinvestment Zone No. 2019-001)



Legend

- Reinvestment Zone Boundary; 9,201 acres
- Abstracts

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0 0.25 0.5 1 Miles

Coke County, Texas Tax Abatement
Reinvestment Zone No. 2019-001

Exhibit A - p.1

Prepared May 12, 2019

Coke County, Texas Tax Abatement
Reinvestment Zone No. 2019-001

No.	Abstract	Section	Survey Name
1	1940	2	CARTLEDGE, E
2	770	584	GALLION, E
3	88	632	DIPPEL, J
4	1410	628	GROSS, V
5	1466	119	WASHINGTON CO RR
6	1246	631	DELSER, C
7	1449	116	SAYNER, D E
8	89	630	DIPPEL, J
9	750	117	WASHINGTON CO RR
10	1247	629	DELSER, C.
11	1953	114	SAYNER, J W
12	1559	114	SAYNER, S
13	1450	112	SAYNER, S
14	1930	120	HENRY, J W
15	1690	118	EARNEST, C H
16	1903	112	BAKER, J D
17	1364	18	TAYLOR, L N
18	748	115	WASHINGTON RY
19	686	127	THOMAS, E
20	749	113	WASHINGTON RY
21	1814	40	SAYNER, S

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here Tim Siler — Print Name *(Authorized School District Representative)*

Superintendent — Title

sign here Tim Siler — Signature *(Authorized School District Representative)*

6/12/19 — Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here Orlando Puig — Print Name *(Authorized Company Representative (Applicant))*

Project Manager — Title

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

6/7/19 — Date

ALICE AVALOS
NOTARY PUBLIC
STATE OF TEXAS
ID 131804813
EXP. 11-19-2022
(Notary Seal)

GIVEN under my hand and seal of office this, the

7th day of June, 2019

Notary Public in and for the State of Texas

My Commission expires: 11-19-2022

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