

**RESOLUTION AND FINDINGS OF FACT
OF THE WHARTON INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES ON THE APPLICATION FOR
LIMITATION ON APPRAISED VALUE OF PROPERTY
SUBMITTED BY AP SOLAR 6, LLC**

On this 28th day of January, 2020, a public meeting of the Board of Trustees of the Wharton Independent School District (the "District") was held to solicit input from interested parties on the Application for Appraised Value Limitation on Qualified Property, Red-tailed Hawk Solar Project ("Application") by AP Solar 6, LLC ("Applicant") for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code ("Tax Code"). The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees considered the Application by AP Solar 6, LLC, pursuant to Chapter 313 of the Texas Tax Code.

The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the public, District's administrative staff, and others and reviewing the Comptroller's Economic Impact Analysis under Tax Code section 313.026, the Board of Trustees of the Wharton Independent School District, in accordance with Tax Code section 313.025(e) and (f) and 34 T.A.C. section 9.1054, makes the following Findings regarding the Application:

On May 28, 2019, the Superintendent of Schools of the Wharton Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Tax Code, attached as Attachment A. The Applicant's investment identified in the Application is a renewable energy electric generation project described as a "300 MW ac utility-scale solar (photovoltaic) field" (the "Property").

On May 28, 2019, the Board of Trustees acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to section 313.025(a) of the Tax Code and Local District Policy CCG (Local), and agreed to consider the Application. The Application was determined to be complete, and by letter dated June 20, 2019, was delivered to the Texas Comptroller's Office for review pursuant to section 313.025 of the Tax Code. The Comptroller acknowledged receipt of the Application. During the Comptroller's review of the Application, certain portions of the Application were revised in response to comments from the Comptroller. Revision 1 and Revision 2 to the Application are included in Attachment A. The term Application herein therefore refers to the complete Application, as revised by Revision 1 and Revision 2 included in Attachment A.

On September 13, 2019, determined the Application was completed, and established the Application Review Start Date of September 13, 2019, as that term is defined by 34 Tex. Admin. Code section 9.1051. See Comptroller's Completion Letter, attached as Attachment B.

Pursuant to 34 Tex. Admin. Code section 9.1054, the Application was delivered to the Wharton County Appraisal District pursuant to section 6.01 of the Tax Code.

The Texas Comptroller's Office reviewed the Application according to section 313.025 of the Tax Code, conducted an economic impact evaluation pursuant to section 313.026 of the Tax Code. On November 18, 2019, the Comptroller issued a certificate for limitation on appraised value of the property described in the Application (the "Comptroller's Certificate Letter," attached as Attachment C) and provided the certificate to the District.

As represented by the Application and the Comptroller, the Texas Taxpayer Identification number for Applicant is 32608575358, and Applicant is an entity subject to Chapter 171 of the Tax Code, is active, and has the right to transact business in Texas. See Applicant's Franchise Tax Account Status, attached as Attachment D.

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 Tax Code, and on January 28, 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.

After receipt of the completed Application, the District entered into negotiations with Applicant regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the "Agreement") pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District pursuant to section 48.256(d) of the Texas Education Code. The parties agreed upon language for inclusion into a draft agreement pursuant to Texas Tax Code section 313.027. As required by the Comptroller's Office, the parties changed only the provisions of the template that the Comptroller permitted (2016 Form 50-826). The proposed Agreement is attached to these Findings as Attachment E, and that form of the Agreement was submitted to and approved by the Comptroller on January 22, 2020, as required by 34 Tex. Admin. Code §9.1055(e)(1). See Comptroller's Agreement Review Letter, attached as Attachment F.

After review of the Comptroller's Certificate Decision and Economic Impact Analysis, and in consideration of its own analysis of AP Solar 6, LLC's Application and all other related documentation attached hereto, the Board makes the following additional Findings as follows:

Board Finding 1: The Applicant meets the requirements of Tex. Tax Code section 313.024 and is eligible for the limitation on the appraised value of the Property as property used for renewable energy electric generation (Tax Code section 313.024(b)(5)).

In support of Board Finding 1, the Comptroller's Certificate Letter provides "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.” See Attachment C at page 2. See also the Application, Attachment A at section 6 and Tab 4.

Board Finding 2: The Project proposed by Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period.

In support of Board Finding 2, the Comptroller’s Certificate Letter provides:

“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.”

Further, the Comptroller’s Economic Impact Analysis contains the following supporting data, and notes the determination “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.” See Attachment C at the internal Attachment B.

	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	\$1,500,000	\$1,500,000	\$0	\$0
Limitation Period (10 Years)	2022	\$300,000	\$1,800,000	\$2,700,000	\$2,700,000
	2023	\$300,000	\$2,100,000	\$2,550,000	\$5,250,000
	2024	\$300,000	\$2,400,000	\$2,250,000	\$7,500,000
	2025	\$300,000	\$2,700,000	\$1,950,000	\$9,450,000
	2026	\$300,000	\$3,000,000	\$1,650,000	\$11,100,000
	2027	\$300,000	\$3,300,000	\$1,350,000	\$12,450,000
	2028	\$300,000	\$3,600,000	\$1,050,000	\$13,500,000
	2029	\$300,000	\$3,900,000	\$750,000	\$14,250,000
	2030	\$300,000	\$4,200,000	\$450,000	\$14,700,000
	2031	\$300,000	\$4,500,000	\$300,000	\$15,000,000
Maintain Viable Presence (5 Years)	2032	\$600,000	\$5,100,000	\$0	\$15,000,000
	2033	\$600,000	\$5,700,000	\$0	\$15,000,000
	2034	\$600,000	\$6,300,000	\$0	\$15,000,000
	2035	\$600,000	\$6,900,000	\$0	\$15,000,000
	2036	\$600,000	\$7,500,000	\$0	\$15,000,000
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$600,000	\$8,100,000	\$0	\$15,000,000
	2038	\$600,000	\$8,700,000	\$0	\$15,000,000
	2039	\$600,000	\$9,300,000	\$0	\$15,000,000
	2040	\$600,000	\$9,900,000	\$0	\$15,000,000
	2041	\$600,000	\$10,500,000	\$0	\$15,000,000
	2042	\$600,000	\$11,100,000	\$0	\$15,000,000
	2043	\$600,000	\$11,700,000	\$0	\$15,000,000
	2044	\$600,000	\$12,300,000	\$0	\$15,000,000
	2045	\$600,000	\$12,900,000	\$0	\$15,000,000
	2046	\$600,000	\$13,500,000	\$0	\$15,000,000

\$13,500,000 is less than \$15,000,000

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	300	290	590	\$18,458,700	\$24,541,300	\$43,000,000	2129000	-1076000	\$3,205,000
2021	3	20	23	\$142,214	\$4,857,787	\$5,000,000	191000	404000	-\$213,000
2022	3	13	16	\$142,214	\$3,857,787	\$4,000,000	198000	389000	-\$191,000
2023	3	3	6	\$142,214	\$1,857,787	\$2,000,000	160000	351000	-\$191,000
2024	3	1	4	\$142,214	\$1,857,787	\$2,000,000	160000	320000	-\$160,000
2025	3	5	8	\$142,214	\$857,787	\$1,000,000	175000	282000	-\$107,000
2026	3	1	4	\$142,214	\$857,787	\$1,000,000	160000	244000	-\$84,000
2027	3	5	8	\$142,214	\$857,787	\$1,000,000	153000	168000	-\$15,000
2028	3	3	6	\$142,214	\$857,787	\$1,000,000	145000	160000	-\$15,000
2029	3	1	4	\$142,214	\$857,787	\$1,000,000	175000	145000	\$30,000
2030	3	3	6	\$142,214	-\$142,214	\$0	153000	107000	\$46,000
2031	3	3	6	\$142,214	\$857,787	\$1,000,000	168000	114000	\$54,000
2032	3	7	10	\$142,214	\$857,787	\$1,000,000	122000	84000	\$38,000
2033	3	5	8	\$142,214	\$857,787	\$1,000,000	114000	15000	\$99,000
2034	3	3	6	\$142,214	-\$142,214	\$0	84000	46000	\$38,000
2035	3	3	6	\$142,214	-\$142,214	\$0	46000	0	\$46,000
2036	3	1	4	\$142,214	-\$142,214	\$0	8000	-46000	\$54,000
2037	3	3	6	\$142,214	-\$142,214	\$0	-15000	-92000	\$77,000
2038	3	1	4	\$142,214	-\$142,214	\$0	15000	-107000	\$122,000
2039	3	1	4	\$142,214	-\$142,214	\$0	0	-137000	\$137,000
2040	3	(1)	2	\$142,214	-\$142,214	\$0	-61000	-191000	\$130,000
2041	3	1	4	\$142,214	-\$142,214	\$0	-61000	-206000	\$145,000
2042	3	(1)	2	\$142,214	-\$142,214	\$0	-31000	-221000	\$190,000
2043	3	(1)	2	\$142,214	-\$142,214	\$0	-61000	-244000	\$183,000
2044	3	(5)	-2	\$142,214	-\$142,214	\$0	-61000	-252000	\$191,000
2045	3	(3)	0	\$142,214	-\$142,214	\$0	-122000	-328000	\$206,000
2046	3	(3)	0	\$142,214	-\$142,214	\$0	-31000	-313000	\$282,000
Total							\$3,913,000	-\$384,000	\$4,297,000
							\$17,797,000	is greater than	\$15,000,000
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	

Additional calculation and analysis by the District's consultant further support this finding. See Culwell Consulting Report, attached as Attachment G.

Board Finding 3: The ability of the Applicant to locate the proposed renewable energy facility in another state or another region of this state is significant because of the highly competitive marketplace for electricity and economic development. Therefore, the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in Texas and Wharton ISD.

In support of Board Finding 3, see Attachment A at Tab 5. Further, the Comptroller's Certificate Letter determines "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 at page 2.

Board Finding 4: The jobs creation requirement under Tax Code section 313.051(b) exceeds the industry standard for the number of employees reasonably necessary for the operation of the Applicant's facility described in the Application, and Applicant qualifies for a waiver of the new jobs requirement pursuant to Tax Code section 313.025(f-1).

In support of Board Finding 4, see AP Solar 6, LLC's Application, Attachment A at Tab 12. The Applicant provides that industry experts identify the industry standard for employment to be one permanent employee per 75-100 MW. The Applicant, therefore, anticipates three (3) full time employees, in addition to the approximately 300 temporary construction jobs. This is further supported by previously certified limitation agreement applications by solar developers who also requested a waiver of the job requirements. Therefore, Applicant has the appropriate number of jobs for this project at three (3) permanent jobs for the planned 300MW of installed capacity.

Board Finding 5: The Applicant will create three (3) new qualifying jobs, as defined by Tax Code section 313.021(3), which Applicant affirms will require at least 1,600 hours of work a year; are not transferred from one area in this state to another area in this state; is not created to replace a previous employee; is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and pays at least 110 percent of the county average weekly wage or manufacturing jobs. The Applicant does not intend to create any non-qualifying jobs.

In support of Board Finding 5, see Attachment A at page 9, Tab 12, and Tab 13. In the event Applicant creates any non-qualifying job, it will be required to pay an amount meeting the requirements of Tax Code section 313.024(d).

Board Finding 6: The proposed limitation on appraised value for the qualified property is \$30,000,000.

In support of Board Finding 6, see Attachment C, at page 4. Further, the Comptroller's Minimum School District Limitation Values, located online at: <https://comptroller.texas.gov/economy/local/ch313/values.php>, provides Wharton ISD is a Subchapter C, Category I district, with a minimum limitation of \$30,000,000.

Board Finding 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..

In support of Board Finding 7, Culwell Consulting, LLC estimates, based on the property values recited in the Application, that the project would add \$285,000,000 to the tax base at the peak investment level for tax year 2022 (school year 2022-2023). The additional project value is fully taxable for debt service taxes and can be used to meet any current or future debt needs serviced by an interest and sinking fund tax of the District. See Comptroller's Certification Letter and Culwell Consulting Report, attached as Attachments C and G, respectively. In addition, the potential revenue gains from Supplemental Payments provided for in the proposed Agreement are estimated to be approximately \$2,853,000. See Culwell Consulting Report, attached as Attachment G.

Board Finding 8: The projected dollar amount of the maintenance and operations taxes imposed on the qualified property for each year of the Agreement if the property *does not* receive a limitation on appraised value, based on the further depreciations of investment provided by Applicant, is shown in Attachment G (column labeled “M&O Taxes Paid *Before* Limitation”), and is further based on the assumption that the projected total maintenance and operations tax rate per \$100 in valuation in each year of the Agreement will be as indicated in the column labeled “M&O Tax Rate #.”

In support of Board Finding 8, see Culwell Consulting Report, attached as Attachment G.

Board Finding 9: The projected dollar amount of the maintenance and operations taxes imposed on the qualified property for each year of the Agreement if the property *does* receive a limitation on appraised value, based on the further depreciations of investment provided by Applicant, is shown in Attachment G (column labeled “M&O Taxes Paid *After* Limitation”), and is further based on the assumption that the projected total maintenance and operations tax rate per \$100 in valuation in each year of the Agreement will be as indicated in the column labeled “M&O Tax Rate #.”

In support of Board Finding 9, see Culwell Consulting Report, attached as Attachment G.

Board Finding 10: Based upon the Applicant’s certification that the Application is true and correct, the Comptroller’s Economic Impact Analysis, the Comptroller’s Certificate Decision, and the District’s review of these and other documents, the Board has determined that the information provided by the Applicant in its Application was true and correct when submitted.

Upon acceptance of the Application, the District requested the Comptroller undertake an economic impact evaluation and retained certain consultants to help the Board determine: (1) that Applicant’s information contained in the Application as to existing facts is true and correct; (2) that Applicant’s information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant’s representations concerning the economic incentives available are a determining factor; and, (5) the proposed project meets eligibility requirements for an Agreement under Tax Code Chapter 313.

As a part of its review process, the Board notes that the Application was submitted by Applicant under oath. A Chapter 313 application is a governmental record under Tex. Penal Code section 37.01(2)(A), and all representations contained therein are statements of fact within the meaning of Tex. Penal Code section 37.01(3). Since Board action upon the adoption of these Findings and the approval of the Agreement is an “official proceeding,” a false statement in the Application would constitute perjury under Tex. Penal Code section 37.03.

Board Finding 11: The Applicant is eligible for the limitation on the appraised value of the entity’s qualified property.

In support of Board Finding 11, see Applicant’s Application, Comptroller’s Certification Letter, and Applicant’s Franchise Tax Status, attached as Attachments A, C, and D, respectively.

Board Finding 12: The Project will be located within an area that is currently designated as a reinvestment zone pursuant to Tax Code Chapters 312 and 313. The District will cooperate with the Applicant's efforts to ensure the area remains designated as a reinvestment zone as permitted by law.

In support of Board Finding 12, see Application at Tab 11, attached as Attachment A, and Resolution of the Wharton Independent School District Board of Trustees Designating a Reinvestment Zone, adopted on January 28, 2020.

Board Finding 13: As certified by the Applicant, no construction of Qualified Property has begun on the project site.

In support of Board Finding 13, see Application at section 7, attached as Attachment A.

Board Finding 14: The Board finds there are no conflicts of interest at the time of its consideration of the Agreement.

In support of this Finding, the Board finds that it has taken appropriate action to ensure that all District Trustees have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

The Board further finds that it has taken appropriate action to ensure that all District employees and/or consultants have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

Board Finding 15: The effect of the Applicant's proposed project is not expected to increase the District's instructional facility needs. Wharton ISD's existing facilities can easily accommodate any student growth anticipated from Applicant's project.

The Application provides that three (3) full-time permanent jobs are expected after construction of the project is completed. It is unknown whether such employees be existing or new residents of Wharton ISD. It is assumed that they will be new residents. Assuming the new households contain students, the Board finds that any resulting projected student growth can be accommodated with existing Wharton ISD facilities. In further support of Board Finding 15, see TEA's Facilities Impact Review Letter, attached as Attachment H.

Board Finding 16: Considering the purpose and effect of Tax Code Chapter 313 and the terms of the Agreement, it is in the best interest of the District and the State to approve the Application and enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

In support of Board Finding 16, see Attachments A through G.

Board Finding 17: The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code is in the form of the template Texas Economic Development Act Agreement adopted by the

Comptroller, as of January 24, 2016 – Form 50-826, meets all the requirements of Tax Code section 313.027, and the Comptroller has verified that the Agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 T.A.C. Chapter 9, Subchapter F.

In support of Board Finding 17, see the Comptroller's Agreement Review Letter, attached as Attachment F.

Any potential negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District as set out in Article IV of the Agreement. In further support of Board Finding 17, see the Agreement and Comptroller's Agreement Review Letter, attached as Attachments E and F, respectively.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED THAT:

SECTION 1. All of the Findings above are adopted and approved as the Findings of the Wharton Independent School District Board of Trustees, and the Board of Trustees has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and (f) and Texas Administrative Code 34, Chapter 9, subchapter F; and;

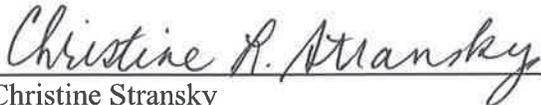
SECTION 2. The attached Application, attached as Attachment A is hereby APPROVED;

SECTION 3. The new jobs requirement pursuant to Tax Code section 313.051(b) is hereby WAIVED;

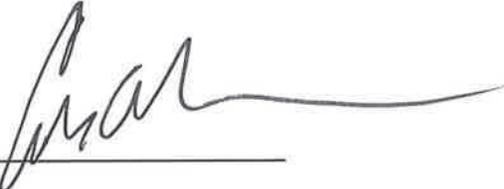
SECTION 4. The Agreement, attached as Attachment E is APPROVED contemporaneously with these Findings and is authorized to be executed and delivered by the Trustees whose signatures appear below on behalf of the Wharton Independent School District, along with a copy of these Findings, which shall be binding upon the parties upon receipt of an executed original of the Agreement from Applicant; and

SECTION 5. These Findings and referenced Attachments shall be made a part of the official minutes of this meeting, and maintained in the permanent records of the Wharton Independent School District Board of Trustees.

ADOPTED and EXECUTED this 28th day of January, 2020.


Christine Stransky
President, Board of Trustees

ATTEST:



Dr. Cody Pohler
Secretary, Board of Trustees

RESOLUTION ATTACHMENTS

Attachment A – AP Solar 6, LLC’s original Application, Application Revision 1 and Application Revision 2

Attachment B – Comptroller’s Completion Letter

Attachment C – Comptroller’s Certificate Letter and Economic Impact Analysis

Attachment D – Applicant’s Franchise Tax Account Status

Attachment E – Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Attachment F – Comptroller’s Agreement Review Letter

Attachment G – Culwell Consulting Report

Attachment H – TEA’s Facilities Impact Review Letter

**RESOLUTION OF THE
WHARTON INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES
DESIGNATING A REINVESTMENT ZONE**

WHEREAS, the WHARTON INDEPENDENT SCHOOL DISTRICT (the “District”), acting by and through its Board of Trustees, desires to promote the development or redevelopment of an area within the District boundaries by the creation of a reinvestment zone pursuant to Texas Tax Code 312.0025 for the purpose of authorizing an Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes as authorized by Texas Tax Code Chapter 313; and,

WHEREAS, the reinvestment zone created herein is located on a portion of the Pierce Ranch, and is entirely within the District boundaries, in Wharton County, Texas. The zone shall be referred to as the Red-Tailed Hawk Solar Project Reinvestment Zone (the “Reinvestment Zone”).

NOW, THEREFORE, BE IT RESOLVED THAT:

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

SECTION 2. The Board of Trustees, based on the evidence and testimony presented to it, makes the following findings:

- A. The boundaries of the Reinvestment Zone are depicted in Exhibit 1, and contain the parcels described in Exhibit 1.
- B. The creation of the Reinvestment Zone will result in benefits to the District and the improvements sought are feasible and practical.
- C. The Reinvestment Zone meets the criteria set forth in Texas Tax Code §312.0025 for the creation of a reinvestment zone in that as a result of the designation as a reinvestment zone and the granting of a limitation on appraised value, it is reasonably likely the designation will contribute to the expansion of primary employment, and/or will attract investment in the zone that will be a benefit to the property and the District, and will contribute to economic development within the District.

SECTION 3. Pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the District creates a reinvestment zone under the provisions of Texas Tax Code § 312.0025, encompassing the area and tracts depicted and described in **EXHIBIT 1**, and such reinvestment zone is designated and shall be referred to as The Red-Tailed Hawk Solar Project Reinvestment Zone.

SECTION 4. The Reinvestment Zone shall take effect upon adoption by the Board of Trustees and shall remain designated as a reinvestment zone for a period of twenty (20) years from such date of such designation.

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

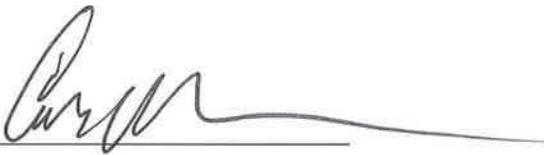
SECTION 6. A sufficient notice of the date, hour, place, and subject of the meeting of the District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended.

ADOPTED and EXECUTED this 28th day of January, 2020.



Christine Stransky
President, Board of Trustees

ATTEST:



Dr. Cody Pohler
Secretary, Board of Trustees

Attachment A

AP Solar 6, LLC's Application

**Application for Appraised Value Limitation on Qualified
Property**

Red-tailed Hawk Solar Project

Submitted to:

Wharton Independent School District



Submitted by:

AP Solar Holdings, LLC



May 28, 2019

Revision 0

Tab 1
Application for Appraised Value Limitation on Qualified Property
Pages 1 - 7

Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

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

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

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

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

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

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

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

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

SECTION 1: School District Information

1. Authorized School District Representative

May 28, 2019

Date Application Received by District

Tina

First Name

Herrington

Last Name

Superintendent

Title

Wharton Independent School District

School District Name

2100 N Fulton, Wharton, TX 77488

Street Address

2100 N Fulton

Mailing Address

Wharton

City

979-532-3612

Phone Number

TX

State

979-532-6288

Fax Number

therrington@whartonisd.net

Email Address

77488

ZIP

Mobile Number (optional)

2. Does the district authorize the consultant to provide and obtain information related to this application? Yes No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Michelle	Morris
First Name	Last Name
Partner	
Title	
Rogers, Morris & Grover, LLP	
Firm Name	
713-960-6009	713-960-6025
Phone Number	Fax Number
	mmorris@rmgllp.com
	Email Address
Mobile Number (optional)	

4. On what date did the district determine this application complete? June 20, 2019

5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Christopher	Elrod	
First Name	Last Name	
Manager	AP Solar Holdings, LLC	
Title		
5524 Bee Caves Road, Ste J1, West Lake Hills, Texas 78746		
Street Address		
5524 Bee Caves Road, Ste J1		
Mailing Address		
West Lake Hills	TX	78746
City	State	ZIP
407-474-7331		
Phone Number	Fax Number	
	christopher.elrod@apsolarholdings.com	
	Business Email Address	
Mobile Number (optional)		

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? Yes No

2a. If yes, please fill out contact information for that person.

Lisa	Murphy	
First Name	Last Name	
Project Developer	AP Solar Holdings, LLC	
Title		
5524 Bee Caves Rd, Ste J1, West Lake Hills, Texas 78746		
Street Address		
5524 Bee Caves Rd, Ste J1		
Mailing Address		
West Lake Hills	TX	78746
City	State	ZIP
512-922-0293		
Phone Number	Fax Number	
	lisa.murphy@apsolarholdings.com	
	Business Email Address	
Mobile Number (optional)		

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Steve Moore
 First Name Last Name
 Attorney
 Title
 Jackson Walker LLP
 Firm Name
 512-236-2074
 Phone Number Fax Number
 smoores@jw.com
 Business Email Address

SECTION 3: Fees and Payments

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

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

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

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

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

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? AP Solar 6, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32608575358
3. List the NAICS code 221114
4. Is the applicant a party to any other pending or active Chapter 313 agreements? Yes No
- 4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Company
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? Yes No
- 2a. If yes, attach in Tab 3 a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? Yes No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? Yes No N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in Tab 3)

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

- 1. Application approval by school board QTR 2 2019
- 2. Commencement of construction QTR 3 2020
- 3. Beginning of qualifying time period est 04/30/20
- 4. First year of limitation 01/01/2022
- 5. Begin hiring new employees QTR 2 2021
- 6. Commencement of commercial operations QTR 3 2021
- 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? Yes No
 Note: Improvements made before that time may not be considered qualified property.
- 8. When do you anticipate the new buildings or improvements will be placed in service? QTR 3 2021

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Wharton County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Wharton 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: Wharton County, 0.42254, 100% City: N/A; ESD1, 0.06, 100%; ESD4, 0.06821, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: Wharton Co Hosp Dist, 0.222, 100% Water District: Cons Groundwater, 0.0083, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): FM & LR 0.051420, 100% Other (describe): County Jr College 0.143460, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
- 5. Is the project located entirely within the ISD listed in Section 1? Yes No
 5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.
- 6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 6a. If yes, attach in Tab 6 supporting documentation from the Office of the Governor.

SECTION 11: Investment

- NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/economy/local/ch313/.
- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000
 - 2. What is the amount of appraised value limitation for which you are applying? 30,000,000
 Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
 - 3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
 - 4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 7);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (Tab 11).
 - 5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? Yes No

SECTION 12: Qualified Property

- 1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)?
2a. If yes, attach complete documentation including:
a. legal description of the land (Tab 9);
b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
c. owner (Tab 9);
d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303?
3a. If yes, attach the applicable supporting documentation:
a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
b. legal description of reinvestment zone (Tab 16);
c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
d. guidelines and criteria for creating the zone (Tab 16); and
e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? est 09/01/19

SECTION 13: Information on Property Not Eligible to Become Qualified Property

- 1. In Tab 10, attach a specific and detailed description of all existing property. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all proposed new property that will not become new improvements as defined by TAC 9.1051. This includes proposed property that; functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in Tab 10:
a. maps and/or detailed site plan;
b. surveys;
c. appraisal district values and parcel numbers;
d. inventory lists;
e. existing and proposed property lists;
f. model and serial numbers of existing property; or
g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 0.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): \$ 0.00

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

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2019
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 3
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in Tab 12 documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in Tab 13 the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 747.25
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 913.55
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1276.00
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? 47,504.60
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 47,504.60
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 12a. If yes, attach in Tab 12 supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 13a. If yes, attach in Tab 6 supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

Tab 2
Proof of Payment of Application Fee

0008119

11-24

CASHIER'S CHECK

0811901901

Office AU #

1210(8)

Remitter: AP SOLAR HOLDINGS, LLC
Operator ID: tx099202

May 24, 2019

PAY TO THE ORDER OF ***WHARTON INDEPENDENT SCHOOL DISTRICT***

Seventy-five thousand dollars and no cents

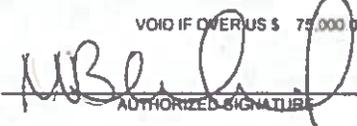
***\$75,000.00**

Payee Address
Memo

RED TAILED HAWK SOLAR PROJECT, TX TAX TAX CODE CHAPTER 313 APPLICATION FEE

WELLS FARGO BANK, N.A.
900 RANCH ROAD 620 S
LAKEWAY, TX 78734
FOR INQUIRIES CALL (480) 394-3122

VOID IF OVER US \$ 75,000.00


AUTHORIZED SIGNATURE

Security Features Included Details on Back

⑈0811901901⑈ ⑆121000248⑆4861 512861⑈

Tab 3

**Documentation of Combined Group membership under Texas Tax Code 171.0001(7),
history of tax default, delinquencies and/or material litigation *(if applicable)***

AP Solar Holdings, LLC and AP Solar 1, LLC were formed in 2018; Franchise Tax Forms 05-164 and 165 are provided for these entities. AP Solar 6, LLC, affiliated with the Red-tailed Hawk project, was formed in 2019 and will be reported in the next report year.

EXTENSION FILING INSTRUCTIONS

TEXAS FORM 05-164 & FORM 05-165

FOR THE YEAR ENDING

December 31, 2018

Prepared for	AP Solar Holdings, LLC 4309 Yoakum Blvd., Suite 500 Houston, TX 77006
Prepared by	Pivot CPAs 238 Ponte Vedra Park Dr, St 201 Ponte Vedra Beach, FL 32082
Amount due	No payment is required.
Make check payable to	Not applicable
Mail extension and check (if applicable) to	Texas Comptroller of Public Accts P.O. Box 149348 Austin, TX 78714-9348
Extension must be mailed on or before	May 15, 2019
Special Instructions	The extension should be signed and dated. This extends the filing date of the Texas return until November 15, 2019.

796359P 880761

TX2018 05-164
Ver. 10.0 (Rev 9-18/9)

Texas Franchise Tax Extension Request

Tcode 13258 ANNUAL

Taxpayer number 32070351195 Report year 2019 Due date 05/15/2019

Taxpayer name AP SOLAR HOLDINGS, LLC				Secretary of State file number or Comptroller file number	
Mailing address 4309 YOAKUM BLVD., SUITE 500				803288438	
City HOUSTON	State TX	Country USA	ZIP code plus 4 77006	Check box if the address has changed <input type="checkbox"/>	
Check box if this is a combined report <input checked="" type="checkbox"/>					

If this extension is for a combined group, you must also complete and submit Form 05-165.

Note to mandatory Electronic Fund Transfer (EFT) payers:
When requesting a second extension do not submit an Affiliate List Form 05-165.

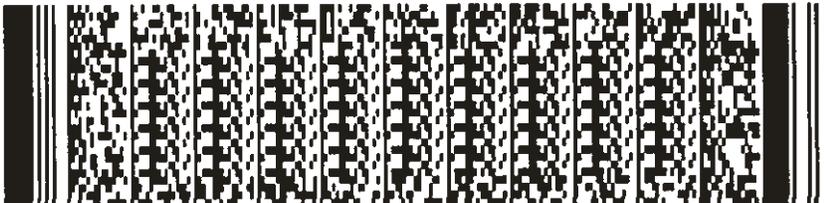
1. Extension payment (Dollars and cents) 1. 0.00

Print or type name JIM PEAVEY	Area code and phone number (904) 280 -2053
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief.	
sign here 	Date
Mail original to: Texas Comptroller of Public Accounts P.O. Box 149348 Austin, TX 78714-9348	

Instructions for each report year are online at www.comptroller.texas.gov/taxes/franchise/forms/. If you have any questions, call 1-800-252-1381.

Taxpayers who paid \$10,000 or more during the preceding fiscal year (Sept. 1 thru Aug. 31) are required to electronically pay their franchise tax. For more information visit www.comptroller.texas.gov/taxes/franchise/filing-requirements.php.

Texas Comptroller Official Use Only



VE/DE			
PM Date			



Texas Franchise Tax Extension Affiliate List

■ Tcode 13298

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

32070351195

2019

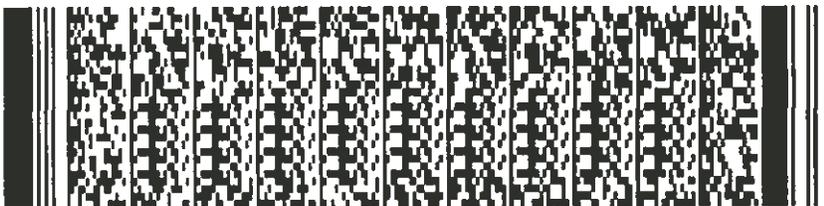
AP SOLAR HOLDINGS, LLC

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. AP SOLAR 1, LLC	■ 32069483140	■ <input type="checkbox"/>
2.	■	■ <input type="checkbox"/>
3.	■	■ <input type="checkbox"/>
4.	■	■ <input type="checkbox"/>
5.	■	■ <input type="checkbox"/>
6.	■	■ <input type="checkbox"/>
7.	■	■ <input type="checkbox"/>
8.	■	■ <input type="checkbox"/>
9.	■	■ <input type="checkbox"/>
10.	■	■ <input type="checkbox"/>
11.	■	■ <input type="checkbox"/>
12.	■	■ <input type="checkbox"/>
13.	■	■ <input type="checkbox"/>
14.	■	■ <input type="checkbox"/>
15.	■	■ <input type="checkbox"/>
16.	■	■ <input type="checkbox"/>
17.	■	■ <input type="checkbox"/>
18.	■	■ <input type="checkbox"/>
19.	■	■ <input type="checkbox"/>
20.	■	■ <input type="checkbox"/>
21.	■	■ <input type="checkbox"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE FM



Tab 4

Detailed Description of the Project

Project Definition

The Red-tailed Hawk Solar Project ("Project") is an approximately 300 MWac utility-scale solar (photovoltaic) field to be located on approximately 2,500 acres of the Pierce Ranch in Wharton County. AP Solar 6, LLC ("APS6") is the entity formed to own and operate the Project, and APS6 has entered into an exclusive development agreement with AP Solar Holdings, LLC to develop and construct the Project. Pending completion of development activities, including obtaining an interconnection agreement with the transmission service provider, construction is expected to begin on the Project in the 3rd quarter of 2020, and commercial operation is expected to commence in the 3rd quarter of 2021.

About AP Solar Holdings, LLC

AP Solar Holdings, LLC ("AP Solar") is a Texas-focused renewable energy company currently developing a number of solar generation projects within the Energy Reliability Council of Texas ("ERCOT") service territory. AP Solar has numerous potential solar sites already under option and lease, and these sites are located in areas of ERCOT with strong power demand fundamentals. The AP Solar development team has previously developed and financed over 3.3 gigawatts of solar, wind and thermal power generation projects in ERCOT. The team has an unparalleled understanding of the ERCOT electricity market, and it does not require a long-term power purchase agreement to be in place in order to move ahead developing and constructing its projects.

Tab 5

Limitation as Determining Factor

Section 8, Item 2: Agreements, Contracts or Letters of Intent

AP Solar has entered into the following agreements and contracts for the development of the Red-tailed Hawk Solar Project:

- Lease/Option Agreement (03/01/19) - currently in feasibility period
- Phase I Environmental Site Assessment (05/02/19)
- Desktop Environmental Review (04/23/19)
- Conceptual Design (04/03/19)
- Generation Interconnection Request - SS/FIS Applications (expected to be submitted by 06/15/19)
- Texas Tax Code, Chapter 312 Agreement (negotiation ongoing)

Section 8, Item 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?

AP Solar is considering building multiple projects, several of which are planned in locations throughout Texas. Since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties for similar solar projects. Each AP Solar project individually competes for a finite pool of investment capital. State and local tax incentives contribute to the lowering of the cost of power and makes our investment more viable and marketable. AP Solar is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics.

Due to the extremely competitive power market in ERCOT most, if not all, economic model assumptions are based on the Project securing both Chapter 312 local tax incentives and Chapter 313 appraised value limitation. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level. Without the tax incentives in Texas, a project can become non-financeable. Therefore, these tax abatements are critical to the ability of the proposed Project to move forward.

Tab 6

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

Not Applicable

Tab 7

Description of Qualified Investment

AP Solar is requesting an appraise value limitation on all of the property constructed or placed upon the real property described and shown in Tab 11 as the "Site" with the Wharton Independent School District located in Wharton County. This includes but is not limited to the following the following improvements:

- PV modules;
- DC-to-AC inverter stations (inverters, medium-voltage transformers, associated electrical cabling and controls);
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project substation (transformer, switchgear, transmission equipment, telecommunications, SCADA equipment);
- High-voltage transmission line connecting the project to the grid;
- Operations and Maintenance trailer; and
- Balance of plant and associated equipment (including DC cabling, communication and control cabling, conduit, combiner boxes and/or disconnect switches) to safely operate and maintain the facility and deliver electricity to the grid.

All of the improvements that make up the amount of the Qualified Investment will be new and will be made within the Project Investment Area depicted in Tab 11.

Tab 8
Description of Qualified Property

Included in Qualified Investment (Tab 7)

Tab 9
Description of Land

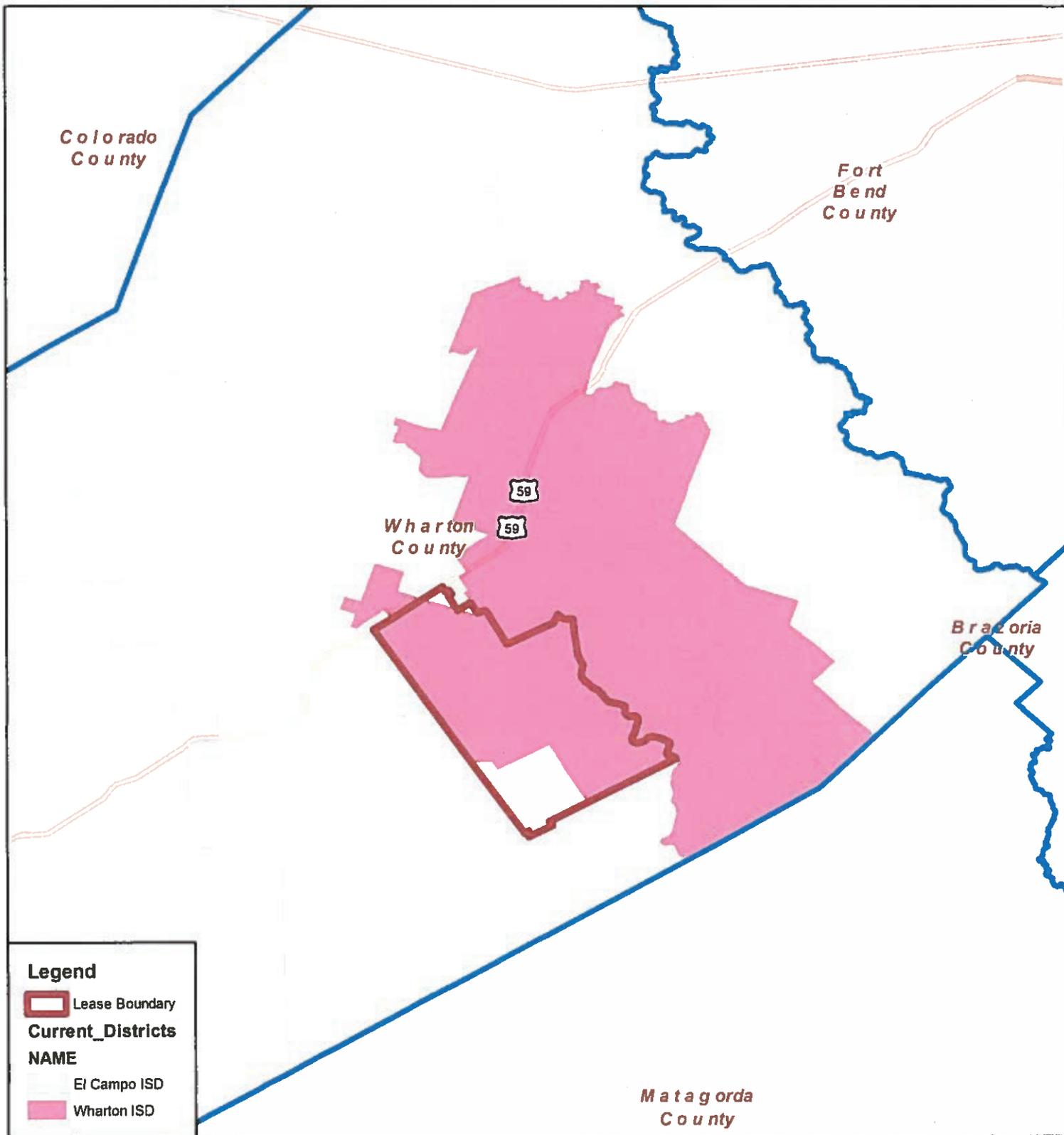
Not Applicable

Tab 10

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

Not Applicable

Tab 11
Maps



Legend

 Lease Boundary

Current_Districts

NAME

 El Campo ISD

 Wharton ISD

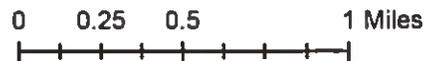
Source: schoolsdata2-tea-texas.opendata.arcgis.com
Datum: WGS 1984



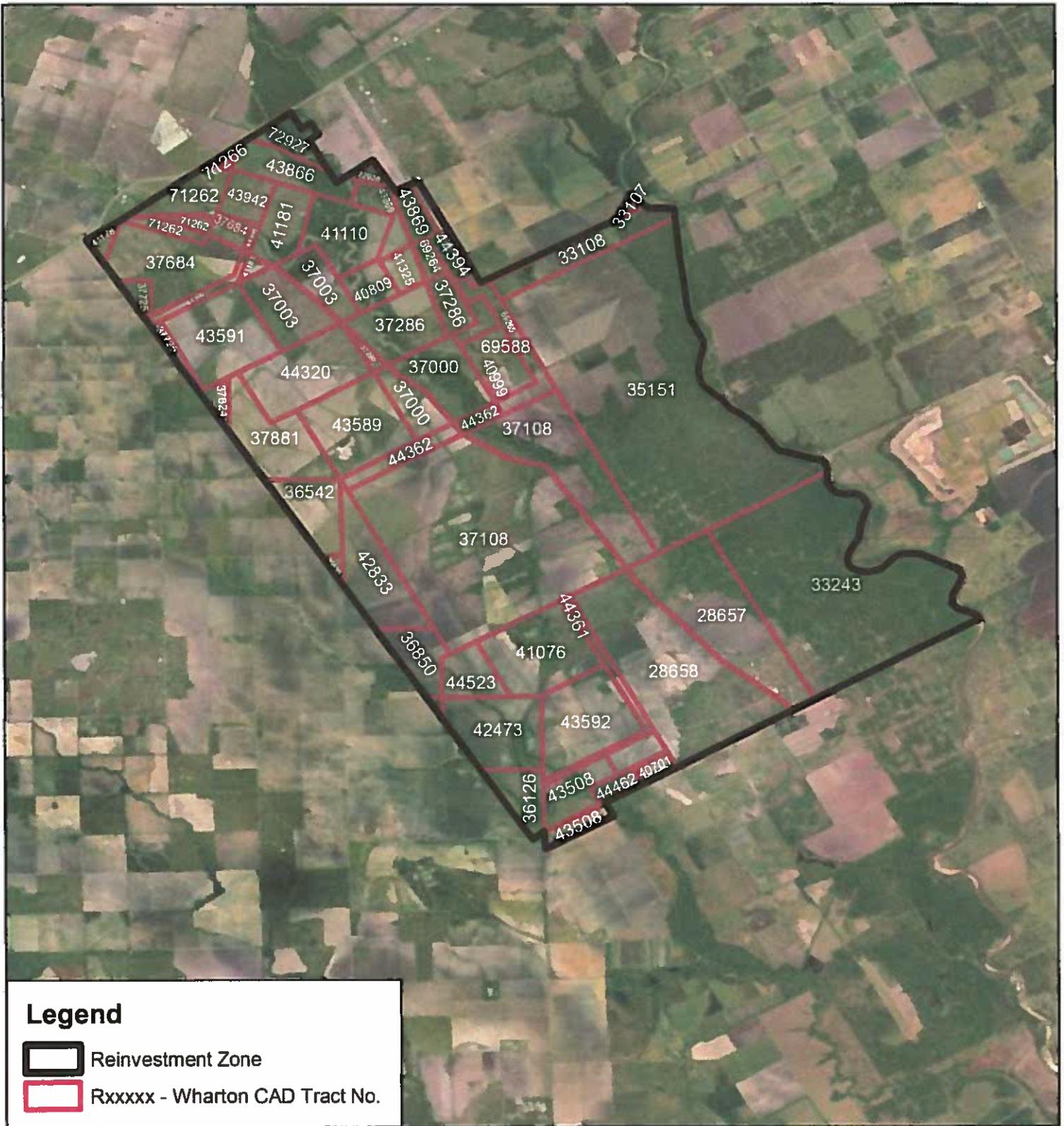
AP Solar 6, LLC
Red-tailed Hawk Solar Project
Vicinity Map



Location:
Wharton County, Texas



Date: 5/28/2019 (Rev 0)



Legend

-  Reinvestment Zone
-  Rxxxxx - Wharton CAD Tract No.

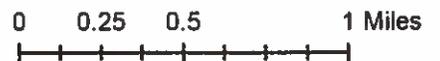
Source: ESRI StreetMap North America
Datum: WGS 1984



AP Solar 6, LLC
Red-tailed Hawk Solar Project
Reinvestment Zone



Location:
Wharton County, Texas



Date: 5/28/2019 (Rev 0)



Legend

-  Location of Qualified Investment including New Buildings and Improvements
-  Reinvestment Zone
-  O & M Trailer
-  Proposed Substation
-  Transmission Line
-  Tie Line Route

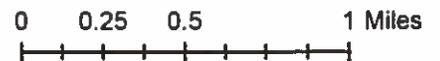
Source: ESRI StreetMap North America
Datum: WGS 1984



AP Solar 6, LLC
Red-tailed Hawk Solar Project
Location of Qualified Investment



Location:
Wharton County, Texas



Date: 5/28/2019 (Rev 0)

Tab 12
Request for Waiver of Job Creation Requirements

May 8, 2019

Mrs. Tina Herrington, Superintendent
Wharton Independent School District
2100 N Fulton
Wharton, TX 77488

**RE: Red-tailed Hawk Solar Project
Chapter 313 Application for Appraised Value Limitation
Job Creation Requirement Waiver Request**

Dear Mrs. Herrington:

AP Solar 6, LLC, a subsidiary of AP Solar Holdings, LLC, is submitting a Texas Tax Code, Chapter 313 application for appraised value limitation on qualified property with a request for a waiver of the jobs creation requirement. Pursuant to Section 313.025(f-1), the governing body of a school district may waive the new jobs creation requirement or approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

For this size of a utility scale solar project, it is expected that approximately 300 temporary construction jobs will be created over an estimated 1-year construction period. During commissioning and operations, highly skilled technicians with specific training and experience will provide maintenance of the project components and operate the facility. According to the experts at Radian Generation, the industry standard for employment is one permanent job per 75-100 MW. Therefore, it is anticipated that the project will employ 3 full time employees. Additionally, there may be asset managers or technicians who supervise, monitor and support the project from other locations.

Therefore, AP Solar is requesting that Wharton ISD Board of Trustees make a finding that the jobs creation requirement may be waived for this facility.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Elrod".

Christopher Elrod
Manager

Tab 13

Calculation of Three Possible Wage Requirements with TWC Documentation

Average Weekly Wage (All Jobs, All Industries)

County: Wharton

Ownership: Total, all

Industry: Total, all industries

Year	Qtr	Average Weekly Wages
2017	4	744
2018	1	743
2018	2	738
2018	3	764
	Average	747.25

Source: <https://texaslmi.com/LMIbyCategory/QCEW>

110% of Average Weekly Wage for Manufacturing Jobs

County: Wharton

Ownership: Private

Industry: Manufacturing

Year	Qtr	Average Weekly Wages
2017	4	869
2018	1	800
2018	2	851
2018	3	802
	Average	830.50
	110% of Average	913.55

Source: <https://texaslmi.com/LMIbyCategory/QCEW>

Minimum Required Annual Wage

$$\$830.5/\text{wk} * 110\% * 52 \text{ wk/yr} = \$47,504.60$$

110% of Average Weekly Wage for Manufacturing Jobs in Region

Region: Gulf Coast Area Council of Governments

Average Hourly Wages	\$29
Average Weekly Wages (40 hr/wk)	\$1,160
110% of Average Weekly Rate	\$1,276

Source: 2017 Manufacturing Average Wages by Council of Government Region; Wages for All Occupations (<https://texaslmi.com/LMIbyCategory/Wages>)

110% of Average Weekly Wage for Utility Construction Jobs

County: Wharton
Ownership: Private
Industry: Construction: Utility Systems

Year	Qtr	Average Weekly Wages
2017	3	1,178
2017	4	1,155
2018	1	1,162
2018	2	1,238
	Average	1,183.25

Source: <https://tracer2.com/cgi/dataanalysis/AreaSelection.asp?tableName=Industry>

Average Annual Wage Rates for Construction Workers

$$\$1,183.25 * 52 = \$61,529$$

Year	Period	Area	Ownership	Indu	Industry	Le	Estal	Fi	Average Employment	Average Weekly Wage
2017	04	Wharton	Total	All	10	Total, All Industries	0	#### #	15,843	744
2018	01	Wharton	Total	All	10	Total, All Industries	0	#### #	15,557	743
2018	02	Wharton	Total	All	10	Total, All Industries	0	#### #	15,897	738
2018	03	Wharton	Total	All	10	Total, All Industries	0	#### #	16,081	764

Year	Period	Area	Ownership	Industry	Industry	Lev	Establish	Firm	Average	Average	Weekly	Wage
2017	04	Wharton	Private	31-33	Manufacturing	2	45	44	1,557			869
2018	01	Wharton	Private	31-33	Manufacturing	2	44	43	1,521			800
2018	02	Wharton	Private	31-33	Manufacturing	2	43	42	1,540			851
2018	03	Wharton	Private	31-33	Manufacturing	2	44	42	1,545			802

Area	SOC Code	Occupation Title	NAICS Code	Industry Title	Rate Type	No. Of Employ	Mean Wage	Entry Wage	Experienced 10 Percentile Wage
Gulf Coast	00-0000	Total, All Occupations	31-33	Manufacturing	Hourly	225,860	29	13	37

Year	Period	Area	Ownersh	Industr	Industry	Levi	Establis	Firms	Average Empl	Average Weekly Wage
2017	01	Wharton	Private	2371	Utility System Construction	4	5	5	84	1,098
2017	02	Wharton	Private	2371	Utility System Construction	4	5	5	104	1,217
2017	03	Wharton	Private	2371	Utility System Construction	4	5	5	141	1,178
2017	04	Wharton	Private	2371	Utility System Construction	4	5	5	126	1,155
2018	01	Wharton	Private	2371	Utility System Construction	4	5	5	137	1,162
2018	02	Wharton	Private	2371	Utility System Construction	4	5	5	260	1,238

Tab 14
Schedules A1, A2, B, C and D

Provided in Excel version in separate document

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

Date: 5/28/2019
 Applicant Name: AP Solar 6, LLC - Red-tailed Hawk Solar
 ISD Name: Wharton ISD

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will not become Qualified Property (SEE NOTE)	Column D Other new investment made during this year that may become Qualified Property (SEE NOTE)	Column E Total Investment (Sum of Columns A+B+C+D)	
Investment made before filing complete application with district				Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]		
Investment made after filing complete application with district, but before final board approval of application	--	2019-2020	2019						
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period							\$ -	\$ -	
Complete tax years of qualifying time period	QTP1	2020-2021	2020	\$ 150,000,000.00				\$ 150,000,000.00	
	QTP2	2021-2022	2021	\$ 150,000,000.00				\$ 150,000,000.00	
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 300,000,000.00	\$ -	\$ -	\$ -	\$ 300,000,000.00	
Total Qualified Investment (sum of green cells)				\$ 300,000,000.00	Enter amounts from TOTAL row above in Schedule A2				

For All Columns: List amount invested each year, not cumulative totals.
 Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application. Only tangible personal property that is specifically described in the application can become qualified property.
 Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.
 Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.02(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.
 Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.
 Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.
 Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

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

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other investment made during this year that will not become Qualified Property (SEE NOTE)	Column D Other investment made during this year that will become Qualified Property (NOTE)	Column E Total Investment (A+B+C+D)		
TOTALS FROM SCHEDULE A1			Enter amounts from TOTAL row in Schedule A1 in the row below						
			\$ 300,000,000.00	\$ -	\$ -	\$ -	\$ -	\$ 300,000,000.00	
Total Investment from Schedule A1*									
Each year prior to start of value limitation period**									
Value limitation period***									
Additional years for 25 year economic impact as required by 313.026(c)(1)									
Total Investment made through limitation			\$ 300,000,000.00	\$ -	\$ -	\$ -	\$ -	\$ 300,000,000.00	
11	2031-2032	2031							
12	2032-2033	2032							
13	2033-2034	2033							
14	2034-2035	2034							
15	2035-2036	2035							
16	2036-2037	2036							
17	2037-2038	2037							
18	2038-2039	2038							
19	2039-2040	2039							
20	2040-2041	2040							
21	2041-2042	2041							
22	2042-2043	2042							
23	2043-2044	2043							
24	2044-2045	2044							
25	2045-2046	2045							

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

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year)	Qualified Property			Estimated Taxable Value			
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions	
Pre-Year	0	2019-2020	2019	N/A	N/A	\$ -	\$ -	\$ -	\$ -
Qualifying Investment Period	0	2020-2021	2020	N/A	N/A	\$ -	\$ -	\$ -	\$ -
	0	2021-2022	2021	N/A	N/A	\$ 150,000,000	\$ 150,000,000	\$ 150,000,000	\$ 150,000,000
	1	2022-2023	2022	N/A	N/A	\$ 300,000,000	\$ 300,000,000	\$ 300,000,000	\$ 300,000,000
	2	2023-2024	2023	N/A	N/A	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 30,000,000
	3	2024-2025	2024	N/A	N/A	\$ 255,000,000	\$ 255,000,000	\$ 255,000,000	\$ 30,000,000
Value Limitation Period	4	2025-2026	2025	N/A	N/A	\$ 225,000,000	\$ 225,000,000	\$ 225,000,000	\$ 30,000,000
	5	2026-2027	2026	N/A	N/A	\$ 195,000,000	\$ 195,000,000	\$ 195,000,000	\$ 30,000,000
	6	2027-2028	2027	N/A	N/A	\$ 165,000,000	\$ 165,000,000	\$ 165,000,000	\$ 30,000,000
	7	2028-2029	2028	N/A	N/A	\$ 135,000,000	\$ 135,000,000	\$ 135,000,000	\$ 30,000,000
	8	2029-2030	2029	N/A	N/A	\$ 105,000,000	\$ 105,000,000	\$ 105,000,000	\$ 30,000,000
	9	2030-2031	2030	N/A	N/A	\$ 75,000,000	\$ 75,000,000	\$ 75,000,000	\$ 30,000,000
	10	2031-2032	2031	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 30,000,000
	11	2032-2033	2032	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	12	2033-2034	2033	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	13	2034-2035	2034	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
Continue to maintain viable presence	14	2035-2036	2035	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	15	2036-2037	2036	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	16	2037-2038	2037	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	17	2038-2039	2038	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	18	2039-2040	2039	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	19	2040-2041	2040	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	20	2041-2042	2041	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	21	2042-2043	2042	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	22	2043-2044	2043	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	23	2044-2045	2044	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	24	2045-2046	2045	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	25	2046-2047	2046	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date: #####
 Applicant Name: AP Solar 6, LLC - Red-tailed Hawk Solar
 ISD Name: Wharton ISD

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs		Qualifying Jobs	
				Column A Number of Construction FTEs or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	0	N/A	0	0		
Qualified Investment Period	1	2020-2021	2020	300	\$61,529	N/A	0		
	2	2021-2022	2021	0	N/A	0	1	47,504.60	
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2022-2023	2022	N/A	N/A	0	1	47,504.60	
	2	2023-2024	2023	N/A	N/A	0	1	47,504.60	
	3	2024-2025	2024	N/A	N/A	0	1	47,504.60	
	4	2025-2026	2025	N/A	N/A	0	1	47,504.60	
	5	2026-2027	2026	N/A	N/A	0	1	47,504.60	
	6	2027-2028	2027	N/A	N/A	0	1	47,504.60	
	7	2028-2029	2028	N/A	N/A	0	1	47,504.60	
	8	2029-2030	2029	N/A	N/A	0	1	47,504.60	
	9	2030-2031	2030	N/A	N/A	0	1	47,504.60	
	10	2031-2032	2031	N/A	N/A	0	1	47,504.60	
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2047	N/A	N/A	0	1	47,504.60	

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)
 If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)? Yes No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)? Yes No

Schedule D: Other Incentives (Estimated)

Date 5/28/2019
Applicant Name AP Solar 6, LLC - Red-tailed Hawk Solar
ISD Name Wharton ISD

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County: City: Other:					
	County: Wharton County	2022	10 years	\$ 709,867	50.0%	\$ 354,934
	FM & LR	2022	10 years	\$ 86,386	50.0%	\$ 43,193
Tax Code Chapter 312	Hospital	2022	10 years	\$ 372,960	50.0%	\$ 186,480
Local Government Code Chapters 380/381	County: City: Other:					
Freepport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 1,169,213.00	50%	\$ 584,606.50

Additional information on incentives for this project:

Tab 15

Economic Impact Analysis, other payments made in the state or other economic information *(if applicable)*

Not Applicable

Tab 16

Description of Reinvestment or Enterprise Zone

a) Evidence that area qualifies as an enterprise zone as defined by the Governor's Office - Not applicable

b) Legal description of the Reinvestment Zone

Property ID	School District	Wharton CAD Legal Description	
R028657	WHARTON ISD	A20010 ABST.10	TRACT 10,11 PT.
R033107	WHARTON ISD	A20049 ABST.49	TRACT 3
R033108	WHARTON ISD	A20049 ABST.49	TRACT 4
R033243	WHARTON ISD	A20051 ABST.51	TRACT 1
R035151	WHARTON ISD	A20065 ABST.65	TRACT 2
R036542	WHARTON ISD	A20138 ABST.138	TRACT 1
R036839	WHARTON ISD	A20147 ABST.147	TRACT 1
R037000	WHARTON ISD	A20157 ABST.157	TRACT 1
R037003	WHARTON ISD	A20158 ABST.158	TRACT 1
R037108	WHARTON ISD	A20181 ABST.181	TRACT 1
R037286	WHARTON ISD	A20194 ABST.194	TRACT 1
R037624	WHARTON ISD	A20218 ABST.218	TRACT 1
R037684	WHARTON ISD	A20221 ABST.221	TRACT 1
R037725	WHARTON ISD	A20224 ABST.224	TRACT 1
R037725	WHARTON ISD	A20224 ABST.224	TRACT 1
R037881	WHARTON ISD	A20230 ABST.230	TRACT 1
R040809	WHARTON ISD	A20412 ABST.412	TRACT 1
R040999	WHARTON ISD	A20418 ABST.418	TRACT 1 PT.
R041110	WHARTON ISD	A20447 ABST.447	TRACT 1
R041178	WHARTON ISD	A20453 ABST.453	TRACT 12
R041181	WHARTON ISD	A20454 ABST.454	TRACT 1
R041325	WHARTON ISD	A20468 ABST.468	TRACT 4 PT. (NORTH)
R042833	WHARTON ISD	A20558 ABST.558	TRACT 1
R043589	WHARTON ISD	A20640 ABST.640	TRACT 1
R043591	WHARTON ISD	A20641 ABST.641	TRACT 1
R043866	WHARTON ISD	A20678 ABST.678	TRACT 2,4
R043869	WHARTON ISD	A20679 ABST.679	TRACT 1
R043869	WHARTON ISD	A20679 ABST.679	TRACT 1
R043942	WHARTON ISD	A20693 ABST.693	TRACT 1
R044320	WHARTON ISD	A20856 ABST.856	TRACT 1

R044362	WHARTON ISD	A20878 ABST.878	TRACT 1
R044394	WHARTON ISD	A20894 ABST.894	TRACT 1 PT. (NORTH)
R044396	WHARTON ISD	A20895 ABST.895	TRACT 1
R069264	WHARTON ISD	A20468 ABST.468	TRACT 4 PT. (SOUTH)
R069265	WHARTON ISD	A20894 ABST.894	TRACT 1 PT. (SOUTH)
R069588	WHARTON ISD	A20418 ABST.418	TRACT 1 PT.
R071262	WHARTON ISD	A20405 ABST.405	TRACT 1
R071266	WHARTON ISD	A20675 ABST.675	TRACT 3
R028658	EL CAMPO ISD	A20010 ABST.10	TRACT 10,11 PT.
R036126	EL CAMPO ISD	A20108 ABST.108	TRACT 1
R036850	EL CAMPO ISD	A20148 ABST.148	TRACT 1
R040701	EL CAMPO ISD	A20397 ABST.397	TRACT 1
R041076	EL CAMPO ISD	A20441 ABST.441	TRACT 1
R042473	EL CAMPO ISD	A20538 ABST.538	TRACT 1
R043508	EL CAMPO ISD	A20626 ABST.626	TRACT 7
R043508	EL CAMPO ISD	A20626 ABST.626	TRACT 7
R043592	EL CAMPO ISD	A20642 ABST.642	TRACT 1
R044361	EL CAMPO ISD	A20877 ABST.877	TRACT 1
R044462	EL CAMPO ISD	A20921 ABST.921	TRACT 1
R044523	EL CAMPO ISD	A20948 ABST.948	TRACT 1
R072926	EL CAMPO ISD	A20025 ABST.25	TRACT 17
R072927	EL CAMPO ISD	A20025 ABST.25	TRACT 20,21,22,24

NOTE: Some tracts are located outside of the Wharton ISD. No 313 agreement will be pursued from El Campo ISD.

- c) **Order, Resolution or Ordinance Establishing the Reinvestment Zone -**
Reinvestment Zone establishment is pending approval by Wharton County
- d) **Guidelines and Criteria for Creating the Zone - Attached**

**GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS
BY THE COUNTY OF WHARTON, TEXAS**

Section 1. Definitions

The following words, terms and phrases shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning. The Commissioners Court shall have the power from time to time to provide such additional and/or modified definitions that they may find desirable and necessary. The words and phrases as herein set out shall be deemed and understood to mean:

- (A) *Abatement* shall mean the full or partial exemption from ad valorem taxes of certain real property and certain limited types of tangible personal property, as herein after provided, located in a reinvestment zone designated by the County of Wharton for economic development purposes.
- (B) *Affected jurisdiction* shall mean any governmental, educational, or special purpose entity that levies ad valorem taxes upon and provides services to property located within a proposed or existing reinvestment zone.
- (C) *Agreement* shall mean a contractual agreement (Tax Abatement Agreement) between a property owner and/or lessee and the County of Wharton.
- (D) *Base year value* shall mean the assessed value of eligible property on January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1, but before the execution of the Agreement.
- (E) *County* shall mean the County of Wharton, Texas.
- (F) *Commissioners Court* shall mean the governing body of the County of Wharton, Texas.
- (G) *Deferred maintenance* shall mean improvements necessary for continued operation, which do not improve productivity or alter the process technology.
- (H) *Distribution facility* shall mean a facility used primarily to receive, store, and distribute goods or materials principally to points outside the County.
- (I) *Economic life* shall mean the number of years a property improvement is expected to be in service. Provided, however, that in no circumstance shall the number of years exceed the depreciation allowance specified in the United States Internal Revenue Code.
- (J) *Eligible facilities* shall mean new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which are reasonably likely, as a result of granting abatement, to contribute to the retention or expansion of primary employment, or to attract major investment in the reinvestment zone that would be a benefit to the property, or that would contribute to economic development within the County. Eligible facilities may include, but shall not be limited to: retail sales establishments generating municipal sales taxes and providing goods and services to an intended wide distribution area, or that have the potential to stem the export of retail expenditures from the County, or have the potential to draw new retail expenditures into the

County; manufacturing facilities; office buildings; hotels/motels; distribution facilities; service facilities; tourism facilities; and other facilities not herein expressly deemed ineligible; which in the sole opinion of Commissioners Court will have a positive impact on the economic well-being of the County.

- (K) *Expansion* shall mean the addition of buildings, structures, fixed machinery, as that term is defined herein, equipment, or payroll for the purposes of increasing production, efficiency, services, or combination thereof.
- (L) *Facility* shall mean property improvements completed or in the process of construction which together comprise an integral whole.
- (M) *Fixed machinery* shall mean tangible machinery, equipment, or personal property, which is securely placed or fastened, and stationary within a building or structure, or permanently resides in the reinvestment zone.
- (N) *Hotel / motel* shall mean a commercial structure which provides overnight accommodations to travelers.
- (O) *Housing* shall mean facilities whose purpose is to accommodate shelter for one or more families in single or multiple units.
- (P) *Ineligible property* shall mean: land; supplies; inventory; tools; furnishings; other moveable personal property; rolling stock, railroad cars, trucks, aircraft, or other forms of transportation; housing; deferred maintenance; property to be rented or leased, except as provided in Section 2 (E).
- (Q) *Manufacturing facility* shall mean a facility with the primary purpose being the manufacture or whole or partial assembly of tangible goods or materials by physical or chemical change.
- (R) *Modernization* shall mean the complete or partial modification and/or replacement of existing facilities, which increases its productivity, efficiency, or ability to enhance trade volume.
- (S) *Office facility* shall mean a facility providing primarily office space which may be owner occupied and/or leased. Also included are corporate offices, which serve, as the principal office for a business enterprise, and from which orders for goods and billing for same may take place.
- (T) *On-Site Real Estate Improvements* - Generally, buildings, by may include any permanent structure or other development erected for use on-site in Wharton, Texas.
- (U) *On-Site Real Estate Fixtures and Equipment Improvements* - Personal Property and equipment which is attached to real property, and is legally treated as real property while it is so attached. Fixtures and equipment not specifically excepted from an accepted offer to purchase, pass with the real estate.
- (V) *Recipient* shall mean the company or individual being the beneficiary of a Tax Abatement Agreement.
- (W) *Reinvestment zone* shall mean any area of the County of Wharton, which Commissioners Court

has designated as such, a zone for the purpose of granting tax abatements. It is the intent of the County of Wharton to create reinvestment zones on a case-by-case basis, so long as the abatement contemplated conforms to the guidelines herein contained.

- (X) *Retail facility* shall mean a facility providing for the storage and sale of goods directly to the consumer.
- (Y) *Service facility* shall mean a facility whose primary purpose is to receive orders for, and/or provide services, and from which billing for same may take place.
- (Z) *Tourism facility* shall mean a facility which provides entertainment and/or tourism related services, and from which a majority of revenues generated are from outside the County of Wharton.

Section 2. Criteria for Granting

- (A) *Eligibility.* Upon application, eligible facilities may be considered for tax abatement as hereinafter provided. Abatement may only be granted for new or added value of eligible property improvements, subject to such limitations as the County may from time to time require, or as may be specified in the agreement between the parties. Existing value is not abatable.
- (B) *Ineligible Property.* Ineligible property may not be granted abatement.
- (C) *Authorized Date.* Abatement may only be granted for the new or added value of eligible property improvement that is created subsequent to the approval of the tax abatement application.
- (D) *Eligible New and Existing Facilities.* Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (E) *Owned / Leased Facilities.* If a leased facility is granted abatement, the agreement shall be executed with the lessor and lessee.
- (F) *Economic Qualification.* In order to be eligible for designation as a Reinvestment Zone and receive tax abatement, the planned improvement must be expected to have an increased appraised ad valorem tax value of at least one hundred thousand dollars (\$100,000) upon completion of the anticipated improvements or expansion based upon the Wharton County Central Appraisal District assessment of the eligible property.
- (G) *Standards for Tax Abatement.* The following factors, among such other factors as determined necessary by the Commissioners Court, shall be considered in determining whether to grant tax abatement:
 - (1) Value of land and existing improvements, if any;
 - (2) Type and value of proposed improvements;
 - (3) Productive life of proposed improvements;
 - (4) Number of existing jobs to be retained by proposed improvements;
 - (5) Number and type of new jobs to be created;
 - (6) Number of new jobs to be filled by local residents, or by persons projected to reside in the County;
 - (7) Amount of local sales tax to be generated;
 - (8) The costs to be incurred by the County to provide facilities or services directly resulting from the new improvements;
 - (9) The amount of ad valorem taxes to be paid the County during the abatement period considering (a) the existing values, (b) the percentage of new value abated, (c) the

- abatement period, and (d) the value after expiration of the abatement period;
- (10) The population growth that occurs directly as a result of the improvements;
- (11) The values of public improvements, if any, to be made by applicant seeking abatement;
- (12) To what extent the proposed improvements compete with existing businesses to the detriment of the local economy;
- (13) The extent of business opportunities created by the proposed improvements for local businesses;
- (14) Impact on attracting other new businesses as a result of the improvements;
- (15) Impact the planned improvements may have on other taxing jurisdictions within the County;
- (16) Environmental compatibility, and amount, if any, of negative impact on quality of life perceptions; and
- (17) The ratio of real property value to personal property value being considered for abatement.

After a full evaluation and review utilizing some or all of the above factors, Commissioners Court may within the exercise of its full discretion either deny entirely the abatement, or may grant an abatement as deemed appropriate when the new value equals one million dollars (\$1,000,000) or greater, or as provided herein where the new value equals a minimum of one hundred thousand dollars (\$100,000), but is less than one million dollars (\$1,000,000).

- (H) *Denial of Abatement.* Neither a Reinvestment Zone nor an Agreement shall be authorized if it is determined that:
 - (1) There would be a substantial adverse effect on the provision of government service or tax base;
 - (2) The applicant has insufficient financial capacity;
 - (3) Planned or potential use of the property would constitute a hazard to public safety, health, or morals;
 - (4) Violation of other codes or laws; or
 - (5) Any other reason deemed appropriate by the Commissioners Court.
- (I) (1) *Amount of Abatement for On-site Real Estate Improvements.* The percentage of value to be abated, and the duration of the tax abatement shall be determined as follows:
 - (a) For planned improvements valued at one million dollars (\$1,000,000) or greater, the percentage and duration of the tax abatement shall be determined by the Commissioners Court in the exercise of its absolute discretion on a case by case basis, taking into consideration, some or all of the factors listed above in subsection (G).
 - (b) For planned improvements valued a minimum of one hundred thousand dollars (\$100,000), but less than one million dollars (\$1,000,000), the percentage and duration of the tax abatement shall be as set out in Section (C) below, and likewise taking into consideration some or all of the factors listed above in subsection (G):
 - (c) In those cases where it is mutually agreeable to the parties to the Agreement, the annual percentages as well as the number of years that taxes are abated may be modified, but only to the extent that the years do not exceed ten (10), and the total percentage of abatement for each value category is not exceeded. That is:

\$100,000 - \$250,000	=	Max. 250%
\$250,001 - \$500,000	=	Max. 300%
\$500,001 - \$750,000	=	Max. 375%

\$750,001 - \$999,999 = Max. 425%

- (d) Commissioners Court reserves the right to adjust the term and percentage of abatement to the appropriate category should the taxable value of proposed improvements, as determined by the Chief Appraiser of the Wharton County Central Appraisal District, vary from the original estimated value to the extent that the original category selected for the term and percentage of the abatement is no longer applicable.

(2) ***On Site Real Estate Fixtures and Equipment Improvements.*** The percentage of value to be abated, and the duration of the tax abatement shall be determined as follows:

- (a) For planned improvements valued at one million dollars (\$1,000,000) or greater, the percentage and duration of the tax abatement shall be determined by the Commissioners Court in the exercise of its absolute discretion on a case by case basis, taking into consideration, some or all of the factors listed above in subsection (G).
- (b) For planned improvements valued a minimum of one hundred thousand dollars (\$100,000), but less than one million dollars (\$1,000,000), the percentage and duration of the tax abatement shall be as set out in Section (C) below, and likewise taking into consideration some or all of the factors listed above in subsection (G):
- (c) In those cases where it is mutually agreeable to the parties to the Agreement, the annual percentages as well as the number of years that taxes are abated, as shown in the table above, may be modified, but only to the extent that the years do not exceed ten (10), and the total percentage of abatement for each value category is not exceeded. That is:

\$100,000 - \$250,000	=	Max. 250%
\$250,001 - \$500,000	=	Max. 300%
\$500,001 - \$750,000	=	Max. 375%
\$750,001 - \$999,999	=	Max. 425%

- (d) Commissioners Court reserves the right to adjust the term and percentage of abatement to the appropriate category should the taxable value of proposed improvements, as determined by the Chief Appraiser of the Wharton County Central Appraisal District, vary from the original estimated value to the extent that the original category selected for the term and percentage of the abatement is no longer applicable.

(J) ***Taxability.*** From the execution of the Agreement to the end of the Agreement period, taxes shall be payable as follows:

- (1) The value of ineligible property as provided in Section 1(p) shall be fully taxable;
- (2) The base year value of existing eligible property as determined each year shall be fully taxable; and
- (3) The additional value of new eligible property shall be fully taxable at the end of the abatement period.

Section 3. Application

- (A) Any present or potential owner of taxable property in the County of Wharton may request the creation of a Reinvestment Zone and property tax abatement by filing a written application with the County Judge. An application for tax abatement must be filed prior to the commencement of any construction, alteration, or installation of any improvements for which tax abatement is being requested. The applicant shall at no time acquire any rights, privileges or authority, either monetary or otherwise, by reason of filing any application, or providing any documentation in conjunction with an application filed herein. The County of Wharton is under no obligation to provide any abatement to any applicant even if certain criteria are met. The County of Wharton reserves the right to reject any application.
- (B) As part of the application process the following shall be provided:
- (1) Completed application form, or letter of request if form not available;
 - (2) Vicinity map along with a legal description of the property; and
 - (3) Such financial and other information as deemed appropriate by the County for purposes of evaluating the application.

Section 4. Action by Commissioners Court on application

- The Commissioners Court shall, within a reasonable time after completion of the review of all documents submitted by the applicant, and such other investigation and inquiry as shall be deemed appropriate, and upon receipt of a report and recommendation from the County Judge, by resolution exercise its absolute discretion, and either administratively approve or disapprove the application for tax abatement. The County shall notify the applicant of its decision to administratively approve or disapprove the application.
- (B) Action by Commissioners Court to administratively approve the application does not constitute authorization to execute an Agreement (Contract) with the applicant. It does constitute authorization to begin the process of creating a Reinvestment Zone and drafting of a proposed Agreement.

Section 5. Creation of a Reinvestment Zone.

- (A) Prior to the adoption of an Ordinance designating a Reinvestment Zone the County shall, through public hearing afford the applicant, designated representatives of any affected jurisdiction, and the general public opportunity to show cause why the abatement should or should not be granted.
- (1) The presiding officers of affected jurisdictions shall in writing be notified of the public hearing no later than the seventh (7th) day prior to the date of the public hearing.
 - (2) A notice of public hearing for the creation of a Reinvestment Zone shall be published in a newspaper of general circulation within the taxing jurisdiction no later than the seventh (7th) day prior to the date of the public hearing.

Section 6. Tax Abatement Agreement

- (A) After approval of the application for tax abatement, and adoption of an Ordinance creating a Reinvestment Zone, the County will pass a resolution authorizing the execution of an Agreement.

- (1) No later than the seventh (7th) day prior to taking action to authorize execution of an Agreement, the County shall notify in writing the presiding officers of each of the other taxing jurisdictions within which the property is located of its intention to enter into an Agreement.
- (B) The Agreement shall include among other provisions the following:
- (1) The estimated value to be abated and the base year value;
 - (2) The percentage of value to be abated each year and the number of years abatement will be granted as provided in Section 2 (I);
 - (3) The commencement and termination date of abatement;
 - (4) The commencement and completion date of proposed improvements;
 - (5) Size of investment and average number of jobs to be created;
 - (6) Right of County employees and/or designated representatives during the term of the Agreement to access to the Reinvestment Zone for the purpose of determining if terms and conditions of the Agreement are being met. Such inspections shall be in accordance with the provisions of Section 7(D);
 - (7) The responsibility of the recipient of tax abatement to file appropriate documents with the Chief Appraiser of the Wharton County Central Appraisal District; and
 - (8) Contractual obligations related to default, violation of terms or conditions, delinquent taxes, recapture, administration, and assignment.
- (C) Such Agreement shall be executed by the applicant in duplicate originals within a reasonable time after the same has been approved by Commissioners Court.

Section 7. Administration

- (A) The Chief Appraiser of Wharton County Central Appraisal District will annually determine an assessment of the taxable assessed value of the recipient's property, taking into consideration the terms of the Abatement Agreement relating to such real and personal property found within the Reinvestment Zone which is subject to terms and provisions of the Agreement.
- (B) Each year, the recipient shall furnish the Chief Appraiser with such information as may be necessary for the abatement.
- (C) It shall be the exclusive duty and responsibility of the recipient to comply with all requirements of the Wharton Central Appraisal District in order to secure and continue to receive the benefit of any approved Agreement. Failure to do so shall not be deemed the fault of the County of Wharton or any of its officers and employees.
- (D) Employees and/or designated representatives of the County during the term of the Agreement shall have the right of access to the Reinvestment Zone, facilities contained therein, and records related to real and personal property investments and employment, in order to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after the giving of

twenty-four (24) hours prior notice, and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the recipient present, and in accordance with the recipient's safety standards.

- (E) The recipient shall prepare at the request of the County, and on a frequency as stipulated by the County, reports as to the progress and status of all contemplated improvements, and upon completion of the anticipated improvements a final report shall be provided to the County, providing as a minimum the following information:
 - (1) A description of the improvements provided for in the Agreement, and the improvements actually completed;
 - (2) The date of commencement of improvements, significant progress dates, and actual or anticipated completion date;
 - (3) Investments made, including purpose, size, and date; and
 - (4) A disclosure and description of any and all changes, restructuring, or modifications that were made in the contemplated improvements.
- (F) Any required reporting by the recipient be in a form approved by the County, or on a form/forms as provided by the County if the County so elects to provide.
- (G) Upon completion of anticipated improvements, a designated representative of the County shall annually evaluate each facility receiving abatement to insure compliance with the Agreement, and a formal report shall be made to the Commissioners Court regarding the findings of each evaluation.
- (H) The recipient shall certify annually as to compliance with the terms and conditions of the Agreement.
- (I) The County shall file reports required of the County by State Law. Such reports being filed with the appropriate agency.

Section 8. Assignment

- (A) The rights granted under an Agreement may be transferred and assigned by the holder to a new owner or lessee of the same facility, or proposed facility only upon the approval by resolution of the Commissioners Court, and the execution of an Assignment Agreement between the County and the new owner or lessee. Such assignment shall be at the sole discretion of the County, and subject to the following conditions:
 - (1) Financial capacity of the assignee;
 - (2) Contemplated facility use, and proposed and/or completed improvements being as stated in the Agreement; and
 - (3) No outstanding taxes or other debts are owed to any governmental entity by the parties to the Agreement or the proposed Assignment Agreement.
 - (4) Approval of an Assignment Agreement shall not be unreasonably withheld.

Section 9. Default and Recapture

- (A) *Cause.* The Agreement may be terminated by the Commissioners Court for the following causes, which shall be considered a default of the Agreement:
- (1) Recipient allows the ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the requirements of law for their protest and/or cure; or
 - (2) Recipient violates any of the terms and conditions of the Agreement, and fails to cure during the cure period described in this Section.
- (B) *Procedure.* Should the County determine that the recipient is in probable default of the Agreement, the following shall occur:
- (1) A Notice of Probable Default shall be delivered in writing to the recipient of tax abatement. Such notice shall identify the probable cause/causes for default, and afford the recipient an opportunity to request a hearing before Commissioners Court, who shall finally decide if a default has occurred.
 - (2) If no request for hearing is made within ten (10) days of receipt of the Notice of Probable Default, the Commissioners Court may confirm the existence of default.
 - (3) If default is determined either by hearing, or failure of recipient to request a hearing, the County shall deliver in writing to the recipient of tax abatement a Notice of Default.
 - (4) The recipient shall, within thirty (30) days of receipt of the Notice of Default, cure the cause/causes for default. Failure to do so will be cause for the County to terminate the Agreement without further notice.
 - (5) The Agreement shall be terminated by an ordinance duly passed and adopted by Commissioners Court.
- (C) *Recapture.*
- (1) Should the Agreement be terminated, all taxes previously abated prior to the termination shall be due and payable to the County within thirty (30) days.
 - (2) Should the recipient discontinue operations of improvements as stated in the application for abatement, or the Agreement, for reasons excepting fire, explosion, or other disaster, for a period of one year during the abatement period, then the Agreement shall be terminated, and all taxes abated prior to the termination of the Agreement shall be due and payable to the County within thirty (30) days.

Section 10. Concurrent Abatements

During the term of the Agreement, the Recipient is eligible to apply for additional abatements on proposed improvements subsequent to the original Agreement. Such additional applications and considerations shall be in accordance with the provisions contained herein.

Section 11. Confidentiality

The County will make every effort within the laws of the State of Texas to maintain confidentiality of information related to an application for abatement, and the granting or rejection of abatement.

- (A) Information that is provided to the County in connection with an application for abatement, and that describes the specific processes, or business activities to be conducted, the equipment, or other property to be located on the property for which tax abatement is sought, is confidential, and not subject to public disclosure until the Agreement is executed. Any information remaining in the custody of the County after the Agreement is executed is no longer confidential.
- (B) The County may hold closed meetings to discuss or deliberate commercial or financial information it has received from a business prospect that the County seeks to have locate, stay, or expand in or near its jurisdiction.
- (C) The County may hold closed meetings to discuss or deliberate the offer of a financial or other incentive to a business prospect the County seeks to have locate, stay, or expand in or near its jurisdiction.
- (D) Upon execution of an Agreement, information about a financial or other incentive being offered to a business prospect is no longer confidential, and subject to public disclosure.
- (E) The following information is exempt from public disclosure:
 - (1) Trade secrets
 - (2) Commercial or financial information, for which it is demonstrated, based on specific factual evidence that disclosure would cause substantial competitive harm to the person or company from whom the information was obtained.

Section 12. Severability

In the event any section, clause, sentence, paragraph, or any part of these Guidelines and Criteria shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid such invalidity shall not affect, impair, or invalidate the remainder of these Guidelines and Criteria.

Section 13. Sunset Provision

- (A) These Guidelines and Criteria are effective upon the date of their adoption by the Commissioners Court, and will remain in force for two (2) years, at which time all Reinvestment Zones and Agreements created pursuant to its provisions will be reviewed by the Commissioners Court to determine whether the goals of the abatement program have been achieved. Based upon that review, the Guidelines and Criteria may be modified, renewed, or eliminated.
- (B) Prior to the date for review these Guidelines and Criteria may be modified by a three-fourths (3/4) vote of the entire membership of the Commissioners Court.

Section 14. Discretion of the County

The adoption of these Guidelines and Criteria by the County does not:

- (A) Limit the discretion of the Commissioners Court to decide whether to enter into a specific Agreement which absolute right of discretion the Commissioners Court reserves unto itself, whether or not such discretion may be deemed arbitrary, or without basis in fact;
- (B) Limit the discretion of the Commissioners Court to delegate to its employees or assigns the authority to determine whether or not the Commissioners Court should consider a particular application or request for tax abatement; or
- (C) Create any property, contract, or other legal rights in any person or entity to have the Commissioners Court consider or grant a specific application or request for tax abatement.

Adopted on December 11, 2017 by the Wharton County Commissioners Court.

*309 East Milam Street
Wharton, TX 77488*

Tab 17

Signature and Certification Page

(signed and dated by the Authorized School District Representative and the Applicant)

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.

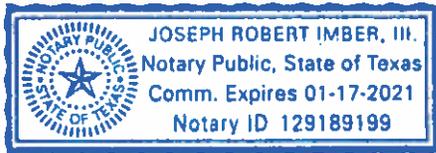
print here Tina Herrington Superintendent
Print Name (Authorized School District Representative) Title
sign here Tina Herrington 5/29/2019
Signature (Authorized School District Representative) Date

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 Christopher Elrod Manager
Print Name (Authorized Company Representative (Applicant)) Title
sign here [Signature] 05/28/19
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

day of

[Signature]
Notary Public in and for the State of Texas
My Commission expires: 1-17-2021

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.

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

Date: 5/28/19
 Applicant Name: AP Solar 6, LLC - Red-tailed Hawk Solar
 ISD Name: Wharton ISD

PROPERTY INVESTMENT AMOUNTS							
(Estimated Investment in each year. Do not put cumulative totals.)							
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A	Column B	Column C	Column D	Column E
			New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property (SEE NOTE)	Other new investment made during this year that may become Qualified Property (SEE NOTE)	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district			Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval or application	--	2019					
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period							\$ -
Complete tax years of qualifying time period	QTP1	2020	\$ 150,000,000.00				\$ 150,000,000.00
	QTP2	2021	\$ 150,000,000.00				\$ 150,000,000.00
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]			\$ 300,000,000.00	\$ -	\$ -	\$ -	\$ 300,000,000.00
Total Qualified Investment (sum of green cells)			\$ 300,000,000.00	Enter amounts from TOTAL row above in Schedule A2			

For All Columns: List amount invested each year, not cumulative totals.
 Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application. Only tangible personal property that is specifically described in the application can become qualified property.
 Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.
 Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.02(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.
 Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.
 Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.
 Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

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

Date: 5/28/19
Applicant Name: AP Solar 6, LLC - Red-tailed Hawk Solar
ISD Name: Wharton ISD

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
Year	Tax Year (Fill in actual tax year below) YYYY-YYYY	School Year (YYYY-YYYY)	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other investment made during this year that will not become Qualified Property (SEE NOTE)	Column D Other investment made during this year that will become Qualified Property (SEE NOTE)	Column E		
							Total Investment (A+B+C+D)		
Total Investment from Schedule A1*			\$ 300,000,000.00	\$	\$	\$	\$	\$	\$ 300,000,000.00
Each year prior to start of value limitation period** <i>(insert as many rows as necessary)</i>			\$ 150,000,000.00						\$
Value limitation period***			\$ 150,000,000.00						\$ 150,000,000.00
TOTALS FROM SCHEDULE A1			\$	\$	\$	\$	\$	\$	\$
Total Investment made through limitation†			\$ 300,000,000.00	\$	\$	\$	\$	\$	\$ 300,000,000.00
11	2031-2032	2031							
12	2032-2033	2032							
13	2033-2034	2033							
14	2034-2035	2034							
15	2035-2036	2035							
16	2036-2037	2036							
17	2037-2038	2037							
18	2038-2039	2038							
19	2039-2040	2039							
20	2040-2041	2040							
21	2041-2042	2041							
22	2042-2043	2042							
23	2043-2044	2043							
24	2044-2045	2044							
25	2045-2046	2045							
Additional years for 25 year economic impact as required by 313.026(c)(1)									

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

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

Date: 5/28/19
 Applicant Name: AP Solar 6, LLC - Red-tailed Hawk Solar
 ISD Name: Wharton ISD

Form 50-296A
 Revised May 2014

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value			
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&C after all reductions	
Pre-Year	0	2019-2020	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Qualifying Investment Period	0	2020-2021	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -
	0	2021-2022	N/A	N/A	\$ 150,000,000	\$ 150,000,000	\$ 150,000,000	\$ 150,000,000	\$ 150,000,000
	1	2022-2023	N/A	N/A	\$ 300,000,000	\$ 300,000,000	\$ 300,000,000	\$ 300,000,000	\$ 300,000,000
	2	2023-2024	N/A	N/A	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 30,000,000
	3	2024-2025	N/A	N/A	\$ 255,000,000	\$ 255,000,000	\$ 255,000,000	\$ 255,000,000	\$ 30,000,000
Value Limitation Period	4	2025-2026	N/A	N/A	\$ 225,000,000	\$ 225,000,000	\$ 225,000,000	\$ 225,000,000	\$ 30,000,000
	5	2026-2027	N/A	N/A	\$ 195,000,000	\$ 195,000,000	\$ 195,000,000	\$ 195,000,000	\$ 30,000,000
	6	2027-2028	N/A	N/A	\$ 165,000,000	\$ 165,000,000	\$ 165,000,000	\$ 165,000,000	\$ 30,000,000
	7	2028-2029	N/A	N/A	\$ 135,000,000	\$ 135,000,000	\$ 135,000,000	\$ 135,000,000	\$ 30,000,000
	8	2029-2030	N/A	N/A	\$ 105,000,000	\$ 105,000,000	\$ 105,000,000	\$ 105,000,000	\$ 30,000,000
Continue to maintain viable presence	9	2030-2031	N/A	N/A	\$ 75,000,000	\$ 75,000,000	\$ 75,000,000	\$ 75,000,000	\$ 30,000,000
	10	2031-2032	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 30,000,000
	11	2032-2033	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	12	2033-2034	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	13	2034-2035	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	14	2035-2036	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	15	2036-2037	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	16	2037-2038	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	17	2038-2039	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	18	2039-2040	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	19	2040-2041	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	20	2041-2042	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	21	2042-2043	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	22	2043-2044	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	23	2044-2045	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	24	2045-2046	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	25	2046-2047	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
 Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date: 5/28/19
 Applicant Name: AP Solar 6, LLC - Red-tailed Hawk Solar
 ISD Name: Wharton ISD

Form 50-296A
 Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs		Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	0	N/A	0	0		
Qualified Investment Period	1	2020-2021	2020	300	\$61,529	N/A	0		
	2	2021-2022	2021	0	N/A	0	1		47,504.60
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2022-2023	2022	N/A	N/A	0	1		47,504.60
	2	2023-2024	2023	N/A	N/A	0	1		47,504.60
	3	2024-2025	2024	N/A	N/A	0	1		47,504.60
	4	2025-2026	2025	N/A	N/A	0	1		47,504.60
	5	2026-2027	2026	N/A	N/A	0	1		47,504.60
	6	2027-2028	2027	N/A	N/A	0	1		47,504.60
	7	2028-2029	2028	N/A	N/A	0	1		47,504.60
	8	2029-2030	2029	N/A	N/A	0	1		47,504.60
	9	2030-2031	2030	N/A	N/A	0	1		47,504.60
	10	2031-2032	2031	N/A	N/A	0	1		47,504.60
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2047	N/A	N/A	0	1		47,504.60

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)
 if yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)?
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)?
- Yes No
 Yes No
 Yes No

Schedule D: Other Incentives (Estimated)

5/28/19

AP Solar 6, LLC - Red-tailed Hawk Solar
Wharton ISD

Date
Applicant Name
ISD Name

Form 50-296A
Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County: City: Other:					
	County: Wharton County	2022	10 years	\$ 709,867	50.0%	\$ 354,934
	FM & LR	2022	10 years	\$ 86,386	50.0%	\$ 43,193
Tax Code Chapter 312	Hospital	2022	10 years	\$ 372,960	50.0%	\$ 186,480
Local Government Code Chapters 380/381	County: City: Other:					
Freepport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 1,169,213.00	50%	\$ 584,606.50

Additional information on incentives for this project:



AP Solar Holdings, LLC
5524 Bee Caves Rd, Suite J1
West Lake Hills, TX 78746
www.apsolarholdings.com

August 1, 2019

Tabita Collazo
Texas Comptroller of Public Accounts
111 East 17th Street, Room 427
Austin, Texas 78774
tabita.collazo@cpa.texas.gov

**RE: App 1390 - Wharton ISD 313 Application
Response to Email Request for Information 07/31/19**

Dear Ms. Callazo:

Below are responses to the items you raised in your email of July 31, 2019.

1. Section 4 Q2. Invalid Tax ID. Correct

Response: Tab 1, Section 4 has been revised to provide the correct Texas Taxpayer ID number.

2. Section 10 Q4. What is ESD1 and ESD4? Also FM & LR? What do they stand for?

Response: ESD stands for "Emergency Services District"; the property tracts lie in both ESD #1 and ESD #4. FM&LR stands for "Farm-to-Market and Lateral Roads".

3. Tab 7 & 8. Add language. "This application covers all qualified *property/investment* in the reinvestment zone and project boundary within Wharton ISD."

Response: Tabs 7 and 8 have been revised to include the requested language.

4. Section 14 Q7. Q4 for 2018 in QCEW and 2018 Manufacturing Average Wages by Council of Government Region Wages have been released. You will need to update Q7, Tab 13 and Schedule C.

Response: Tab 1, Section 14, item 2 has been revised to indicate that the last complete quarter before application determined to be complete is December 2018. Items 7 and 9 have been revised to include Q4 2018 data. Tab 13 has been revised to include the basis for the updated wage data. Tab 14, Schedule C has also been updated.

5. Schedule C Column D (jobs) does not match Section 14 Q4.

Response: Tab 14, Schedule C, has been revised to update the qualifying jobs information in column D to match Tab 1, Section 14, item 4.

Page 2

6. Tab 11. Maps.
 - a. This application should only reference the project area that resides in Wharton ISD. Please provide a map that depicts only the project area within Wharton ISD. This should include a labeled project boundary, the proposed reinvestment zone, and the qualified property. (Vicinity Map: should show the Project Boundary is within RZ, ISD, and County)

Response: The maps have been revised to show only the project area that is within Wharton ISD. The vicinity map has been revised to show the project boundary within the RZ, ISD and County.

A new signature page is required for this amendment. Be advised that a copy or picture of the new signature page will suffice with the amendment.

Response: Tab 17 includes an updated signature page to cover Revision 1 dated 08/01/19.

Include the submission date and amendment number on each corrected page.

Response: This response includes the revision submission date of August 1, 2019 and designation of "Revision 1".

Also be advise, with the hard copy and CD you will need to submit an electronic copy of the amendment.

Response: An electronic version is being transmitted by email, and a hard copy with original signature page will follow by mail.

Please let us know if additional issues arise that require clarification prior to declaring the application complete.

Best Regards,



Lisa Murphy
Project Developer

Attachments

Tab 1, Form 50-296-A Pages 3 and 7
Tab 7, Description of Qualified Investment
Tab 8, Description of Qualified Property
Tab 11, Maps
Tab 13, Wages
Tab 14, Schedule C
Tab 17, Signature Page

Application for Appraised Value Limitation on Qualified Property
Red-tailed Hawk Solar Project

Submitted to:
Wharton Independent School District



Submitted by:
AP Solar Holdings, LLC



August 1, 2019

Revision 1

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Steve Moore
First Name Last Name
Attorney
Title
Jackson Walker LLP
Firm Name
512-236-2074
Phone Number Fax Number
smoore@jw.com
Business Email Address

SECTION 3: Fees and Payments

- 1. Has an application fee been paid to the school district? [checked] Yes [] No
The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.
1a. If yes, attach in Tab 2 proof of application fee paid to the school district.
For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.
2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? [] Yes [checked] No [] N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? [] Yes [checked] No [] N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? AP Solar 6, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32069929290
3. List the NAICS code 221114
4. Is the applicant a party to any other pending or active Chapter 313 agreements? [] Yes [checked] No
4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

- 1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Company
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? [checked] Yes [] No
2a. If yes, attach in Tab 3 a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? [checked] Yes [] No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? [checked] Yes [] No [] N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in Tab 3)

[Empty box for explanation of default, delinquencies, or litigation]

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2018
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 3
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 756.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 908.33
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,309.44
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? 47,232.90
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 47,232.90
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 7
Description of Qualified Investment

AP Solar is requesting an appraise value limitation on all of the property constructed or placed upon the real property described and shown in Tab 11 as the “Site” with the Wharton Independent School District located in Wharton County. This includes but is not limited to the following the following improvements:

- PV modules;
- DC-to-AC inverter stations (inverters, medium-voltage transformers, associated electrical cabling and controls);
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project substation (transformer, switchgear, transmission equipment, telecommunications, SCADA equipment);
- High-voltage transmission line connecting the project to the grid;
- Operations and Maintenance trailer; and
- Balance of plant and associated equipment (including DC cabling, communication and control cabling, conduit, combiner boxes and/or disconnect switches) to safely operate and maintain the facility and deliver electricity to the grid.

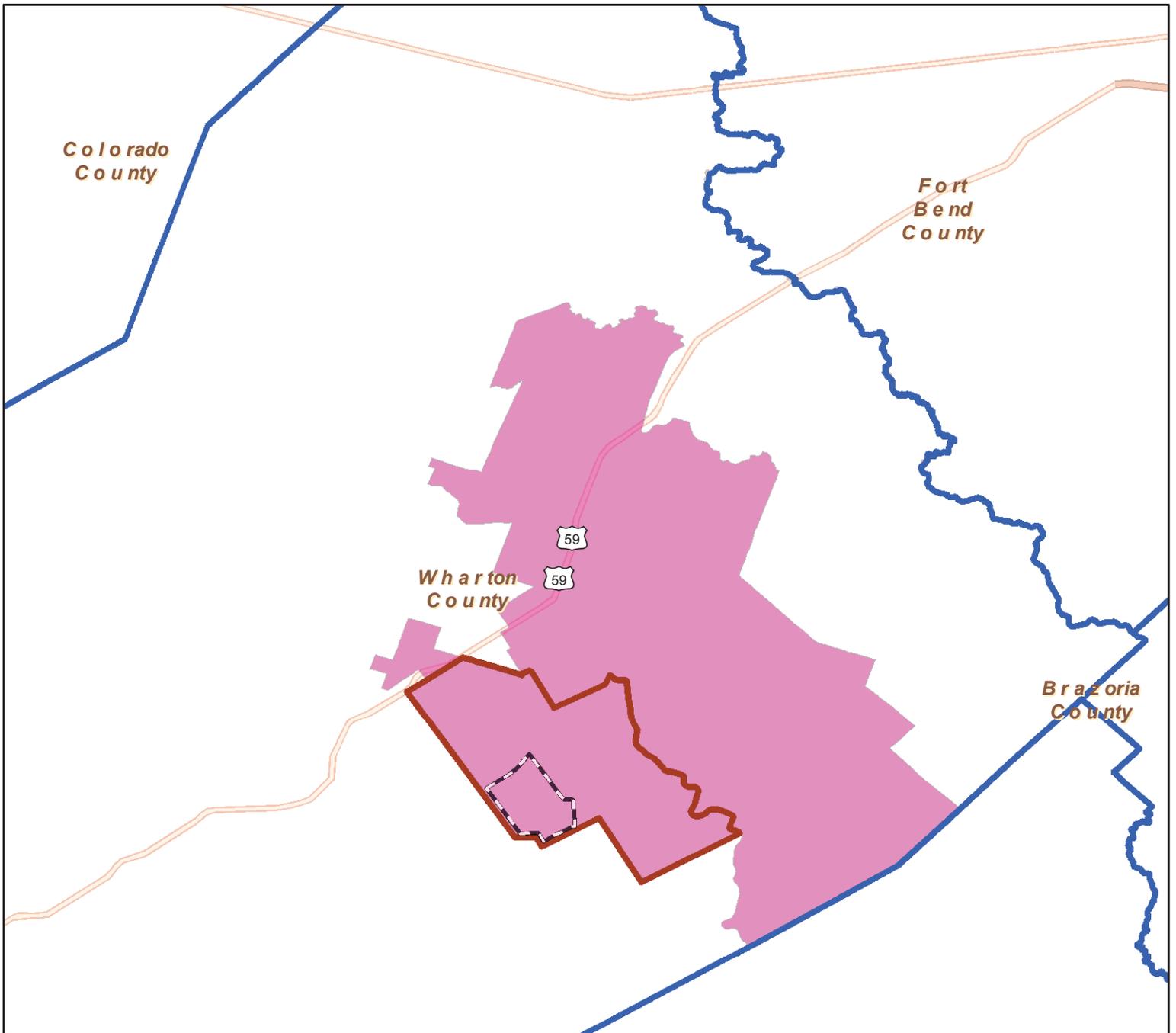
All of the improvements that make up the amount of the Qualified Investment will be new and will be made within the Project Investment Area depicted in Tab 11.

This application covers all qualified investment in the reinvestment zone and project boundary within Wharton ISD.

Tab 8
Description of Qualified Property

Included in Qualified Investment (Tab 7)

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



Legend

-  Location of Qualified Investment including New Buildings and Improvements
-  Project Boundary

Current_Districts

NAME

-  Wharton ISD

Matagorda County

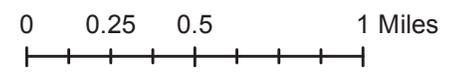
Source: schoolsdata2-tea-texas.opendata.arcgis.com
Datum: WGS 1984



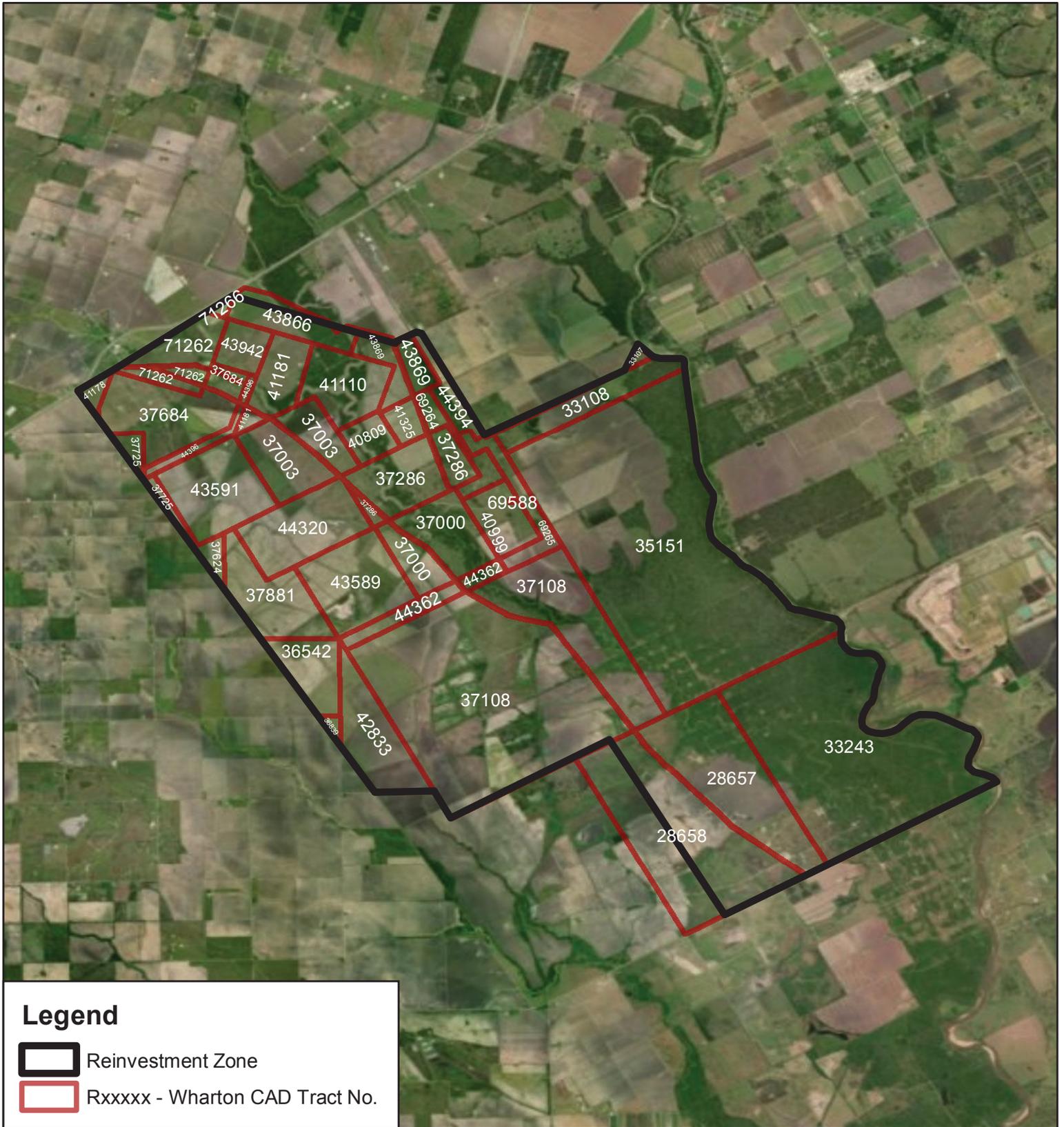
AP Solar 6, LLC
Red-tailed Hawk Solar Project
Vicinity Map



Location:
Wharton County, Texas



Date: 8/1/2019 (Rev 1)



Legend

-  Reinvestment Zone
-  Rxxxxx - Wharton CAD Tract No.

Source: ESRI StreetMap North America
Datum: WGS 1984

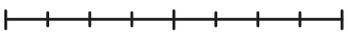


AP Solar 6, LLC
Red-tailed Hawk Solar Project
Reinvestment Zone

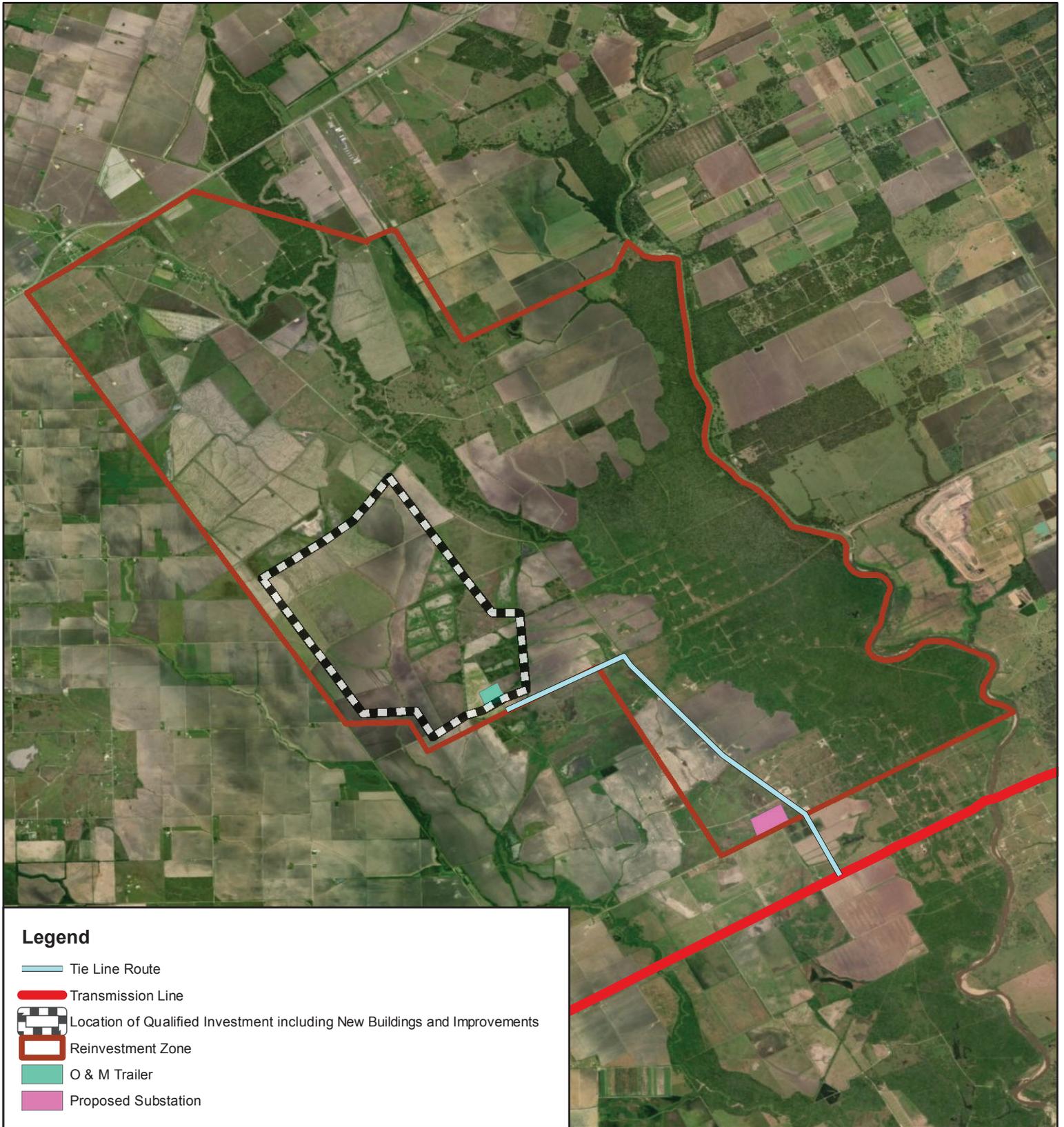


Location:
Wharton County, Texas

0 0.25 0.5 1 Miles



Date: 8/1/2019 (Rev 1)



Legend

-  Tie Line Route
-  Transmission Line
-  Location of Qualified Investment including New Buildings and Improvements
-  Reinvestment Zone
-  O & M Trailer
-  Proposed Substation

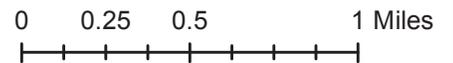
Source: ESRI StreetMap North America
Datum: WGS 1984



AP Solar 6, LLC
Red-tailed Hawk Solar Project
Location of Qualified Investment



Location:
Wharton County, Texas



Date: 8/1/2019 (Rev 1)

Tab 13

Calculation of Three Possible Wage Requirements with TWC Documentation

Average Weekly Wage (All Jobs, All Industries)

County: Wharton

Ownership: Total, all

Industry: Total, all industries

Year	Qtr	Average Weekly Wages
2018	1	743
2018	2	738
2018	3	763
2018	4	783
	Average	756.75

Source: <https://texaslmi.com/LMIbyCategory/QCEW>110% of Average Weekly Wage for Manufacturing Jobs

County: Wharton

Ownership: Private

Industry: Manufacturing

Year	Qtr	Average Weekly Wages
2018	1	800
2018	2	851
2018	3	802
2018	4	850
	Average	825.75
	110% of Average	908.33

Source: <https://texaslmi.com/LMIbyCategory/QCEW>**Minimum Required Annual Wage**

$$\$825.75/\text{wk} * 110\% * 52 \text{ wk/yr} = \$47,232.90$$

110% of Average Weekly Wage for Manufacturing Jobs in Region

Region:	Gulf Coast Area Council of Governments
Average Hourly Wages	\$29.76
Average Weekly Wages (40 hr/wk)	\$1,190.40
110% of Average Weekly Rate	\$1,309.44

Minimum Required Annual Wage

$$\$1,190.40/\text{wk} * 110\% * 52 \text{ wk/yr} = \$68,090.88$$

Source: 2018 Manufacturing Average Wages by Council of Government Region; Wages for All Occupations (<https://texaslmi.com/LMIbyCategory/Wages>)

110% of Average Weekly Wage for Utility Construction Jobs

County:	Wharton
Ownership:	Private
Industry:	Construction: Utility Systems

Year	Qtr	Average Weekly Wages
2017	3	1,178
2017	4	1,155
2018	1	1,162
2018	2	1,238
	Average	1,183.25

Source: <https://tracer2.com/cgi/dataanalysis/AreaSelection.asp?tableName=Industry>

Average Annual Wage Rates for Construction Workers

$$\$1,183.25 * 52 = \$61,529$$

Year	Period	Area	Ownership	Industry Code	Industry	Level	Establishments	Firms	Average Employment	Average Weekly Wage
2018	01	Wharton	Total All	10	Total, All Industries	0	1,181	1,070	15,557	743
2018	02	Wharton	Total All	10	Total, All Industries	0	1,180	1,067	15,897	738
2018	03	Wharton	Total All	10	Total, All Industries	0	1,186	1,069	16,136	763
2018	04	Wharton	Total All	10	Total, All Industries	0	1,184	1,065	16,267	783

Year	Period	Area	Ownership	Industry (Industry	Level	Establish Firms	Average Employment	Average Weekly Wage	Total Wages	
2018	01	Wharton	Private	31-33	Manufacturing 2	44	43	1,521	800	15,812,342
2018	02	Wharton	Private	31-33	Manufacturing 2	43	42	1,540	851	17,042,638
2018	03	Wharton	Private	31-33	Manufacturing 2	44	42	1,545	802	16,104,867
2018	04	Wharton	Private	31-33	Manufacturing 2	45	43	1,550	850	17,118,295

Area	SOC Code	Occupation Title	NAICS Code	Industry Title	Rate Type	No. Of Employed	Mean Wage
Gulf Coast	00-0000	Total, All Occupations	31-33	Manufacturing	Hourly	230,810	29.76

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2017	01	Wharton	Private	2371	Utility System Construction	1098
2017	02	Wharton	Private	2371	Utility System Construction	1217
2017	03	Wharton	Private	2371	Utility System Construction	1178
2017	04	Wharton	Private	2371	Utility System Construction	1155
2018	01	Wharton	Private	2371	Utility System Construction	1162
2018	02	Wharton	Private	2371	Utility System Construction	1238

Schedule C: Employment Information

Form 50-296A
Revised May 2014

Date: 8/1/2019 Revision 1
 Applicant Name: AP Solar 6, LLC - Red-tailed Hawk Solar
 ISD Name: Wharton ISD

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs		Qualifying Jobs	
				Column A Number of Construction FTEs or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	0	N/A	0	0		
Qualified Investment Period	1	2020-2021	2020	300	\$61,529	N/A	0		
	2	2021-2022	2021	0	N/A	0	3	47,232.90	
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2022-2023	2022	N/A	N/A	0	3	47,232.90	
	2	2023-2024	2023	N/A	N/A	0	3	47,232.90	
	3	2024-2025	2024	N/A	N/A	0	3	47,232.90	
	4	2025-2026	2025	N/A	N/A	0	3	47,232.90	
	5	2026-2027	2026	N/A	N/A	0	3	47,232.90	
	6	2027-2028	2027	N/A	N/A	0	3	47,232.90	
	7	2028-2029	2028	N/A	N/A	0	3	47,232.90	
	8	2029-2030	2029	N/A	N/A	0	3	47,232.90	
	9	2030-2031	2030	N/A	N/A	0	3	47,232.90	
	10	2031-2032	2031	N/A	N/A	0	3	47,232.90	
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2047	N/A	N/A	0	3	47,232.90	

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
 If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)? Yes No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)? Yes No

Texas Comptroller of Public Accounts

Data Analysis and Transparency Form 50-296-A

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 Tina Herrington Superintendent

sign here Tina Herrington 8-9-2019

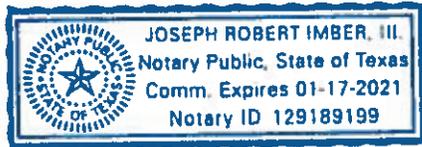
2. Authorized Company Representative (Applicant) Signature and Notarization

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 Christopher Elrod Manager

sign here [Signature] 08/01/19



(Notary Seal)

GIVEN under my hand and seal of office this, the

day of

Notary Public in and for the State of Texas

My Commission expires: 1-17-2021

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.

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

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A	Column B	Column C	Column D	Column E		
			New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will not become Qualified Property (SEE NOTE)	Other investment made during this year that will become Qualified Property (SEE NOTE)	Total Investment (A+B+C+D)		
Total Investment from Schedule A1*			\$ 300,000,000.00	\$	\$	\$	\$	\$ 300,000,000.00	
Each year prior to start of value limitation period** <i>(insert as many rows as necessary)</i>			\$					\$	
0	2019-2020	2019						\$	
1	2020-2021	2020	\$ 150,000,000.00					\$	150,000,000.00
2	2021-2022	2021	\$ 150,000,000.00					\$	150,000,000.00
1	2021-2022	2021						\$	
2	2022-2023	2022						\$	
3	2023-2024	2023						\$	
4	2024-2025	2024						\$	
5	2025-2026	2025						\$	
6	2026-2027	2026						\$	
7	2027-2028	2027						\$	
8	2028-2029	2028						\$	
9	2029-2030	2029						\$	
10	2030-2031	2030						\$	0
Total investment made through limitation			\$ 300,000,000.00	\$	\$	\$	\$	\$ 300,000,000.00	
11	2031-2032	2031							
12	2032-2033	2032							
13	2033-2034	2033							
14	2034-2035	2034							
15	2035-2036	2035							
16	2036-2037	2036							
17	2037-2038	2037							
18	2038-2039	2038							
19	2039-2040	2039							
20	2040-2041	2040							
21	2041-2042	2041							
22	2042-2043	2042							
23	2043-2044	2043							
24	2044-2045	2044							
25	2045-2046	2045							
Additional years for 25 year economic impact as required by 313.026(c)(1)									

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

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

Date

5/28/19

Applicant Name

AP Solar 6, LLC - Red-tailed Hawk Solar

ISD Name

Wharton ISD

Form 50-296A

Revised May 2014

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value			
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in other improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&C after all reductions	
Pre-Year	0	2019-2020	2019	N/A	N/A	\$ -	\$ -	\$ -	\$ -
Qualifying Investment Period	0	2020-2021	2020	N/A	N/A	\$ -	\$ -	\$ -	\$ -
	0	2021-2022	2021	N/A	N/A	\$ 150,000,000	\$ 150,000,000	\$ 150,000,000	\$ 150,000,000
	1	2022-2023	2022	N/A	N/A	\$ 300,000,000	\$ 300,000,000	\$ 300,000,000	\$ 300,000,000
Value Limitation Period	2	2023-2024	2023	N/A	N/A	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 30,000,000
	3	2024-2025	2024	N/A	N/A	\$ 255,000,000	\$ 255,000,000	\$ 255,000,000	\$ 30,000,000
	4	2025-2026	2025	N/A	N/A	\$ 225,000,000	\$ 225,000,000	\$ 225,000,000	\$ 30,000,000
	5	2026-2027	2026	N/A	N/A	\$ 195,000,000	\$ 195,000,000	\$ 195,000,000	\$ 30,000,000
	6	2027-2028	2027	N/A	N/A	\$ 165,000,000	\$ 165,000,000	\$ 165,000,000	\$ 30,000,000
	7	2028-2029	2028	N/A	N/A	\$ 135,000,000	\$ 135,000,000	\$ 135,000,000	\$ 30,000,000
	8	2029-2030	2029	N/A	N/A	\$ 105,000,000	\$ 105,000,000	\$ 105,000,000	\$ 30,000,000
	9	2030-2031	2030	N/A	N/A	\$ 75,000,000	\$ 75,000,000	\$ 75,000,000	\$ 30,000,000
	10	2031-2032	2031	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 30,000,000
	11	2032-2033	2032	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
Continue to maintain viable presence	12	2033-2034	2033	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	13	2034-2035	2034	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	14	2035-2036	2035	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	15	2036-2037	2036	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	16	2037-2038	2037	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	17	2038-2039	2038	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	18	2039-2040	2039	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	19	2040-2041	2040	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	20	2041-2042	2041	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	21	2042-2043	2042	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	22	2043-2044	2043	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	23	2044-2045	2044	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	24	2045-2046	2045	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	25	2046-2047	2046	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000

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

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date: 8/1/19 Revision 1
 Applicant Name: AP Solar 6, LLC - Red-tailed Hawk Solar
 ISD Name: Wharton ISD

Form 50-296A
 Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs		Qualifying Jobs		
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs		
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	0	N/A	0	0	0		
	Qualified Investment Period	1	2020-2021	2020	300	\$61,529	N/A	0	0	
		2	2021-2022	2021	0	N/A	0	3	3	47,232.90
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2022-2023	2022	N/A	N/A	0	3	3	47,232.90	
	2	2023-2024	2023	N/A	N/A	0	3	3	47,232.90	
	3	2024-2025	2024	N/A	N/A	0	3	3	47,232.90	
	4	2025-2026	2025	N/A	N/A	0	3	3	47,232.90	
	5	2026-2027	2026	N/A	N/A	0	3	3	47,232.90	
	6	2027-2028	2027	N/A	N/A	0	3	3	47,232.90	
	7	2028-2029	2028	N/A	N/A	0	3	3	47,232.90	
	8	2029-2030	2029	N/A	N/A	0	3	3	47,232.90	
	9	2030-2031	2030	N/A	N/A	0	3	3	47,232.90	
	10	2031-2032	2031	N/A	N/A	0	3	3	47,232.90	
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2047	N/A	N/A	0	3	3	47,232.90	

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)
 if yes, answer the following two questions:

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)?

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)?

Yes No

Yes No

Yes No

Schedule D: Other Incentives (Estimated)

5/28/19

AP Solar 6, LLC - Red-tailed Hawk Solar
Wharton ISD

Date
Applicant Name
ISD Name

Form 50-296A
Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:					
	City:					
	Other:					
	County: Wharton County	2022	10 years	\$ 709,867	50.0%	\$ 354,934
Tax Code Chapter 312	FM & LR	2022	10 years	\$ 86,386	50.0%	\$ 43,193
	Hospital	2022	10 years	\$ 372,960	50.0%	\$ 186,480
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freepport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 1,169,213.00	50%	\$ 584,606.50

Additional information on incentives for this project:



AP Solar Holdings, LLC
5524 Bee Caves Rd, Suite J1
West Lake Hills, TX 78746
www.apsolarholdings.com

August 28, 2019

Tabita Collazo
Texas Comptroller of Public Accounts
111 East 17th Street, Room 427
Austin, Texas 78774
tabita.collazo@cpa.texas.gov

**RE: App 1390 - Wharton ISD 313 Application
Response to Email Request for Information 08/28/19 – Revision 2**

Dear Ms. Collazo:

1. Maps - the vicinity and qualified investment maps have been revised to clarify the boundaries of the project, reinvestment zone and qualified investment area.
2. Tab 12 – the Job Creation Requirements Waiver Request has been revised as requested.
3. Wages – Tab 13 has been updated to include Q1 2019 data. Tab 1 of the application, page 7 has also been revised. Schedule C, column E has been updated and is attached (excel version as separate document).
4. Signature Page – a new signature page is provided to cover the revised submittal documents.

Please let us know if additional issues arise that require clarification prior to declaring the application complete.

Best Regards,

A handwritten signature in blue ink that reads 'Lisa Murphy'.

Lisa Murphy
Project Developer

Attachments

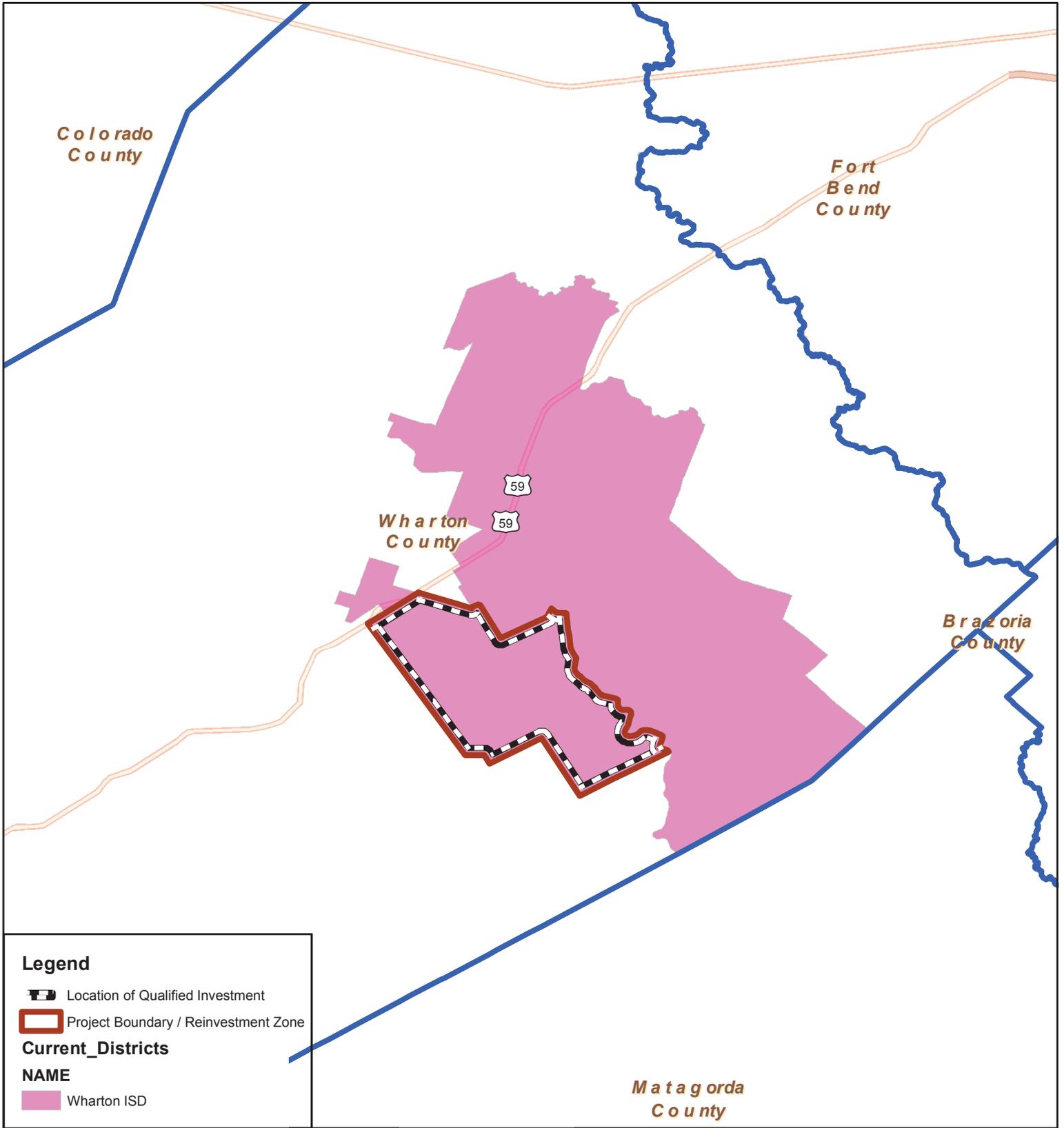
Tab 1, Form 50-296-A Page 7
Tab 11, Vicinity Map and Qualified Investment Boundary Map
Tab 12, Job Creation Requirement Waiver Request
Tab 13, Wages
Tab 14, Schedule C
Tab 17, Signature Page

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2018
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 3
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 756.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 908.33
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,309.44
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? 47,232.90
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 47,232.90
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**.



Legend

- Location of Qualified Investment
- Project Boundary / Reinvestment Zone

Current_Districts

NAME
Wharton ISD

Source: schoolsdata2-tea-texas.opendata.arcgis.com
Datum: WGS 1984



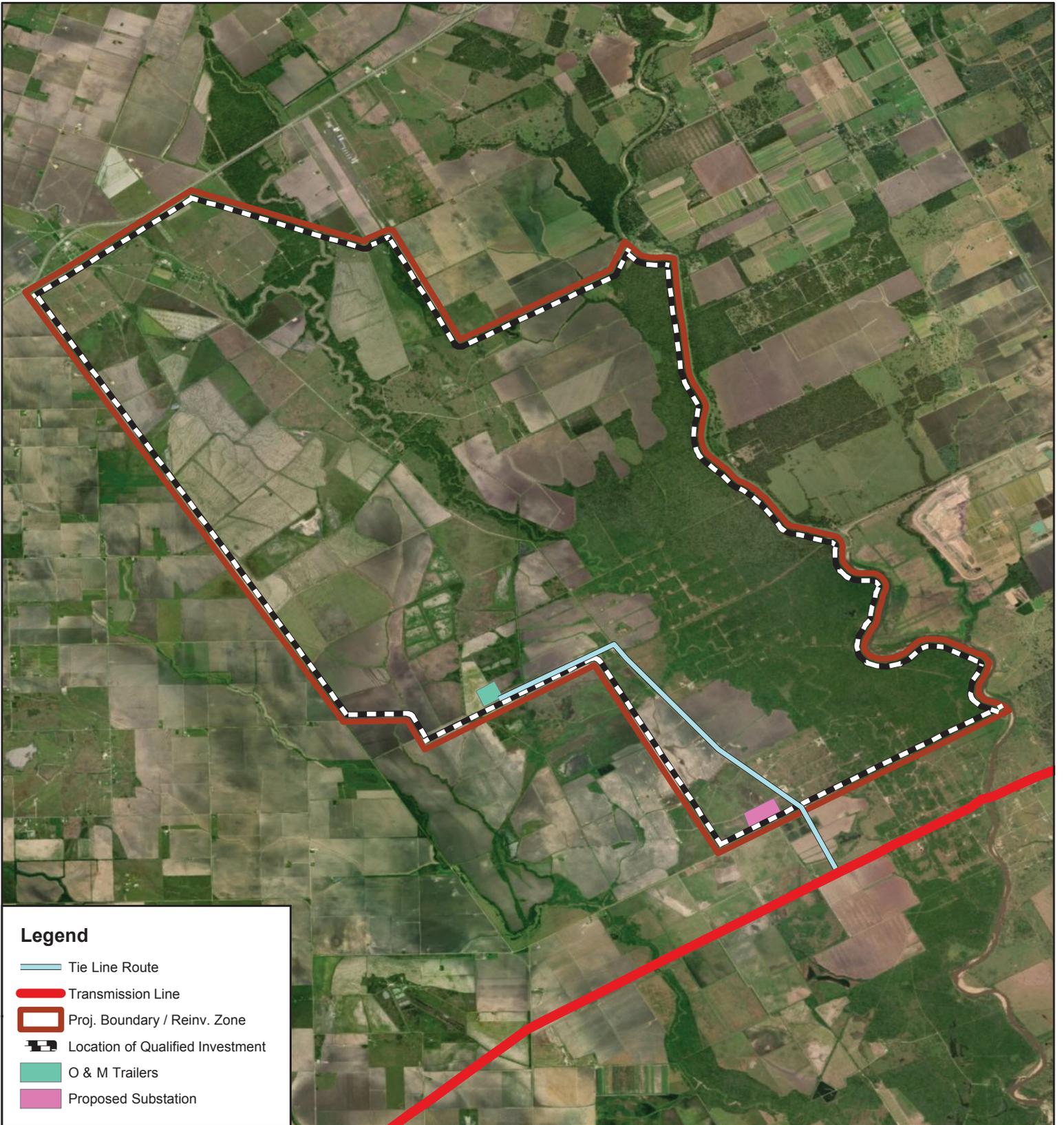
AP Solar 6, LLC
Red-tailed Hawk Solar Project
Vicinity Map



Location:
Wharton County, Texas

0 0.25 0.5 1 Miles

Date: 8/28/19 -- Revision 2



Legend

- Tie Line Route
- Transmission Line
- Proj. Boundary / Reinv. Zone
- Location of Qualified Investment
- O & M Trailers
- Proposed Substation

Source: ESRI StreetMap North America
Datum: WGS 1984



AP Solar 6, LLC
Red-tailed Hawk Solar Project
Location of Qualified Investment



Location:
Wharton County, Texas

0 0.25 0.5 1 Miles

Date: 08/28/19 - Revision 2



AP Solar Holdings, LLC
5524 Bee Caves Rd, Suite J1
Lake Hills, TX 78746
www.apsolarholdings.com

August 28, 2019

Mrs. Tina Herrington, Superintendent
Wharton Independent School District
2100 N Fulton
Wharton, TX 77488

**RE: Red-tailed Hawk Solar Project
Chapter 313 Application for Appraised Value Limitation
Job Creation Requirement Waiver Request**

Dear Mrs. Herrington:

AP Solar 6, LLC, a subsidiary of AP Solar Holdings, LLC, is submitting a Texas Tax Code, Chapter 313 application for appraised value limitation on qualified property with a request for a waiver of the jobs creation requirement. Pursuant to Section 313.025(f-1), the governing body of a school district may waive the new jobs creation requirement or approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

For this size of a utility scale solar project, it is expected that approximately 300 temporary construction jobs will be created over an estimated 1-year construction period. During commissioning and operations, highly skilled technicians with specific training and experience will provide maintenance of the project components and operate the facility. According to the experts at Radian Generation, the industry standard for employment is one permanent job per 75-100 MW. Therefore, it is anticipated that the project will employ 3 full time employees.

Therefore, AP Solar is requesting that Wharton ISD Board of Trustees make a finding that the jobs creation requirement may be waived for this facility.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Elrod".

Christopher Elrod
Manager

Tab 13

Calculation of Three Possible Wage Requirements with TWC Documentation

Average Weekly Wage (All Jobs, All Industries)

County: Wharton

Ownership: Total, all

Industry: Total, all industries

Year	Qtr	Average Weekly Wages
2018	2	740
2018	3	767
2018	4	787
2019	1	775
	Average	767.25

Source: <https://texaslmi.com/LMIbyCategory/QCEW>110% of Average Weekly Wage for Manufacturing Jobs

County: Wharton

Ownership: Private

Industry: Manufacturing

Year	Qtr	Average Weekly Wages
2018	2	851
2018	3	802
2018	4	850
2019	1	812
	Average	828.75
	110% of Average	911.63

Source: <https://texaslmi.com/LMIbyCategory/QCEW>**Minimum Required Annual Wage**

$$\$828.75/\text{wk} * 110\% * 52 \text{ wk/yr} = \$47,404.50$$

110% of Average Weekly Wage for Manufacturing Jobs in Region

Region:	Gulf Coast Area Council of Governments
Average Hourly Wages	\$29.76
Average Weekly Wages (40 hr/wk)	\$1,190.40
110% of Average Weekly Rate	\$1,309.44

Minimum Required Annual Wage

$$\$1,190.40/\text{wk} * 110\% * 52 \text{ wk/yr} = \$68,090.88$$

Source: 2018 Manufacturing Average Wages by Council of Government Region; Wages for All Occupations (<https://texaslmi.com/LMIbyCategory/Wages>)

110% of Average Weekly Wage for Utility Construction Jobs

County:	Wharton
Ownership:	Private
Industry:	Construction: Utility Systems

Year	Qtr	Average Weekly Wages
2017	3	1,178
2017	4	1,155
2018	1	1,162
2018	2	1,238
	Average	1,183.25

Source: <https://tracer2.com/cgi/dataanalysis/AreaSelection.asp?tableName=Industry>

Average Annual Wage Rates for Construction Workers

$$\$1,183.25 * 52 = \$61,529$$

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	01	Wharton	Total All	10	Total, All Industries	743
2018	02	Wharton	Total All	10	Total, All Industries	740
2018	03	Wharton	Total All	10	Total, All Industries	767
2018	04	Wharton	Total All	10	Total, All Industries	787
2019	01	Wharton	Total All	10	Total, All Industries	775

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	01	Wharton	Private	31-33	Manufacturing	800
2018	02	Wharton	Private	31-33	Manufacturing	851
2018	03	Wharton	Private	31-33	Manufacturing	802
2018	04	Wharton	Private	31-33	Manufacturing	850
2019	01	Wharton	Private	31-33	Manufacturing	812

Year	Period	Area	Ownersh	Industr	Industry	Leve	Establis	Firms	Average Employr	Average Weekly Wage
2017	01	Wharton	Private	2371	Utility System Construction	4	5	5	84	1,098
2017	02	Wharton	Private	2371	Utility System Construction	4	5	5	104	1,217
2017	03	Wharton	Private	2371	Utility System Construction	4	5	5	141	1,178
2017	04	Wharton	Private	2371	Utility System Construction	4	5	5	126	1,155
2018	01	Wharton	Private	2371	Utility System Construction	4	5	5	137	1,162
2018	02	Wharton	Private	2371	Utility System Construction	4	5	5	260	1,238

Schedule C: Employment Information

Date: 8/28/19 Revision 2
 Applicant Name: AP Solar 6, LLC - Red-tailed Hawk Solar
 ISD Name: Wharton ISD

Form 50-296A
 Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Qualifying Jobs		
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	0	N/A	0	0	
Qualified Investment Period	1	2020-2021	2020	300	\$61,529	N/A	0	
	2	2021-2022	2021	0	N/A	0	3	47,404.50
	1	2022-2023	2022	N/A	N/A	0	3	47,404.50
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	2	2023-2024	2023	N/A	N/A	0	3	47,404.50
	3	2024-2025	2024	N/A	N/A	0	3	47,404.50
	4	2025-2026	2025	N/A	N/A	0	3	47,404.50
	5	2026-2027	2026	N/A	N/A	0	3	47,404.50
	6	2027-2028	2027	N/A	N/A	0	3	47,404.50
	7	2028-2029	2028	N/A	N/A	0	3	47,404.50
Years Following Value Limitation Period	8	2029-2030	2029	N/A	N/A	0	3	47,404.50
	9	2030-2031	2030	N/A	N/A	0	3	47,404.50
	10	2031-2032	2031	N/A	N/A	0	3	47,404.50
	11 through 25	2032-2047	2032-2047	N/A	N/A	0	3	47,404.50

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)
 if yes, answer the following two questions:

Yes No
 Yes No
 Yes No

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)?

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)?

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

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.

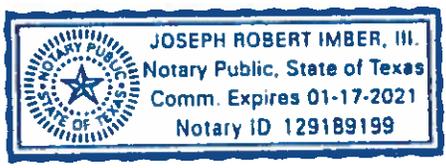
print here ▶ Tina Herrington Superintendent
Print Name (Authorized School District Representative) Title
sign here ▶ Tina Herrington 8/30/2019
Signature (Authorized School District Representative) Date

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 ▶ Christopher Elrod Manager
Print Name (Authorized Company Representative (Applicant)) Title
sign here ▶ [Signature] 08/28/19
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the _____ day of _____

[Signature]
Notary Public in and for the State of Texas
My Commission expires: 1-17-2021

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.

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

Date: 5/28/19
Applicant Name: AP Solar 6, LLC - Red-tailed Hawk Solar
ISD Name: Wharton ISD

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A	Column B	Column C	Column D	Column E		
			New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will not become Qualified Property (SEE NOTE)	Other investment made during this year that will become Qualified Property (SEE NOTE)	Total Investment (A+B+C+D)		
Total Investment from Schedule A1*			\$ 300,000,000.00	\$	\$	\$	\$	\$ 300,000,000.00	
Each year prior to start of value limitation period** <i>(insert as many rows as necessary)</i>			\$ 150,000,000.00					\$	
Value limitation period***			\$ 150,000,000.00					\$	\$ 150,000,000.00
TOTALS FROM SCHEDULE A1			\$	\$	\$	\$	\$	\$	\$
Total investment made through limitation			\$ 300,000,000.00	\$	\$	\$	\$	\$	\$ 300,000,000.00
11	2031-2032	2031							
12	2032-2033	2032							
13	2033-2034	2033							
14	2034-2035	2034							
15	2035-2036	2035							
16	2036-2037	2036							
17	2037-2038	2037							
18	2038-2039	2038							
19	2039-2040	2039							
20	2040-2041	2040							
21	2041-2042	2041							
22	2042-2043	2042							
23	2043-2044	2043							
24	2044-2045	2044							
25	2045-2046	2045							
Additional years for 25 year economic impact as required by 313.026(c)(1)									

* All investments made through the qualifying time period are captured and totaled on Schedule A1 (blue box) and incorporated into this schedule in the first row.
 ** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.
 *** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were not captured on Schedule A1.
 For All: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
 Column A: Only tangible personal property that is specifically described in the application can become qualified property.
 Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.
 Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.
 Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

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

5/28/19

Date
Applicant Name
ISD Name

AP Solar 6, LLC - Red-tailed Hawk Solar
Wharton ISD

Form 50-296A
Revised May 2014

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value			
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in other improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&C after all reductions	
Pre-Year	0	2019-2020	2019	N/A	N/A	\$ -	\$ -	\$ -	\$ -
Qualifying Investment Period	0	2020-2021	2020	N/A	N/A	\$ -	\$ -	\$ -	\$ -
	0	2021-2022	2021	N/A	N/A	\$ 150,000,000	\$ 150,000,000	\$ 150,000,000	\$ 150,000,000
	1	2022-2023	2022	N/A	N/A	\$ 300,000,000	\$ 300,000,000	\$ 300,000,000	\$ 300,000,000
Value Limitation Period	2	2023-2024	2023	N/A	N/A	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 30,000,000
	3	2024-2025	2024	N/A	N/A	\$ 255,000,000	\$ 255,000,000	\$ 255,000,000	\$ 30,000,000
	4	2025-2026	2025	N/A	N/A	\$ 225,000,000	\$ 225,000,000	\$ 225,000,000	\$ 30,000,000
	5	2026-2027	2026	N/A	N/A	\$ 195,000,000	\$ 195,000,000	\$ 195,000,000	\$ 30,000,000
	6	2027-2028	2027	N/A	N/A	\$ 165,000,000	\$ 165,000,000	\$ 165,000,000	\$ 30,000,000
	7	2028-2029	2028	N/A	N/A	\$ 135,000,000	\$ 135,000,000	\$ 135,000,000	\$ 30,000,000
	8	2029-2030	2029	N/A	N/A	\$ 105,000,000	\$ 105,000,000	\$ 105,000,000	\$ 30,000,000
	9	2030-2031	2030	N/A	N/A	\$ 75,000,000	\$ 75,000,000	\$ 75,000,000	\$ 30,000,000
	10	2031-2032	2031	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 30,000,000
	11	2032-2033	2032	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
Continue to maintain viable presence	12	2033-2034	2033	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	13	2034-2035	2034	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	14	2035-2036	2035	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	15	2036-2037	2036	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	16	2037-2038	2037	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	17	2038-2039	2038	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	18	2039-2040	2039	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	19	2040-2041	2040	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	20	2041-2042	2041	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	21	2042-2043	2042	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	22	2043-2044	2043	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	23	2044-2045	2044	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	24	2045-2046	2045	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	25	2046-2047	2046	N/A	N/A	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000

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

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date: 8/28/19 Revision 2
 Applicant Name: AP Solar 6, LLC - Red-tailed Hawk Solar
 ISD Name: Wharton ISD

Form 50-296A
 Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs		Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	0	N/A	0	0		
Qualified Investment Period	1	2020-2021	2020	300	\$61,529	N/A	0		
	2	2021-2022	2021	0	N/A	0	3	47,404.50	
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2022-2023	2022	N/A	N/A	0	3	47,404.50	
	2	2023-2024	2023	N/A	N/A	0	3	47,404.50	
	3	2024-2025	2024	N/A	N/A	0	3	47,404.50	
	4	2025-2026	2025	N/A	N/A	0	3	47,404.50	
	5	2026-2027	2026	N/A	N/A	0	3	47,404.50	
	6	2027-2028	2027	N/A	N/A	0	3	47,404.50	
	7	2028-2029	2028	N/A	N/A	0	3	47,404.50	
	8	2029-2030	2029	N/A	N/A	0	3	47,404.50	
	9	2030-2031	2030	N/A	N/A	0	3	47,404.50	
	10	2031-2032	2031	N/A	N/A	0	3	47,404.50	
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2047	N/A	N/A	0	3	47,404.50	

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)
 if yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)?
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)?
- Yes No
- Yes No
- Yes No

Schedule D: Other Incentives (Estimated)

5/28/19

AP Solar 6, LLC - Red-tailed Hawk Solar
Wharton ISD

Date
Applicant Name
ISD Name

Form 50-296A
Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:					
	City:					
	Other:					
	County: Wharton County	2022	10 years	\$ 709,867	50.0%	\$ 354,934
Tax Code Chapter 312	FM & LR	2022	10 years	\$ 86,386	50.0%	\$ 43,193
	Hospital	2022	10 years	\$ 372,960	50.0%	\$ 186,480
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freepport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 1,169,213.00	50%	\$ 584,606.50

Additional information on incentives for this project:

Attachment B

Comptroller's Completion Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

September 13, 2019

Tina Herrington
Superintendent
Wharton Independent School District
2100 N Fulton
Wharton, TX 77488

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Wharton Independent School District and AP Solar 6, LLC, Application 1390

Dear Superintendent Herrington:

On July 1, 2019, the Comptroller's office received AP Solar 6, LLC's (applicant) application for a limitation on appraised value (Application 1390) from Wharton Independent School District (school district).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on September 13, 2019.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the Comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the school district and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Tabita Collazo with our office. She can be reached by email at tabita.collaz@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 5- 5626 or at 512-475- 5626.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Counihan", is written over a light blue horizontal line.

Will Counihan
Director
Data Analysis & Transparency Division

cc: Michelle Morris, Rogers, Morris & Grover, LLP
Christopher Elrod, AP Solar Holdings, LLC
Lisa Murphy, AP Solar Holdings, LLC
Steve Moore, Jackson Walker, LLP

Attachment C

Comptroller's Certificate Letter and Economic Impact Analysis



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

November 18, 2019

Tina Herrington
Superintendent
Wharton Independent School District
2100 N Fulton
Wharton, TX 77488

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Wharton Independent School District and AP Solar 6, LLC, Application 1390

Dear Superintendent Herrington:

On September 13, 2019, the Comptroller issued written notice that AP Solar 6, LLC (applicant) submitted a completed application (Application 1390) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on July 1, 2019, to the Wharton 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 1390.

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 13, 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" and "C".

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of AP Solar 6, LLC (project) applying to Wharton 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 AP Solar 6, LLC.

Applicant	AP Solar 6, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Wharton ISD
2018-2019 Average Daily Attendance	1,827
County	Wharton
Proposed Total Investment in District	\$300,000,000
Proposed Qualified Investment	\$300,000,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	3*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$912
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$912
Minimum annual wage committed to by applicant for qualified jobs	\$47,405
Minimum weekly wage required for non-qualifying jobs	\$767
Minimum annual wage required for non-qualifying jobs	\$39,898
Investment per Qualifying Job	\$100,000,000
Estimated M&O levy without any limit (15 years)	\$22,500,000
Estimated M&O levy with Limitation (15 years)	\$7,500,000
Estimated gross M&O tax benefit (15 years)	\$15,000,000

* 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 AP Solar 6, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	300	290	590	\$18,458,700	\$24,541,300	\$43,000,000
2021	3	20	23	\$142,214	\$4,857,787	\$5,000,000
2022	3	13	16	\$142,214	\$3,857,787	\$4,000,000
2023	3	3	6	\$142,214	\$1,857,787	\$2,000,000
2024	3	1	4	\$142,214	\$1,857,787	\$2,000,000
2025	3	5	8	\$142,214	\$857,787	\$1,000,000
2026	3	1	4	\$142,214	\$857,787	\$1,000,000
2027	3	5	8	\$142,214	\$857,787	\$1,000,000
2028	3	3	6	\$142,214	\$857,787	\$1,000,000
2029	3	1	4	\$142,214	\$857,787	\$1,000,000
2030	3	3	6	\$142,214	-\$142,214	\$0
2031	3	3	6	\$142,214	\$857,787	\$1,000,000
2032	3	7	10	\$142,214	\$857,787	\$1,000,000
2033	3	5	8	\$142,214	\$857,787	\$1,000,000
2034	3	3	6	\$142,214	-\$142,214	\$0
2035	3	3	6	\$142,214	-\$142,214	\$0

Source: CPA REMI, AP Solar 6, 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	Wharton ISD I&S Tax Levy	Wharton ISD M&O Tax Levy	Wharton ISD M&O and I&S Tax Levies	Wharton County Tax Levy	Wharton County Hospital District Tax Levy	FM & LR Tax Levy	Wharton County Emergency Services District #1 Tax Levy	Wharton County Emergency Services District #4 Tax Levy	Coastal Bend Groundwater Conservation District Tax Levy	Wharton County Junior College District Tax Levy	Estimated Total Property Taxes	
			Tax Rate	0.1070	1.0000	0.4225	0.2220	0.0514	0.0600	0.0682	0.0083	0.1435		
2021	\$150,000,000	\$150,000,000		\$160,500	\$1,500,000	\$1,660,500	\$633,810	\$333,000	\$77,130	\$90,000	\$102,315	\$12,450	\$215,190	\$3,124,395
2022	\$300,000,000	\$300,000,000		\$321,000	\$3,000,000	\$3,321,000	\$1,267,620	\$666,000	\$154,260	\$180,000	\$204,630	\$24,900	\$430,380	
2023	\$285,000,000	\$285,000,000		\$304,950	\$2,850,000	\$3,154,950	\$1,204,239	\$632,700	\$146,547	\$171,000	\$194,399	\$23,655	\$408,861	\$5,936,351
2024	\$255,000,000	\$255,000,000		\$272,850	\$2,550,000	\$2,822,850	\$1,077,477	\$566,100	\$131,121	\$153,936	\$173,936	\$21,165	\$365,823	\$5,311,472
2025	\$225,000,000	\$225,000,000		\$240,750	\$2,250,000	\$2,490,750	\$950,715	\$499,500	\$115,695	\$135,000	\$153,473	\$18,675	\$322,785	\$4,686,593
2026	\$195,000,000	\$195,000,000		\$208,650	\$1,950,000	\$2,158,650	\$823,953	\$432,900	\$100,269	\$117,000	\$133,010	\$16,185	\$279,747	\$4,061,714
2027	\$165,000,000	\$165,000,000		\$176,550	\$1,650,000	\$1,826,550	\$697,191	\$366,300	\$84,843	\$99,000	\$112,547	\$13,695	\$236,709	\$3,436,835
2028	\$135,000,000	\$135,000,000		\$144,450	\$1,350,000	\$1,494,450	\$570,429	\$299,700	\$69,417	\$81,000	\$92,084	\$11,205	\$193,671	\$2,811,956
2029	\$105,000,000	\$105,000,000		\$112,350	\$1,050,000	\$1,162,350	\$443,667	\$233,100	\$53,991	\$63,000	\$71,621	\$8,715	\$150,633	\$2,187,077
2030	\$75,000,000	\$75,000,000		\$80,250	\$750,000	\$830,250	\$316,905	\$166,500	\$38,565	\$45,000	\$51,158	\$6,225	\$107,595	\$1,562,198
2031	\$60,000,000	\$60,000,000		\$64,200	\$600,000	\$664,200	\$253,524	\$133,200	\$30,852	\$36,000	\$40,926	\$4,980	\$86,076	\$1,249,758
2032	\$60,000,000	\$60,000,000		\$64,200	\$600,000	\$664,200	\$253,524	\$133,200	\$30,852	\$36,000	\$40,926	\$4,980	\$86,076	\$1,249,758
2033	\$60,000,000	\$60,000,000		\$64,200	\$600,000	\$664,200	\$253,524	\$133,200	\$30,852	\$36,000	\$40,926	\$4,980	\$86,076	\$1,249,758
2034	\$60,000,000	\$60,000,000		\$64,200	\$600,000	\$664,200	\$253,524	\$133,200	\$30,852	\$36,000	\$40,926	\$4,980	\$86,076	\$1,249,758
2035	\$60,000,000	\$60,000,000		\$64,200	\$600,000	\$664,200	\$253,524	\$133,200	\$30,852	\$36,000	\$40,926	\$4,980	\$86,076	\$1,249,758
2036	\$60,000,000	\$60,000,000		\$64,200	\$600,000	\$664,200	\$253,524	\$133,200	\$30,852	\$36,000	\$40,926	\$4,980	\$86,076	\$1,249,758
			Total	\$2,407,500	\$22,500,000	\$24,907,500	\$9,507,150	\$4,995,000	\$1,156,950	\$1,350,000	\$1,534,725	\$186,750	\$3,227,850	\$40,617,135

Source: CPA, AP Solar 6, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Wharton 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 Wharton County, Wharton County Hospital, and FM & LR.

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	Wharton ISD I&S Tax Levy	Wharton ISD M&O Tax Levy	Wharton ISD M&O and I&S Tax Levies	Wharton County Tax Levy	Wharton County Hospital District Tax Levy	FM & LR Tax Levy	Wharton County Emergency Services District #1 Tax Levy	Wharton County Emergency Services District #4 Tax Levy	Coastal Bend Groundwater Conservation District Tax Levy	Wharton County Junior College District Tax Levy	Estimated Total Property Taxes
				0.1070	1.0000		0.4225	0.2220	0.0514	0.0600	0.0682	0.0083	0.1435	
2021	\$150,000,000	\$150,000,000		\$160,500	\$1,500,000	\$1,660,500	\$633,810	\$333,000	\$77,130	\$90,000	\$102,315	\$12,450	\$215,190	\$3,124,395
2022	\$300,000,000	\$30,000,000		\$321,000	\$300,000	\$621,000	\$633,810	\$333,000	\$77,130	\$180,000	\$204,630	\$24,900	\$430,380	\$2,504,850
2023	\$285,000,000	\$30,000,000		\$304,950	\$300,000	\$604,950	\$602,120	\$316,350	\$73,274	\$171,000	\$194,399	\$23,655	\$408,861	\$2,394,608
2024	\$255,000,000	\$30,000,000		\$272,850	\$300,000	\$572,850	\$538,739	\$283,050	\$65,561	\$153,000	\$173,936	\$21,165	\$365,823	\$2,174,123
2025	\$225,000,000	\$30,000,000		\$240,750	\$300,000	\$540,750	\$475,358	\$249,750	\$57,848	\$135,000	\$153,473	\$18,675	\$322,785	\$1,953,638
2026	\$195,000,000	\$30,000,000		\$208,650	\$300,000	\$508,650	\$411,977	\$216,450	\$50,135	\$117,000	\$133,010	\$16,185	\$279,747	\$1,733,153
2027	\$165,000,000	\$30,000,000		\$176,550	\$300,000	\$476,550	\$348,596	\$183,150	\$42,422	\$99,000	\$112,547	\$13,695	\$236,709	\$1,512,668
2028	\$135,000,000	\$30,000,000		\$144,450	\$300,000	\$444,450	\$285,215	\$149,850	\$34,709	\$81,000	\$92,084	\$11,205	\$193,671	\$1,292,183
2029	\$105,000,000	\$30,000,000		\$112,350	\$300,000	\$412,350	\$221,834	\$116,550	\$26,996	\$63,000	\$71,621	\$8,715	\$150,633	\$1,071,698
2030	\$75,000,000	\$30,000,000		\$80,250	\$300,000	\$380,250	\$158,453	\$83,250	\$19,283	\$45,000	\$51,158	\$6,225	\$107,595	\$851,213
2031	\$60,000,000	\$30,000,000		\$64,200	\$300,000	\$364,200	\$126,762	\$66,600	\$15,426	\$36,000	\$40,926	\$4,980	\$86,076	\$740,970
2032	\$60,000,000	\$60,000,000		\$64,200	\$600,000	\$664,200	\$253,524	\$133,200	\$30,852	\$36,000	\$40,926	\$4,980	\$86,076	\$1,249,758
2033	\$60,000,000	\$60,000,000		\$64,200	\$600,000	\$664,200	\$253,524	\$133,200	\$30,852	\$36,000	\$40,926	\$4,980	\$86,076	\$1,249,758
2034	\$60,000,000	\$60,000,000		\$64,200	\$600,000	\$664,200	\$253,524	\$133,200	\$30,852	\$36,000	\$40,926	\$4,980	\$86,076	\$1,249,758
2035	\$60,000,000	\$60,000,000		\$64,200	\$600,000	\$664,200	\$253,524	\$133,200	\$30,852	\$36,000	\$40,926	\$4,980	\$86,076	\$1,249,758
2036	\$60,000,000	\$60,000,000		\$64,200	\$600,000	\$664,200	\$253,524	\$133,200	\$30,852	\$36,000	\$40,926	\$4,980	\$86,076	\$1,249,758
			Total	\$2,407,500	\$7,500,000	\$9,907,500	\$5,704,290	\$2,997,000	\$694,170	\$1,350,000	\$1,534,725	\$186,750	\$3,227,850	\$25,602,285
			Diff	\$0	\$15,000,000	\$15,000,000	\$3,802,860	\$1,998,000	\$462,780	\$0	\$0	\$0	\$0	\$15,014,850

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, AP Solar 6, 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 AP Solar 6, 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	\$1,500,000	\$1,500,000	\$0	\$0
Limitation Period (10 Years)	2022	\$300,000	\$1,800,000	\$2,700,000	\$2,700,000
	2023	\$300,000	\$2,100,000	\$2,550,000	\$5,250,000
	2024	\$300,000	\$2,400,000	\$2,250,000	\$7,500,000
	2025	\$300,000	\$2,700,000	\$1,950,000	\$9,450,000
	2026	\$300,000	\$3,000,000	\$1,650,000	\$11,100,000
	2027	\$300,000	\$3,300,000	\$1,350,000	\$12,450,000
	2028	\$300,000	\$3,600,000	\$1,050,000	\$13,500,000
	2029	\$300,000	\$3,900,000	\$750,000	\$14,250,000
	2030	\$300,000	\$4,200,000	\$450,000	\$14,700,000
	2031	\$300,000	\$4,500,000	\$300,000	\$15,000,000
Maintain Viable Presence (5 Years)	2032	\$600,000	\$5,100,000	\$0	\$15,000,000
	2033	\$600,000	\$5,700,000	\$0	\$15,000,000
	2034	\$600,000	\$6,300,000	\$0	\$15,000,000
	2035	\$600,000	\$6,900,000	\$0	\$15,000,000
	2036	\$600,000	\$7,500,000	\$0	\$15,000,000
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$600,000	\$8,100,000	\$0	\$15,000,000
	2038	\$600,000	\$8,700,000	\$0	\$15,000,000
	2039	\$600,000	\$9,300,000	\$0	\$15,000,000
	2040	\$600,000	\$9,900,000	\$0	\$15,000,000
	2041	\$600,000	\$10,500,000	\$0	\$15,000,000
	2042	\$600,000	\$11,100,000	\$0	\$15,000,000
	2043	\$600,000	\$11,700,000	\$0	\$15,000,000
	2044	\$600,000	\$12,300,000	\$0	\$15,000,000
	2045	\$600,000	\$12,900,000	\$0	\$15,000,000
	2046	\$600,000	\$13,500,000	\$0	\$15,000,000

\$13,500,000

is less than

\$15,000,000

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 levy directly related to this project.

Source: CPA, AP Solar 6, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2020	300	290	590	\$18,458,700	\$24,541,300	\$43,000,000	2129000	-1076000	\$3,205,000
2021	3	20	23	\$142,214	\$4,857,787	\$5,000,000	191000	404000	-\$213,000
2022	3	13	16	\$142,214	\$3,857,787	\$4,000,000	198000	389000	-\$191,000
2023	3	3	6	\$142,214	\$1,857,787	\$2,000,000	160000	351000	-\$191,000
2024	3	1	4	\$142,214	\$1,857,787	\$2,000,000	160000	320000	-\$160,000
2025	3	5	8	\$142,214	\$857,787	\$1,000,000	175000	282000	-\$107,000
2026	3	1	4	\$142,214	\$857,787	\$1,000,000	160000	244000	-\$84,000
2027	3	5	8	\$142,214	\$857,787	\$1,000,000	153000	168000	-\$15,000
2028	3	3	6	\$142,214	\$857,787	\$1,000,000	145000	160000	-\$15,000
2029	3	1	4	\$142,214	\$857,787	\$1,000,000	175000	145000	\$30,000
2030	3	3	6	\$142,214	-\$142,214	\$0	153000	107000	\$46,000
2031	3	3	6	\$142,214	\$857,787	\$1,000,000	168000	114000	\$54,000
2032	3	7	10	\$142,214	\$857,787	\$1,000,000	122000	84000	\$38,000
2033	3	5	8	\$142,214	\$857,787	\$1,000,000	114000	15000	\$99,000
2034	3	3	6	\$142,214	-\$142,214	\$0	84000	46000	\$38,000
2035	3	3	6	\$142,214	-\$142,214	\$0	46000	0	\$46,000
2036	3	1	4	\$142,214	-\$142,214	\$0	8000	-46000	\$54,000
2037	3	3	6	\$142,214	-\$142,214	\$0	-15000	-92000	\$77,000
2038	3	1	4	\$142,214	-\$142,214	\$0	15000	-107000	\$122,000
2039	3	1	4	\$142,214	-\$142,214	\$0	0	-137000	\$137,000
2040	3	(1)	2	\$142,214	-\$142,214	\$0	-61000	-191000	\$130,000
2041	3	1	4	\$142,214	-\$142,214	\$0	-61000	-206000	\$145,000
2042	3	(1)	2	\$142,214	-\$142,214	\$0	-31000	-221000	\$190,000
2043	3	(1)	2	\$142,214	-\$142,214	\$0	-61000	-244000	\$183,000
2044	3	(5)	-2	\$142,214	-\$142,214	\$0	-61000	-252000	\$191,000
2045	3	(3)	0	\$142,214	-\$142,214	\$0	-122000	-328000	\$206,000
2046	3	(3)	0	\$142,214	-\$142,214	\$0	-31000	-313000	\$282,000
Total							\$3,913,000	-\$384,000	\$4,297,000
							\$17,797,000	is greater than	\$15,000,000

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 AP Solar 6, 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 AP Solar 6, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “AP Solar is considering building multiple projects, several of which are planned in locations throughout Texas. Since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties for similar solar projects. Each AP Solar project individually competes for a finite pool of investment capital. State and local tax incentives contribute to the lowering of the cost of power and makes our investment more viable and marketable.”
 - B. “Due to the extreme competitive power market in ERCOT most, if not all, economic model assumptions are based on the Project securing both Chapter 312 local tax incentives and Chapter 313 appraised value limitation. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level. Without the tax incentives in Texas, a project can become non-financeable. Therefore, these tax abatements are critical to the ability of the proposed Project to move forward.”
- Provided by Applicant
 - A. Besides The Red-tailed Hawk Solar Project, there are no other names associated with the project. The INR number is 211NR0389, and it was assigned on or about July 1, 2019.
 - B. Per AP Solar 6, LLC Tab 4 “ The Red-tailed Hawk Solar Project is approximately 300 MWac utility-scale solar field to be located on approximately 2,500 acres of the Peirce Ranch in Wharton County. AP Solar 6, LLC (“APS6”) is the entity formed to own and operate the Project, and APS6 has entered into an exclusive development agreement with AP Solar Holdings, LLC to develop and construct the Project. AP Solar Holdings, LLC is a Texas-focused renewable energy company currently developing a number of solar generation projects within the Energy Reliability Council of Texas service territory.”

Supporting Information

Supporting Information

Section 8 of the Application for
a Limitation on Appraised Value

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of Intent related to the proposed project? Yes No
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

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.

Tab 5

Limitation as Determining Factor

Section 8, Item 2: Agreements, Contracts or Letters of Intent

AP Solar has entered into the following agreements and contracts for the development of the Red-tailed Hawk Solar Project:

- Lease/Option Agreement (03/01/19) - currently in feasibility period
- Phase I Environmental Site Assessment (05/02/19)
- Desktop Environmental Review (04/23/19)
- Conceptual Design (04/03/19)
- Generation Interconnection Request - SS/FIS Applications (expected to be submitted by 06/15/19)
- Texas Tax Code, Chapter 312 Agreement (negotiation ongoing)

Section 8, Item 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?

AP Solar is considering building multiple projects, several of which are planned in locations throughout Texas. Since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties for similar solar projects. Each AP Solar project individually competes for a finite pool of investment capital. State and local tax incentives contribute to the lowering of the cost of power and makes our investment more viable and marketable. AP Solar is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics.

Due to the extremely competitive power market in ERCOT most, if not all, economic model assumptions are based on the Project securing both Chapter 312 local tax incentives and Chapter 313 appraised value limitation. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level. Without the tax incentives in Texas, a project can become non-financeable. Therefore, these tax abatements are critical to the ability of the proposed Project to move forward.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Wharton ISD– AP Solar 6, LLC App. #1390

Comptroller Questions (via email on September 24, 2019):

1. Is AP Solar 6, LLC currently known by any other project names, besides The Red-tailed Hawk Solar Project?
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. Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when was it assigned.

Applicant Response (via email on September 24, 2019):

1. There are no other names associated with the project.
2. There are no other names associated with the project.
3. The INR number is 211NR0389, and it was assigned on or about July 1, 2019.

Tab 4

Detailed Description of the Project

Project Definition

The Red-tailed Hawk Solar Project ("Project") is an approximately 300 MWac utility-scale solar (photovoltaic) field to be located on approximately 2,500 acres of the Pierce Ranch in Wharton County. AP Solar 6, LLC ("APS6") is the entity formed to own and operate the Project, and APS6 has entered into an exclusive development agreement with AP Solar Holdings, LLC to develop and construct the Project. Pending completion of development activities, including obtaining an interconnection agreement with the transmission service provider, construction is expected to begin on the Project in the 3rd quarter of 2020, and commercial operation is expected to commence in the 3rd quarter of 2021.

About AP Solar Holdings, LLC

AP Solar Holdings, LLC ("AP Solar") is a Texas-focused renewable energy company currently developing a number of solar generation projects within the Energy Reliability Council of Texas ("ERCOT") service territory. AP Solar has numerous potential solar sites already under option and lease, and these sites are located in areas of ERCOT with strong power demand fundamentals. The AP Solar development team has previously developed and financed over 3.3 gigawatts of solar, wind and thermal power generation projects in ERCOT. The team has an unparalleled understanding of the ERCOT electricity market, and it does not require a long-term power purchase agreement to be in place in order to move ahead developing and constructing its projects.

Attachment D

Applicant's Franchise Tax Account Status



Franchise Tax Account Status

As of : 01/20/2020 15:09:50

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

AP SOLAR 6, LLC	
Texas Taxpayer Number	32069929290
Mailing Address	5524 BEE CAVES RD STE J1 W LAKE HILLS, TX 78746-5246
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	03/01/2019
Texas SOS File Number	0803253514
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

Attachment E

Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

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

by and between

Wharton Independent School District

and

AP Solar 6, LLC

(Texas Taxpayer ID # 32069929290)

Comptroller Application # 1390

Dated: _____

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

STATE OF TEXAS §

COUNTY OF WHARTON §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this “Agreement,” is executed and delivered by and between the **Wharton Independent School District**, hereinafter referred to as the “District,” a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **AP Solar 6, LLC**, Texas Taxpayer Identification Number 32069929290, hereinafter referred to as the “Applicant.” The Applicant and the District are hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, on May 28, 2019, the Superintendent of Schools of the Wharton Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on May 28, 2019, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

WHEREAS, the Application was delivered to the Texas Comptroller’s Office for review pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, the District and the Texas Comptroller’s Office have determined that the Application is complete and September 13, 2019 is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Wharton County Appraisal District established in Wharton County, Texas (the Wharton County Appraisal District”), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller’s Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on November 18, 2019, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

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

WHEREAS, on January 21, 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 January 21, 2020 (scheduled), 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 January 21, 2020 (scheduled), pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on _____, 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 January 21, 2020 (scheduled), 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 AP Solar 6, LLC, (*Texas Taxpayer ID #32069929290*), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

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

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

“Application” means the Application for Appraised Value Limitation on Qualified Property, under Chapter 313, Subchapter C of the TEXAS TAX CODE, filed with the District by the Applicant May 28, 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 Wharton County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Wharton 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 Wharton County, Texas.

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

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

“Force Majeure” means those causes generally recognized under Texas law as constituting impossible conditions. Each Party must inform the other in writing with proof of receipt within 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 this 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 Tax Revenue or the Applicant's ad valorem tax obligation to the District, in each case, either with or without the limitation on appraised value of property pursuant to this Agreement.

“Commercial Operations” means the date on which Applicant declares that the construction of the project has been substantially completed, trial operation of the project has been completed, and the project is ready for dispatch.

“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” shall have the meaning set forth in Section 4.2

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

“Net Tax Benefit” means, for any Tax Year during the term of this Agreement, an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for such Tax Year and all previous Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties; *minus*, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for such Tax Year and all previous Tax Years during the term of this Agreement, plus (B) any and all payments due to the District under Articles IV, V, and VI of this Agreement.

“Original M&O Revenue” means, 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 tax rate actually adopted by the District for the applicable Tax Year. For purposes of this calculation, the Third Party will base its calculations upon the District’s taxable value of property for the preceding year as certified by the Appraisal District for all taxable accounts in the District, *less* the Qualified Property subject to this Agreement, *plus* the total appraised value of the Qualified Property subject to this Agreement which is or would be used for the calculation of the District’s tax levy for debt service (interest and sinking fund) ad valorem tax purposes.

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

ARTICLE II
AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY. This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Section 2.2 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 13, 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 January 21, 2020

C. The Qualifying Time Period for this Agreement:

- i. Starts on January 1, 2021, a date not later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by §313.027(h) of the TEXAS TAX CODE; 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 that begins after the end of Qualifying Time Period; and
- 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, which is the last year of the Tax Limitation Period as defined in Section 2.3.D.ii. plus 5 years.

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

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

Property or THIRTY MILLION DOLLARS (\$30,000,000).

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 \$30,000,000 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, subject to the District's waiver; and
- C. pay an average weekly wage of at least \$767 for all New Non-Qualifying Jobs created by the Applicant.

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

- A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;
- C. provide such Supplemental Payments as more fully specified in Article VI;
- D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and
- E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III **QUALIFIED PROPERTY**

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 3** 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 3**, 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), renewable energy electric generation, as outlined in Section 313.024(b)(5) of the TEXAS TAX CODE and to the extent applicable that is consistent with the definitions of those terms used in Section 313.024(e)(2) of the TEXAS TAX CODE.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF PARTIES.

Subject to the limitations contained in this Agreement, 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. Subject to the limitations contained in 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 year of the Tax Limitation Period, and every year thereafter during the term of this Agreement.

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 first year of the Tax Limitation Period and ending on December 31st of the

last year of the Tax Limitation Period (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 for each year for which the calculation is made.
- ii. For purposes of this calculation, the tax collection rate on the Applicant’s Qualified Property will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.
- iv. For all calculations made for years during the Tax Limitation Period under 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 Operations Tax 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 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 Applicant, but subject to the provisions of Section 4.7 below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents.

The Third Party shall preserve all documents pertaining to the calculation until 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. 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 4.7 below, by such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 4.6 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. In no year shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.7 exceeding Fifteen Thousand Dollars (\$15,000). For any Tax Year outside of the Tax Limitation Period, Applicant shall not be responsible for payment of an aggregate amount of fees and expenses under this Section which exceeds Ten Thousand Dollars (\$10,000).

Section 4.8. STATUTORY CHANGES AFFECTING MAINTENANCE & OPERATION REVENUE.

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by 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 4, the Applicant shall have the right to appeal such calculation or determination in accordance with the procedures set forth in Section 4.9.

Section 4.9. 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 4.6 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. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of the calculations, and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

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. 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 Article IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article VI. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the TEXAS TAX CODE, unless it is explicitly set forth in this Agreement.

It is the express intent of the Parties that the obligation for Supplemental Payments under this Article VI are separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V, and that all payments under Article VI are subject to the separate limitations contained in Section 6.2 and Section 6.3. Each Supplemental Payment shall be due and payable on January 31st of the year following that in which such Supplemental Payment accrued.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

Notwithstanding the foregoing:

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

previously made by the Application;

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

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

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 year of the Qualifying Period and ending December 31 of the third year after the expiration of the Tax Limitation Period (Tax Year 2034), Applicant shall make Supplemental Payments as follows:

School Year	Tax Year	Supplemental Payment	Payment Due Date
2021-2022	2021	\$0	January 31, 2021
2022-2023	2022	\$0	January 31, 2022
2023-2024	2023	\$0	January 31, 2023
2024-2025	2024	\$760,800	January 31, 2024
2025-2026	2025	\$190,200	January 31, 2025
2026-2027	2026	\$190,200	January 31, 2026
2027-2028	2027	\$190,200	January 31, 2027
2028-2029	2028	\$190,200	January 31, 2028
2029-2030	2029	\$190,200	January 31, 2029
2030-2031	2030	\$190,200	January 31, 2030
2031-2032	2031	\$190,200	January 31, 2031
2032-2033	2032	\$190,200	January 31, 2032
2033-2034	2033	\$190,200	January 31, 2033
2034-2035	2034	\$190,200	January 31, 2034
2035-2036	2035	\$190,200	January 31, 2035

If, for any Tax Year during the Limitation Period of this Agreement the Cumulative Payments

owed under Sections IV, V and VI of this Agreement, exceeds the Aggregate Limit for such tax year, the difference between the Applicant's Supplemental Payment Amount so calculated and the Aggregate Limit for such Tax Year, shall be carried forward from year-to-year until paid to the District.

Section 6.4. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS.

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

A. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Article IV.

B. The payment of all amounts due under this Article VI shall be made at the time set forth in Section 6.3.

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 Article IV, 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, so long as such decision does not result in additional costs to the Applicant under this Agreement, 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. Any such designation will become effective after such public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Any designation of a successor beneficiary under this Section 6.5 shall not alter the limits on Supplemental Payments described in Sections 6.2 and 6.3, above. Notwithstanding the foregoing, any payments made by the Applicant shall be made in the manner and to the party designated in this Agreement, unless Applicant receives an unambiguous written notice from the District that such payments are to be made to a different party as provided in this Section 6.5.

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's

actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

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

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

A. the Parties respective rights and obligations under this Agreement with respect to the such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

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

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

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

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

starting on the first such due date after the Application Approval Date.

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

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

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

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

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

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

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

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

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

B. During the time period defined under Section 8.6.A, the District and the Applicant shall

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

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

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

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

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

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

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

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

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

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

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

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

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

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

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have 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 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 Wharton 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 Wharton 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 90 days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. Consequences of Early Termination or Other Breach by Applicant.

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

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of 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 \$[Enter actual \$ amount being the minimum amount of the Qualified Investment for the category of school district required by Section 313.023 or Section 313.053 of the TEXAS TAX CODE] 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:

Wharton Independent School District
Attn: Superintendent
2100 N Fulton St.
Wharton, TX 77488
Email: therrington@whartonisd.net

With a Copy to:

Michelle R. Morris
Rogers, Morris & Grover, LLP
5718 Westheimer Rd., Suite 1200
Houston, Texas 77057
mmorris@rmgllp.com

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

Christopher Elrod
Manager
AP Solar 6, LLC
4309 Yoakum Blvd. STE 500
Houston, Texas 77006
Phone (407)474-7331
Email: christopher.elrod@apsolarholdings.com

With a Copy to:

Steve Moore
Jackson Walker LLP
100 Congress Ave., Ste. 1100
Austin, Texas 78701

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

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

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

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

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

C. Any amendment of the Application and this Agreement adding additional or replacement

Qualified Property pursuant to this Section 10.2 of this Agreement shall:

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

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

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

Section 10.3. ASSIGNMENT.

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

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

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

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

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

Section 10.6. AUTHORITY TO EXECUTE AGREEMENT. Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 10.7. SEVERABILITY. If any term, provision or condition of this Agreement, or any application

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

Section 10.8. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.9. INTERPRETATION.

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

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

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

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

Section 10.10. EXECUTION OF COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 10.11. PUBLICATION OF DOCUMENTS. The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

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

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

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

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

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

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

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

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION. Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions

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

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

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

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

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

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this ____ day of _____, 2020.

AP Solar 6, LLC

Wharton Independent School District

By: _____
Christopher Elrod
Manager

By: _____
Christine Stransky
President, Board of Trustees

Attest:

Cody Pohler
Secretary, Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

EXHIBIT 3
APPLICANT'S QUALIFIED INVESTMENT

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Attachment F

Comptroller's Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

January 22, 2020

Tina Herrington
Superintendent
Wharton Independent School District
2100 N Fulton
Wharton, TX 77488

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Wharton Independent School District and AP Solar 6, LLC, Application 1390

Dear Superintendent Herrington:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Wharton Independent School District and AP Solar 6, LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

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

Should you have any questions, please contact Tabita Collazo with our office. She can be reached by email at tabita.collazo@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-5626, or at 512-475-5626.

Sincerely,

A handwritten signature in black ink that reads "Will Counihan". The signature is written in a cursive style.

Will Counihan
Director
Data Analysis & Transparency Division

cc: Michelle Morris, Rogers, Morris & Grover, LLP
Christopher Elrod, AP Solar Holdings, LLC
Lisa Murphy, AP Solar Holdings, LLC
Steve Moore, Jackson Walker, LLP

Attachment G

Culwell Consulting Report

Chapter 313 Financial Impact Study

*An analysis of the potential Chapter 313 Agreement
between AP Solar 6 LLC and the Wharton Independent
School District*

Prepared January 8, 2020



Overview

On May 28, 2019, the AP Solar 6 LLC solar project (Applicant) submitted an application for appraised value limitation on qualified property to the Wharton Independent School District (WISD). The Applicant is requesting WISD agree to limit the maintenance and operations (M&O) taxable value of the Applicant's project for a ten-year period to \$30,000,000. As put forth in the application, the first year of the limitation period would begin in the 2022 tax year. Any potential Ch. 313 agreement does not affect the Applicant's taxable value for Interest and Sinking (I&S) tax rate purposes.

Culwell Consulting was engaged by WISD to analyze the impact of the potential value limitation agreement upon the overall M&O revenue of WISD. An agreement entered into by the parties provides for the protection of any M&O revenue losses due to the granting of the \$30 million value limitation. This report provides the programmatic details, pertinent aspects of the Texas school finance system, and in-depth analysis needed to understand the financial impact of such an agreement upon the WISD general fund.

This analysis concludes that the effect of a value limitation agreement upon the finances of WISD would result in WISD foregoing \$2,702,754 in M&O revenue during the first year of the limitation period. After payout of these losses by the Applicant, the Applicant's tax savings are estimated to be \$10,104,894. This tax savings amount does not take into consideration any negotiated supplemental payments made to the school district.

Background

In 2001, The 77th Texas Legislature passed HB 1200 enacting the Texas Economic Development Act. Established under Ch. 313 of the Texas Tax Code, the program has become more commonly referred to as Ch. 313. This program enables school districts to limit the maintenance and operations (M&O) taxable value of qualified economic development projects for a ten-year period.

Several types of projects are eligible to receive value limitations under Chapter 313 of the Tax Code. The proposed solar electric energy generation project put forth in the Applicant's application qualifies under Texas Tax Code 313.024(b)(5).

As a result of such limitation being granted, the Applicant's project would receive two taxable values beginning in the 2022 tax year. First, the project would be assessed at \$30 million for M&O tax purposes under

the terms of the Ch. 313 agreement. Second, the project will receive a full taxable value from the local appraisal district for the WISD's I&S tax purposes. This will continue for the ten-year limitation period after which the project will be fully taxable for M&O tax purposes. Please note, that any taxable value of the project either prior to or after the ten-year limitation period is fully taxable for M&O tax purposes.

For the ten-year limitation period, the school district's M&O tax rate is only applied to the \$30 million. The result of which is substantial tax savings for the Applicant.

The Ch. 313 Agreement drafted by Rogers, Morris & Grover, L.L.P. ensures that WISD is protected against any loss in revenue incurred by the district's M&O general fund. This calculated amount is commonly referred to as the school district's Ch. 313 revenue loss and discussed below in detail.

Additionally, the two parties are able to negotiate a supplemental payment, which allows for a partial sharing of the Applicant's tax savings with the school district. Under Texas Tax Code 313.027(i), these payments may not exceed \$100 per average daily attendance and may only occur from the first year of the qualified time period to the third year after the value limitation expires. The exact terms of the supplemental payment are set in the final Ch. 313 Agreement.

School Finance

To fund the maintenance and operation of Texas public schools, the state's school finance system relies on local tax collections and state aid. The method of determining state aid is a complex system that further breaks funding into two major components referred to as Tier I and Tier II. Tier I funding is based on the M&O taxes at the compressed rate, program allotments, and ADA and special student populations. Tier II is the enrichment tier based on the tax effort above the school district's compressed rate. State aid works to fill the gap between local revenue and the total funding the school district is entitled to through the state finance system.

In the Spring of 2019, The 86th Texas Legislature passed House Bill 3 which made significant changes to the school finance system in Texas. In passing HB 3, the Legislature sought to equalize funding across school districts, increase teacher compensation, improve learning outcomes, and reduce property taxes.

Of particular note to this analysis, HB 3 now requires the use of current-year local taxable values as opposed to prior-year taxable values when

determining state aid. The 2019-20 school year is the first in which this method of calculating state aid will be used. This differs from the prior school finance system under which state funding was based on the prior year's Comptroller certified property values. Specifically addressing the Ch. 313 program, HB 3 states that calculations determining the school districts' revenue loss must continue to use the prior year's Comptroller certified local taxable values when determining the state aid allotted to the school district.

Due to this reliance on prior year values when determining state aid, the first year of the limitation period often results in a loss in revenue for the school district. Under the terms of the agreement, the Applicant is required to hold the district harmless from any such losses. Estimates of revenue losses are based on the current school finance system and the taxable values provided by the Applicant. Any future changes in the school finances system or increases in the project's taxable value within the limitation period may result in increased revenue losses for the school district.

Methodology

The Ch. 313 agreement between the two parties requires calculations be conducted in each year the value limitation is in place. To determine the impact of any reduction in M&O taxable value of the project, two school finances models are established and the outputs compared. The first model serves as the control model utilizing the full M&O taxable value of the project. The second model is set up substituting the limited value of \$30 million for the full taxable value.

The project's taxable values are pulled from the estimates put forth in Schedule B of the application. School district level data was provided by WISD and reflects those figures used in budgeting for the 2019-20 school year. In developing the comparison scenarios, all variables and funding factors were held constant with the exception of the project's taxable value and the district's resulting tax collections.

As stated above, during the 86th Texas Legislative Session the Legislature passed House Bill 3 enacting major changes to the school finance system. The finance models used reflect these changes as enacted to the date of this report.

Results

The two models are then compared and differences in school district revenue are shown below in Table 1. The highlighted rows outline the ten-year value limitation period during which revenue loss calculations

are required. The column entitled, “School District Revenue Loss,” displays the estimated loss over the course of the limitation period. As shown below, it is estimated that WISD will forego \$2,702,754 in M&O revenue during the 2022-2023 school year. No revenue loss is observed beyond the first year of the limitation period; however, any increase in the project;s property value from one year to the next during the limitation period may result in additional revenue losses.

The final column, “Company Tax Savings,” displays the tax savings in each year of the limitation with the Applicant’s total savings over the ten-year period totaling \$10,104,894.

Table 1 - Projected School District Revenue Loss

School Year	Tax Year	Project Full Taxable Value (I&S Value)	Project Limited Tax Value (M&O Value)	M&O Taxes Paid Before Limitation	M&O Taxes Paid After Limitation	Tax Savings Before District Calculations	School District Revenue Loss	Company Tax Savings Before Supplemental Payment
2019-2020	2019	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020-2021	2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021-2022	2021	150,000,000	\$150,000,000	\$1,524,720	\$1,524,720	\$0	\$0	\$0
2022-2023	2022	\$285,000,000	\$30,000,000	\$2,896,968	\$304,944	\$2,592,024	-\$2,702,754	-\$110,730
2023-2024	2023	\$255,000,000	\$30,000,000	\$2,592,024	\$304,944	\$2,287,080	\$0	\$2,287,080
2024-2025	2024	\$225,000,000	\$30,000,000	\$2,287,080	\$304,944	\$1,982,136	\$0	\$1,982,136
2025-2026	2025	\$195,000,000	\$30,000,000	\$1,982,136	\$304,944	\$1,677,192	\$0	\$1,677,192
2026-2027	2026	\$165,000,000	\$30,000,000	\$1,677,192	\$304,944	\$1,372,248	\$0	\$1,372,248
2027-2028	2027	\$135,000,000	\$30,000,000	\$1,372,248	\$304,944	\$1,067,304	\$0	\$1,067,304
2028-2029	2028	\$105,000,000	\$30,000,000	\$1,067,304	\$304,944	\$762,360	\$0	\$762,360
2029-2030	2029	\$75,000,000	\$30,000,000	\$762,360	\$304,944	\$457,416	\$0	\$457,416
2030-2031	2030	\$60,000,000	\$30,000,000	\$609,888	\$304,944	\$304,944	\$0	\$304,944
2031-2032	2031	\$60,000,000	\$30,000,000	\$609,888	\$304,944	\$304,944	\$0	\$304,944
2032-2033	2032	\$60,000,000	\$60,000,000	\$609,888	\$609,888	\$0	\$0	\$0
2033-2034	2033	\$60,000,000	\$60,000,000	\$609,888	\$609,888	\$0	\$0	\$0
2034-2035	2034	\$60,000,000	\$60,000,000	\$609,888	\$609,888	\$0	\$0	\$0
2035-2036	2035	\$60,000,000	\$60,000,000	\$609,888	\$609,888	\$0	\$0	\$0
2036-2037	2036	\$60,000,000	\$60,000,000	\$609,888	\$609,888	\$0	\$0	\$0
			Totals	\$20,431,248	\$7,623,600	\$12,807,648	-\$2,702,754	\$10,104,894.00

Facilities Impact

The project remains fully taxable for I&S tax purposes over the course of the taxable life of the project. The Applicant has stated in their application their intent to invest a total of \$285 million resulting in a peak taxable value in the 2022-23 school year. The project's taxable value is assumed to depreciate quickly, with the assessed value at an estimated \$60 million by the 2030-2031 school year.

Impact Summary

The total estimated school district revenue losses of \$2,702,754 and Applicant tax savings of \$10,104,894 are based on the assumptions used in this report. The terms of these calculations are set in the Ch. 313 Agreement; however, each year's calculation require the use of the concurrent year's school finance system, assessed taxable value of the project, school district level taxable values and tax rates, and school district student population data. Changes to any of these factors may result in revenue losses and company tax savings in different amounts than estimated in this report. At this time, a school district revenue loss is only estimated in the first two years of the limitation; however, any future changes to the variables listed above may result in additional losses in during subsequent years.

Estimated Effects of the Ch. 313 Application from Red-tailed Hawk Solar LLC upon the Finances of the Wharton Independent School District

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	School Year	Tax Year	Project Full Taxable Value (I&S Value)*	Project Limited Tax Value (M&O Value)	M&O Tax Rate#	M&O Taxes Paid Before Limitation	M&O Taxes Paid After Limitation	Tax Savings Before District Calculations	School District Revenue Loss	Company Tax Savings Before Supplemental Payment	Supplemental Payment	Total Company Tax Savings
	2019-2020	2019	\$0	\$0	\$1.02	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2020-2021	2020	\$0	\$0	\$1.02	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2021-2022	2021	\$150,000,000	\$150,000,000	\$1.02	\$1,524,720	\$1,524,720	\$0	\$0	\$0	\$0	\$0
Qualifying Time Year 1	2022-2023	2022	\$285,000,000	\$30,000,000	\$1.02	\$2,896,968	\$304,944	\$2,592,024	-\$2,702,754	-\$110,730	\$0	-\$110,730
	2023-2024	2023	\$255,000,000	\$30,000,000	\$1.02	\$2,592,024	\$304,944	\$2,287,080	\$0	\$2,287,080	\$760,800	\$1,526,280
	2024-2025	2024	\$225,000,000	\$30,000,000	\$1.02	\$2,287,080	\$304,944	\$1,982,136	\$0	\$1,982,136	\$190,200	\$1,791,936
	2025-2026	2025	\$195,000,000	\$30,000,000	\$1.02	\$1,982,136	\$304,944	\$1,677,192	\$0	\$1,677,192	\$190,200	\$1,486,992
	2026-2027	2026	\$165,000,000	\$30,000,000	\$1.02	\$1,677,192	\$304,944	\$1,372,248	\$0	\$1,372,248	\$190,200	\$1,182,048
Value Limitation Period	2027-2028	2027	\$135,000,000	\$30,000,000	\$1.02	\$1,372,248	\$304,944	\$1,067,304	\$0	\$1,067,304	\$190,200	\$877,104
	2028-2029	2028	\$105,000,000	\$30,000,000	\$1.02	\$1,067,304	\$304,944	\$762,360	\$0	\$762,360	\$190,200	\$572,160
	2029-2030	2029	\$75,000,000	\$30,000,000	\$1.02	\$762,360	\$304,944	\$457,416	\$0	\$457,416	\$190,200	\$267,216
	2030-2031	2030	\$60,000,000	\$30,000,000	\$1.02	\$609,888	\$304,944	\$304,944	\$0	\$304,944	\$190,200	\$114,744
	2031-2032	2031	\$60,000,000	\$30,000,000	\$1.02	\$609,888	\$304,944	\$304,944	\$0	\$304,944	\$190,200	\$114,744
	2032-2033	2032	\$60,000,000	\$60,000,000	\$1.02	\$609,888	\$609,888	\$0	\$0	\$0	\$190,200	-\$190,200
	2033-2034	2033	\$60,000,000	\$60,000,000	\$1.02	\$609,888	\$609,888	\$0	\$0	\$0	\$190,200	-\$190,200
Maintain Viable Presence	2034-2035	2034	\$60,000,000	\$60,000,000	\$1.02	\$609,888	\$609,888	\$0	\$0	\$0	\$190,200	-\$190,200
	2035-2036	2035	\$60,000,000	\$60,000,000	\$1.02	\$609,888	\$609,888	\$0	\$0	\$0	\$0	\$0
	2036-2037	2036	\$60,000,000	\$60,000,000	\$1.02	\$609,888	\$609,888	\$0	\$0	\$0	\$0	\$0
	Totals					\$20,431,248	\$7,623,600	\$12,807,648	-\$2,702,754	\$10,104,894.00	\$2,853,000	\$7,251,894.00

NOTE: These calculations are based upon the current school finance system as of the date of preparation below. Any future calculations will be subject to the then finance system governing school district funding.
 *The project taxable values utilized here are based on those provided in the application. Calculations made for active agreements during value limitation period will be based upon the assessed value as determined by the central appraisal district.
 #The M&O tax rate used is based on the district's current M&O tax rate. Future calculations will use the M&O tax rate that is in place in that given year.

Summary of Estimated Financial Impact
Total Estimated Revenue Protection Payment
\$2,702,754
Total Supplemental Payments
\$2,853,000
Total Company Tax Savings
\$7,251,894

Attachment H

TEA Letter

IMPORTANT: Please keep this letter with your district's records. It must be accessible to the law firm working on the value limitation agreement.

September 20, 2019

Christine Stransky, President
Board of Trustees
Wharton Independent School District
2100 North Fulton Street
Wharton, TX 77488-3146

Dear Ms. Stransky:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed AP Solar 6 LLC project #1390 on the number and size of school facilities in Wharton Independent School District (WISD). Based on an examination of WISD enrollment and the number of potential new jobs, the TEA has determined that the AP Solar 6 LLC project should not have a significant impact on the number or size of school facilities in WISD.

Please feel free to contact me by phone at (512) 463-8732 or by email at amy.copeland@tea.texas.gov if you have any questions.

Sincerely,



Amy Copeland
Assistant Director of State Funding

AC/rk
Cc: Tina Herrington