SARA LEON
& ASSOCIATES, LLC

July 8, 2019

Via Electronic Mail and Hand Delivery
Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

Re: Application for a Chapter 313 Value Limitation Agreement between the Needville Independent School District and AP Solar Holdings, LLC

First Year of Qualifying Time Period – 2020
First Year of Limitation – 2022

Dear Local Government Assistance and Economic Analysis Division:

The Needville Independent School District Board of Trustees approved the enclosed Application for Appraised Value Limitation on Qualified Property at a duly called meeting held on April 17, 2019. The Application was determined to be complete on July 8, 2019. The Applicant proposes to construct approximately 350MWac utility-scale solar (photovoltaic) field to be located on up to 2,642 acres in Fort Bend County. The wind farm and its associated infrastructure will be constructed within the jurisdiction of Needville Independent School District and Fort Bend County, Texas.

A copy is being provided to the Fort Bend County Appraisal District by copy of this correspondence. The Board of Trustees believes this project will be beneficial to the District and looks forward to your review and certification of this Application.

Thanks so much for your kind attention to this matter.

Respectfully submitted,

Sara Hardner Leon

Enclosures

512.637.4244 | saraleonlaw.com
Austin | Houston | Corpus Christi
S|L
7500 Rialto Blvd., Bldg. 1, Ste. 250
Austin, Texas 78735

cc: Glen Whitehead
Chief Appraiser
Fort Bend County Appraisal District
2801 B.F. Terry Blvd.
Rosenberg, TX 77471

Via Electronic Mail: rhodesc@needville.com
Curtis Rhodes, Superintendent of Schools, Needville Independent School District

Via Electronic Mail: christopher.elrod@apsolarholdings.com
Christopher Elrod, Manager, AP Solar Holdings, LLC

Via Electronic Mail: smoore@jw.com
Steve Moore, Attorney, Jackson Walker LLP

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

04/17/19
Date Application Received by District

Curtis
First Name

Rhodes
Last Name

Superintendent
Title

Needville Independent School District
School District Name

Street Address

PO Box 412
Mailing Address

Needville
City

Texas
State

77461
ZIP

979-793-4308
Phone Number

979-793-3823
Fax Number

Mobile Number (optional)

rhodesc@needville.com
Email Address

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)***

First Name: Sara	Last Name: Leon
Title: Principal	
Firm Name: Sara Leon & Associates, LLC	
Phone Number: 512-637-4244	Fax Number: 512-637-4245
Mobile Number *(optional)*: 512-656-4546	Email Address: sleon@saraleonlaw.com

4. On what date did the district determine this application complete? . . . . . July 8, 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)***

First Name: Christopher	Last Name: Elrod
Title: Manager	Organization: AP Solar Holdings, LLC
Street Address: 5524 Bee Caves Rd, Ste J1, West Lake Hills, Texas 78746	
Mailing Address: 5524 Bee Caves Rd, Ste J1	
City: West Lake Hills	State: TX / ZIP: 78746
Phone Number: 407-474-7331	
Mobile Number *(optional)*: 512-656-4546	Fax Number: christopher.elrod@apsolarholdings.com
	Business Email Address:

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.

First Name: Lisa	Last Name: Murphy
Title: Project Developer	Organization:
Street Address: 5524 Bee Caves Rd, Ste J1, West Lake Hills, TX 78746	
Mailing Address: 5524 Bee Caves Rd, Ste J1	
City: West Lake Hills	State: TX / ZIP: 78746
Phone Number: 512-922-0293	
Mobile Number *(optional)*:	Fax Number:
	Business Email Address:

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)*

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

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 2, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 *(11 digits)* 32069528803
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:
   - ☑ Land has no existing improvements
   - ☐ Land has existing improvements *(complete Section 13)*
   - ☐ Expansion of existing operation on the land *(complete Section 13)*
   - ☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

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 2 2020
3. Beginning of qualifying time period . . . . . est 01/01/2020
4. First year of limitation 01/01/2022
5. Begin hiring new employees . . . . . QTR 1 2021
6. Commencement of commercial operations . . . . . QTR 2 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 2 2021

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Fort Bend County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Fort Bend 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: Fort Bend (M&O only) 0.382, 100%
   (Name, tax rate and percent of project)

   City: N/A
   (Name, tax rate and percent of project)

   Hospital District: N/A
   (Name, tax rate and percent of project)

   Water District: N/A
   (Name, tax rate and percent of project)

   Other *(describe)*: Wharton JC, 0.14346, 100%
   (Name, tax rate and percent of project)

   Other *(describe)*: Drainage, 0.019, 100%
   (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? 60,000,000
2. What is the amount of appraised value limitation for which you are applying?. 60,000,000

   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)? . . . . . ☐ Yes ☑ No
   - 2a. If yes, attach complete documentation including:
     - a. legal description of the land (**Tab 9**);
     - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
     - c. owner (**Tab 9**);
     - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
     - e. a detailed map showing the location of the land with vicinity map (**Tab 11**).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? . . . . ☐ Yes ☑ No
   - 3a. If yes, attach the applicable supporting documentation:
     - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
     - b. legal description of reinvestment zone (**Tab 16**);
     - c. order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
     - d. guidelines and criteria for creating the zone (**Tab 16**); and
     - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**)
   - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? . . . . . est. by 06/30/19

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 2020 (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 993

   b. 110% of the average weekly wage for manufacturing jobs in the county is 1,663.20

   c. 110% of the average weekly wage for manufacturing jobs in the region is 1,276

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? 66,352

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 66,352

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

Proof of payment of filing fee received by the Comptroller of Public Accounts per TAC Rule §9.1054 (b)(5)

(Page Inserted by Office of Texas Comptroller of Public Accounts)

Tab 3

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

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 2, LLC, affiliated with the Fighting Jays 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

TX2019 05-164

Ver. 10.0 (Rev.9-16/9)

Texas Franchise Tax Extension Request

■ Tcode 13258 ANNUAL

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

Taxpayer name AP SOLAR HOLDINGS, LLC				Secretary of State file number or Comptroller file number 0803288438
Mailing address 4309 YOAKUM BLVD., SUITE 500				
City HOUSTON	State TX	Country USA	ZIP code plus 4 77006	Check box if the address has changed ■ ☐
Check box if this is a combined report ☒				

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.		**Mail original to:** Texas Comptroller of Public Accounts P.O. Box 149348 Austin, TX 78714-9348
sign here ▶	Date	

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	

1019

796359P 880771

TX2019 05-165

Ver. 10.0 (Rev.9-11/3)

Texas Franchise Tax Extension Affiliate List

■ Tcode 13298

■ Reporting entity taxpayer number: 32070351195

■ Report year: 2019

Reporting entity taxpayer name: 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	☐
2.		☐
3.		☐
4.		☐
5.		☐
6.		☐
7.		☐
8.		☐
9.		☐
10.		☐
11.		☐
12.		☐
13.		☐
14.		☐
15.		☐
16.		☐
17.		☐
18.		☐
19.		☐
20.		☐
21.		☐

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	

1019

Tab 4

Detailed Description of the Project

Project Definition

The Fighting Jays Solar Project ("Project") is an approximately 350 MWac utility-scale solar (photovoltaic) field to be located on up to 2,642 acres in Fort Bend County. AP Solar 2, LLC ("APS2") is the entity formed to own and operate the Project, and APS2 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 2nd Quarter 2020, and commercial operation is expected to commence in the 2nd Quarter, 2021.

About AP Solar Holdings, LLC

AP Solar Holdings, LLC ("AP Solar") is a 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 Fighting Jays Solar Project:

- Lease Agreement for Solar Energy Site Lease (12/21/18) - currently in Feasibility Period
- Phase I Environmental Site Assessment (03/15/19)
- Desktop Environmental Review (03/15/19)
- Conceptual Design (02/04/19)
- Generation Interconnection Request - SS/FIS Applications (03/13/19)
- Texas Tax Code, Chapter 312 Agreement (negotiation ongoing)

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

While AP Solar is not currently evaluating a project outside of Texas that is competing directly with this Fort Bend County project, all of AP Solar's investment decisions are determined by project costs, including state and local tax burdens, available incentives for renewable energy generation, and the power purchase market, and whether AP Solar can attract investment into such projects. AP Solar is currently monitoring project viability in other US states on these same parameters.

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 working to develop solar generation projects that will attract investment in the US market and be successful long-term. AP is planning to build multiple projects, with a current preference of remaining within the ERCOT service territory, if possible. Since this Fort Bend County Project is still in the early stages of development, further investment could, if necessary, be redeployed to other solar projects. Each AP Solar project individually competes for a finite pool of investment capital in the US. 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 and these could easily shift investment outside of Texas.

Due to the extremely competitive power market in ERCOT most renewable energy 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 a level that could make out of state projects more competitive that Texas projects.

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 Needville Independent School District located in Fort Bend 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

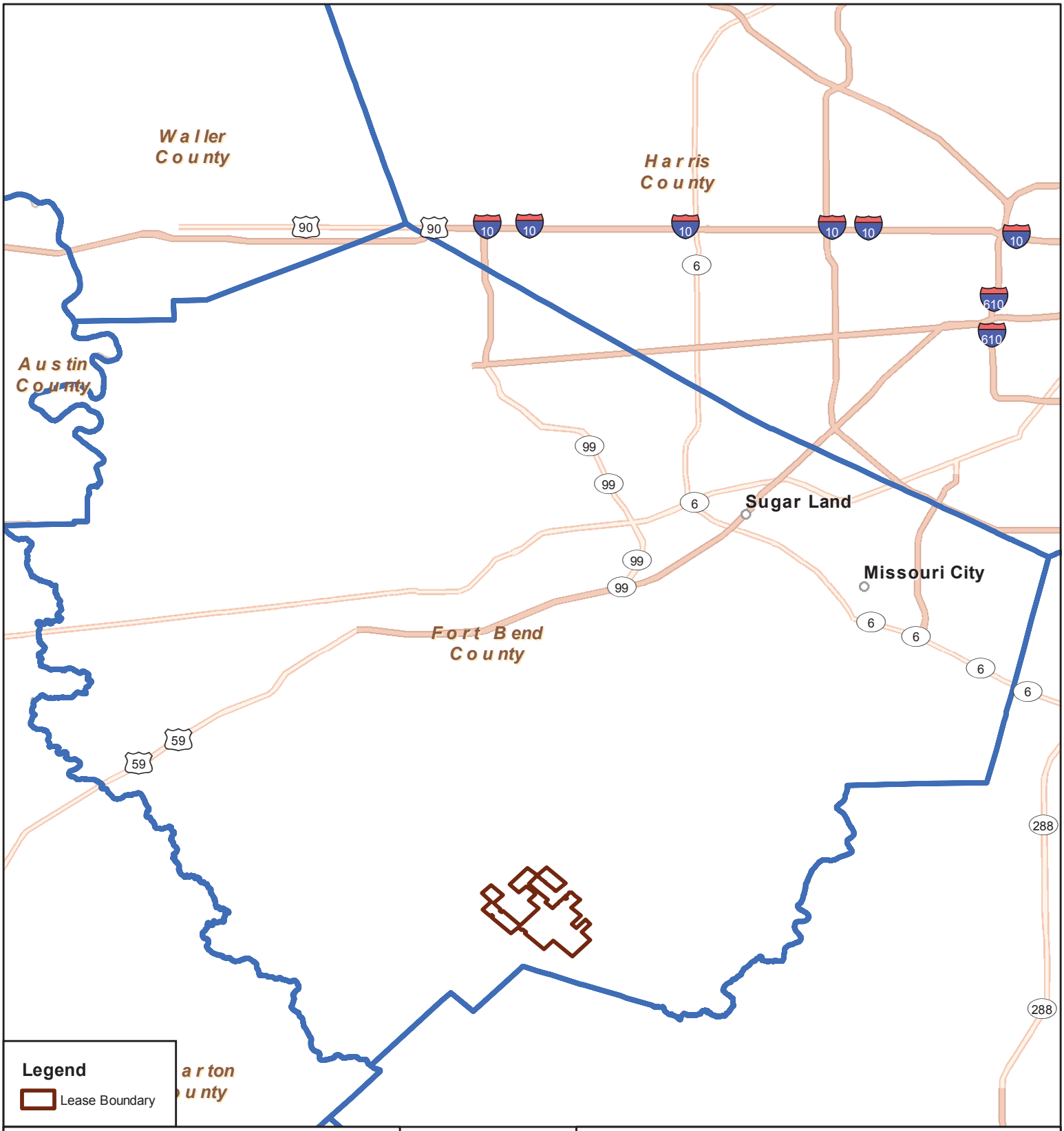
Tab 10

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

Not Applicable

Tab 11

Maps



Source: ESRI StreetMap North America
Datum: WGS 1984

N

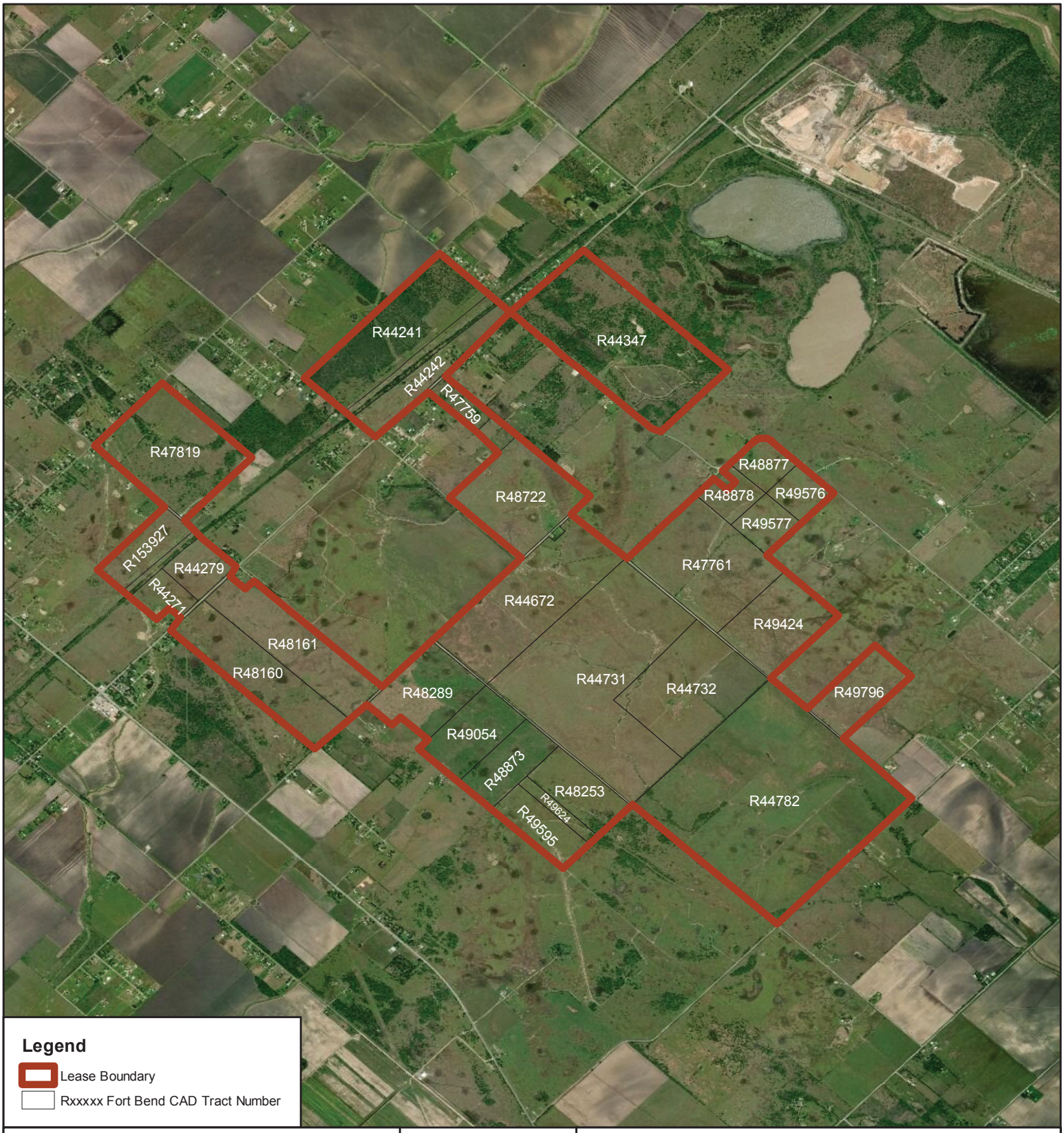
AP Solar 2, LLC
Fighting Jays Solar Project
Vicinity Map

APSOLAR

Location:
Fort Bend County, Texas

0 2.5 5 10 Miles

Date: 5/15/19 REV 0



Source: ESRI StreetMap North America
Datum: WGS 1984

N

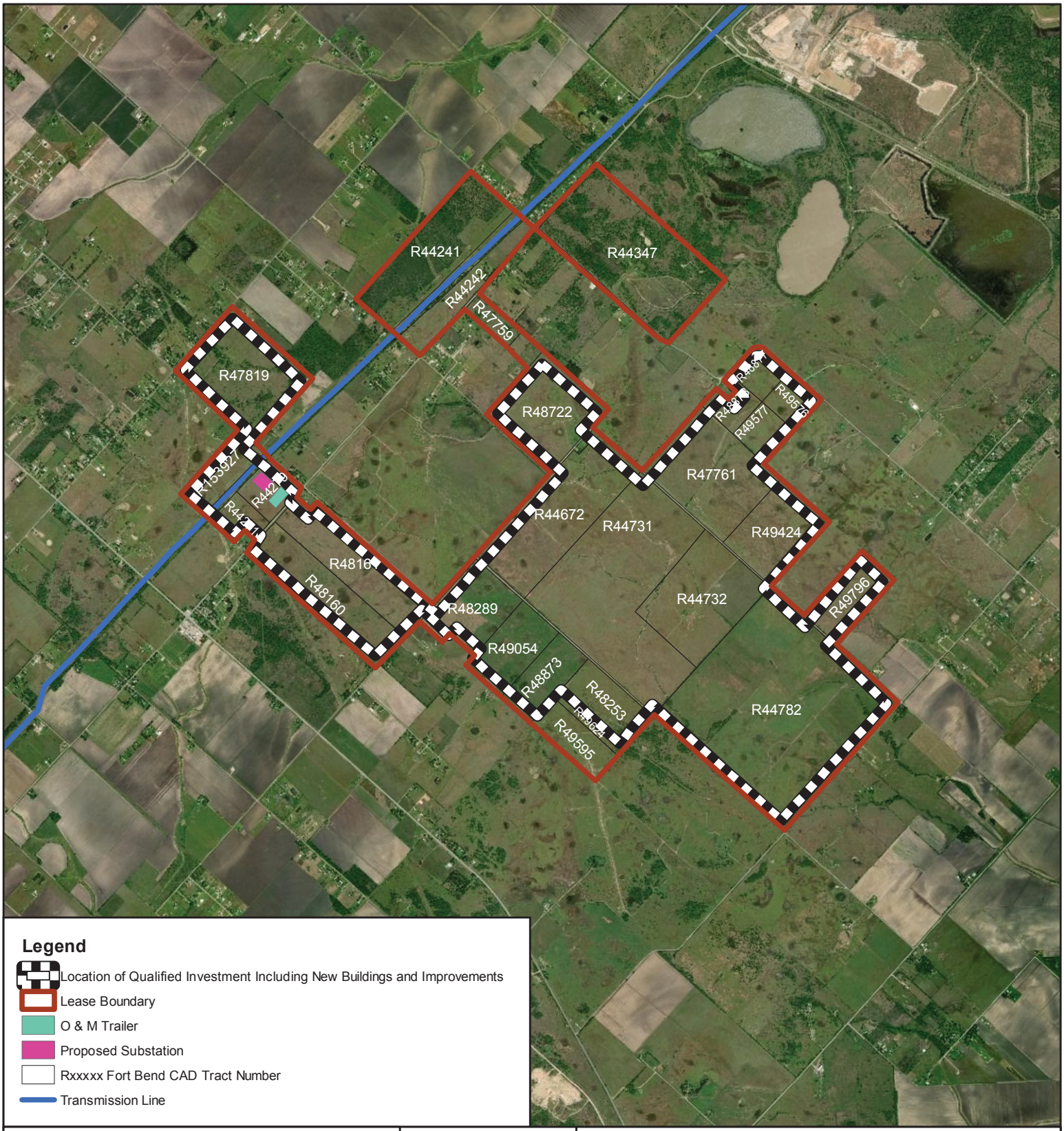
AP Solar 2, LLC
Fighting Jays Solar Project
Reinvestment Zone

APSOLAR

Location: 3788 +/- acres
Fort Bend County, Texas

0 0.25 0.5 1 Miles

Date: 5/15/19 REV 0



Source: ESRI StreetMap North America
Datum: WGS 1984

N

AP Solar 2, LLC
Fighting Jays Solar Project
Location of Qualified Investment

APSOLAR

Location: 3788 +/- acres
Fort Bend County, Texas

0 0.25 0.5 1 Miles

Date: 5/15/19 REV 0

Tab 12

Request for Waiver of Job Creation Requirements

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

May 6, 2019

Dr. Curtis Rhodes, Superintendent
Needville Independent School District
PO BOX 412
Needville. TX 77461

RE: Fighting Jays Solar Project
Chapter 313 Application for Appraised Value Limitation
Job Creation Requirement Waiver Request

Dear Dr. Rhodes:

AP Solar 2, 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. One employee can operate more than one facility with support and technical assistance provided by the PV manufacturer. Additionally, there may be asset managers or technicians who supervise, monitor and support the project from other locations.

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

Sincerely,

Christopher Elrod
Manager

Tab 13

Calculation of Three Possible Wage Requirements with TWC Documentation

Average Weekly Wage (All Jobs, All Industries)

County: Fort Bend

Ownership: Total, all

Industry: Total, all industries

Year	Qtr	Average Weekly Wages
2017	4	1,014
2018	1	1,048
2018	2	958
2018	3	952
	Average	**993**

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

110% of Average Weekly Wage for Manufacturing Jobs

County: Fort Bend

Ownership: Private

Industry: Manufacturing

Year	Qtr	Average Weekly Wages
2017	4	1,505
2018	1	1,677
2018	2	1,417
2018	3	1,449
	Average	**1,512**
	110% of Average	**1,663.20**

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

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)

Minimum Required Annual Wage

$1,160/wk * 110% * 52 wk/yr = $66,352

110% of Average Weekly Wage for Utility Construction Jobs

County: Fort Bend

Ownership: Private

Industry: Construction: Utility Systems

Year	Qtr	Average Weekly Wages
2017	3	1,335
2018	1	1,396
2018	2	1,342
2018	3	1,349
	Average	1,355.50

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

Average Annual Wage Rates for Construction Workers

$1,355.50 * 52 = $70,486

Year	Period	Area	Ownership	Industry	Industry	Leve	Establishmei	Firms	Average Employ	Average Weekly Wage	Total Wages
2017	04	Fort Bend	Total All	10	Total, All Industries	0	13,559	11,979	183,316	1,014	2,416,719,265
2018	01	Fort Bend	Total All	10	Total, All Industries	0	13,675	12,053	184,656	1,048	2,515,249,814
2018	02	Fort Bend	Total All	10	Total, All Industries	0	13,714	12,062	188,373	958	2,346,423,003
2018	03	Fort Bend	Total All	10	Total, All Industries	0	13,819	12,152	190,454	952	2,358,210,530

Year	Period	Area	Owners	Industry	Industry	Level	Estab	Firms	Average Empl	Average Weekly Wage	Total Wages	Month 1 E	Month 2	Month 3 E	Hierarchi
2017	04	Fort Bend	Private	31-33	Manufacturing	2	417	394	13,112	1,505	256,573,916	13,049	13,056	13,232	305
2018	01	Fort Bend	Private	31-33	Manufacturing	2	427	400	13,654	1,677	297,739,674	13,464	13,690	13,809	305
2018	02	Fort Bend	Private	31-33	Manufacturing	2	426	399	13,864	1,417	255,455,810	13,811	13,817	13,963	305
2018	03	Fort Bend	Private	31-33	Manufacturing	2	424	400	14,063	1,449	264,960,887	13,992	14,045	14,151	305

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	11

Year	Period	Area	Ownership	Industry	Industry	Level	Establ	Firms	Average Employm	Average Weekly Wage	Total Wages
2017	01	Fort Bend	Private	2371	Utility System Constru	4	42	42	1,326	1,362	23,476,729
2017	02	Fort Bend	Private	2371	Utility System Constru	4	43	43	1,200	1,280	19,968,921
2017	03	Fort Bend	Private	2371	Utility System Constru	4	42	42	1,093	1,230	17,470,062
2017	04	Fort Bend	Private	2371	Utility System Constru	4	43	43	1,582	1,335	27,448,887
2018	01	Fort Bend	Private	2371	Utility System Constru	4	42	42	1,426	1,396	25,891,791
2018	02	Fort Bend	Private	2371	Utility System Constru	4	42	42	1,413	1,342	24,655,335
2018	03	Fort Bend	Private	2371	Utility System Constru	4	42	42	2,298	1,349	40,300,957

Tab 14

Schedules A1, A2, B, C and D

Excel Version Also Provided as Separate File

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

Date 6/12/2019
Applicant Name AP Solar 2, LLC
ISD Name Needville ISD

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	Column B New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Column C Other 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	--	2019-2020	2019	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period								$ -
Complete tax years of qualifying time period	QTP1	2020-2021	2020	$ 175,000,000.00				**$ 175,000,000.00**
	QTP2	2021-2022	2021	$ 175,000,000.00				**$ 175,000,000.00**
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				**$ 350,000,000.00**	**$ -**	**$ -**	**$ -**	$ 350,000,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				**$ 350,000,000.00**				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

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

Date 6/12/2019
Applicant Name AP Solar 2, LLC
ISD Name Needville ISD

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A	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 not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	**Total Investment** (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	2019-2020	2019	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period								$ -
Complete tax years of qualifying time period	QTP1	2020-2021	2020	$ 175,000,000.00				**$ 175,000,000.00**
	QTP2	2021-2022	2021	$ 175,000,000.00				**$ 175,000,000.00**
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				**$ 350,000,000.00**	**$ -**	**$ -**	**$ -**	$ 350,000,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				**$ 350,000,000.00**				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

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

Date 6/12/2019
Applicant Name AP Solar 2, LLC - Fighting Jays Solar
ISD Name Needville ISD

Form 50-296A
Revised May 2014

				Qualified Property			Estimated Taxable Value		
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Fill in actual tax year) YYYY	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	0	0	0	0
Qualifying Investment Period	0	2020-2021	2020	N/A	N/A	$ 175,000,000	$ 175,000,000	$ 175,000,000	$ 175,000,000
	0	2021-2022	2021	N/A	N/A	$ 175,000,000	$ 350,000,000	$ 350,000,000	$ 350,000,000
Value Limitation Period	1	2022-2023	2022	N/A	N/A	$ 332,500,000	$ 332,500,000	$ 332,500,000	$ 60,000,000
	2	2023-2024	2023	N/A	N/A	$ 297,500,000	$ 297,500,000	$ 297,500,000	$ 60,000,000
	3	2024-2025	2024	N/A	N/A	$ 262,500,000	$ 262,500,000	$ 262,500,000	$ 60,000,000
	4	2025-2026	2025	N/A	N/A	$ 227,500,000	$ 227,500,000	$ 227,500,000	$ 60,000,000
	5	2026-2027	2026	N/A	N/A	$ 192,500,000	$ 192,500,000	$ 192,500,000	$ 60,000,000
	6	2027-2028	2027	N/A	N/A	$ 157,500,000	$ 157,500,000	$ 157,500,000	$ 60,000,000
	7	2028-2029	2028	N/A	N/A	$ 122,500,000	$ 122,500,000	$ 122,500,000	$ 60,000,000
	8	2029-2030	2029	N/A	N/A	$ 87,500,000	$ 87,500,000	$ 87,500,000	$ 60,000,000
	9	2030-2031	2030	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 60,000,000
	10	2031-2032	2031	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 60,000,000
Continue to maintain viable presence	11	2032-2033	2032	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 70,000,000
	12	2033-2034	2033	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 70,000,000
	13	2034-2035	2034	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 70,000,000
	14	2035-2036	2035	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 70,000,000
	15	2036-2037	2036	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 70,000,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 70,000,000
	17	2038-2039	2038	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 70,000,000
	18	2039-2040	2039	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 70,000,000
	19	2040-2041	2040	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 70,000,000
	20	2041-2042	2041	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 70,000,000
	21	2042-2043	2042	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 70,000,000
	22	2043-2044	2043	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 70,000,000
	23	2044-2045	2044	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 70,000,000
	24	2045-2046	2045	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 70,000,000
	25	2046-2047	2046	N/A	N/A	$ 70,000,000	$ 70,000,000	$ 70,000,000	$ 70,000,000

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 2, LLC - Fighting Jays Solar
ISD Name Needville ISD

Form 50-296A
Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	**Column B**	**Column C**	**Column D**	**Column E**
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	**Average** annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	**Average** annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*	0	2019-2020	2019	0	N/A	0	0	
Qualified Investment Period	1	2020-2021	2020	300	$70,486	N/A	0	
	2	2021-2022	2021	0	N/A	0	1	66,352.00
Value Limitation Period *The qualifying time period could overlap the value limitation period.*	1	2022-2023	2022	N/A	N/A	0	1	66,352.00
	2	2023-2024	2023	N/A	N/A	0	1	66,352.00
	3	2024-2025	2024	N/A	N/A	0	1	66,352.00
	4	2025-2026	2025	N/A	N/A	0	1	66,352.00
	5	2026-2027	2026	N/A	N/A	0	1	66,352.00
	6	2027-2028	2027	N/A	N/A	0	1	66,352.00
	7	2028-2029	2028	N/A	N/A	0	1	66,352.00
	8	2029-2030	2029	N/A	N/A	0	1	66,352.00
	9	2030-2031	2030	N/A	N/A	0	1	66,352.00
	10	2031-2032	2031	N/A	N/A	0	1	66,352.00
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2046	N/A	N/A	0	1	66,352.00

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

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

If yes, answer the following two questions:

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

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? ☐ Yes ■ No

Schedule D: Other Incentives (Estimated)

Date 6/12/2019

Applicant Name AP Solar 2, LLC - Fighting Jays Solar

ISD Name Needville ISD

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:					
Tax Code Chapter 312	County: **Fort Bend County (M&O Only)**	2022	10 years	$ 748,720	70.6%	$ 219,937
	County: **Drainage District**	2022	10 years	$ 37,240	70.6%	$ 10,939
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
			TOTAL	$ 785,960.00	71%	$ 230,875.75

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

Tract Number	Legal Description
R153927	0724 LINA BARTH, ACRES 40.00, SEC 110
R180987	0234 H AND TC RY, ACRES 6.00, ABANDONED RR ROW
R180988	0233 H AND TC RY, ACRES 14.001, Abandoned RR Row
R44240	0233 H AND TC RY, ACRES 24.60
R44241	0233 H AND TC RY, ACRES 239.069, LAND NORTH OF RAILROAD
R44242	0233 H AND TC RY, ACRES 43.331, LAND SOUTH OF RAILROAD
R44271	0234 H AND TC RY, ACRES 32.72, PT ON SOUTHSIDE HL&P ROW
R44276	0234 H AND TC RY, ACRES 12.04
R44279	0234 H AND TC RY, ACRES 45.0
R44347	0238 H AND TC RY, ACRES 320.00
R44672	0252 H AND TC RY, ACRES 236.00, SEC 103
R44731	0255 H AND TC RY, ACRES 440.00, SEC 109
R44732	0255 H AND TC RY, ACRES 200.00, SEC 109
R44782	0258 H AND TC RY, ACRES 640
R47759	0467 J M BENNETT, ACRES 26.75
R47761	0468 R V BOARD, ACRES 200.00
R47819	0471 J G GOTH, ACRES 200.00, SEC 58
R48160	0724 LINA BARTH, ACRES 40.00, SEC 110
R48161	0493 GEO WILLIFORD, ACRES 153.64, SEC 64
R48194	0497 J M BENNETT, ACRES 13.25
R48195	0497 J M BENNETT, ACRES 13.25
R48253	0724 LINA BARTH, ACRES 40.00, SEC 110
R48289	0528 J E SAMSON, ACRES 108, 104
R48722	0724 LINA BARTH, ACRES 40.00, SEC 110
R48873	0602 GEO WOLFGANG, ACRES 80, 108
R48878	0607 GUSTAV BARTH, ACRES 35.725, SEC 110
R49054	0640 H A WATSON, ACRES 79.89, 108
R49424	0693 ELLEN F BOARD, ACRES 120.00, SEC 110
R49576	0724 LINA BARTH, ACRES 40.00, SEC 110
R49577	0724 LINA BARTH, ACRES 40.00, SEC 110
R49595	0734 HENRY WASKOW, ACRES 60.00, SEC 108
R49624	0741 J WATSON, ACRES 20.00, SEC 108
R49796	0760 DAILY AND ROBINOWITZ, ACRES 80.00

c) Order, Resolution or Ordinance Establishing the Reinvestment Zone
Reinvestment Zone established by Fort Bend County on May 28, 2019

d) Guidelines and Criteria for Creating the Zone - Attached

THE STATE OF TEXAS §
§
COUNTY OF FORT BEND §

GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN FORT BEND COUNTY DRAINAGE DISTRICT

WHEREAS, taxing entities in the State of Texas are authorized to provide tax abatements for historic preservation and economic development, pursuant to Chapter 312 of the Property Tax Code;

WHEREAS, the creation and retention of job opportunities that bring new wealth is the highest civic priority; and,

WHEREAS, Fort Bend County Drainage District (hereinafter referred to as "District") must compete with other localities across the region and the nation currently offering tax inducements to attract new industry, expand existing industry and develop new tax base; and,

WHEREAS, any tax incentives offered by the District would reduce needed tax revenue unless strictly limited in application to those new and existing industries that bring new wealth to the community; and,

WHEREAS, any tax incentives should not adversely affect the competitive position of existing companies operating in the District; and,

WHEREAS, the abatement of property taxes, when offered to attract primary jobs in industries which bring in money from outside a community instead of merely recirculating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area's economy; and,

WHEREAS, Texas law requires any eligible taxing jurisdiction to establish guidelines and criteria as to eligibility for tax abatement agreements prior to granting of any future tax abatement, said guidelines and criteria to be unchanged for a two-year period unless amended by a three-quarters vote; and,

WHEREAS, these guidelines and criteria shall not be construed as implying or suggesting that the District is under an obligation to provide tax abatement or other incentive to any applicant, and all applicants shall be considered on a case-by-case basis;

NOW, THEREFORE BE IT RESOLVED, that the District does hereby adopt these guidelines and criteria for granting tax abatements in reinvestment zones in the Fort Bend County Drainage District, Texas, and to provide consistency in the application and review process.

I. DEFINITIONS

A. **"Abatement"** means the full or partial exemption from ad valorem taxes of certain real property and/or Tangible Personal Property in a reinvestment zone designated by the District for economic development purposes.

B. **"Agreement"** means a contractual agreement between a property owner and / or Lessee and the District.

C. **"Base Year Value"** means the assessed value of eligible property January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements and Tangible Personal Property made after January 1 but before the execution of the Agreement.

D. **"Deferred Maintenance"** means improvements necessary for continued operation which do not improve productivity, or alter the process technology, reduce pollution or conserve resources.

E. **"Eligible Property"** Abatement may be extended to the value of buildings, structures, tangible personal property as defined in the Texas Tax Code including fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the facility.

F. **"Expansion"** means the addition of buildings, structures, machinery, tangible personal property, equipment or payroll for purposes of increasing production or regional capacity

G. **"Facility"** means property improvements completed or in the process of construction which together comprise an integral whole.

H. **"Hotel"** means a commercial structure which provides overnight accommodations to travelers and which contains 150 rooms or more.

I. **"Ineligible Property"** The following types of property shall be fully taxable and ineligible for tax abatement: land, existing improvements, tangible personal property that the Fort Bend Central Appraisal District classifies as inventory or supplies, real property used primarily to provide retail sales or services to the public, real property used for residential purposes, tangible personal property classified as furnishings, tangible personal property located in the reinvestment zone prior to the effective date of the tax abatement agreement, real property with a productive life of less than 10 years, or any other property for which abatement is not allowed by state law.

J. **"Modernization"** means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, equipment, pollution control devices or resource conservation equipment.

K. **"New Facility"** means a property previously undeveloped which is placed into service by means other than or in conjunction with Expansion or Modernization.

L. **"Commercial Building"** means a new facility; a new addition to an existing facility or build out of unoccupied space within an existing facility

M. **"Productive Life"** means the number of years a property improvement is expected to being service in a facility.

N. **"Real Property"** means: land or an improvement or other property classified as such under state law.

O. **"Reinvestment Zone"** means a geographic area of the District which meets the criteria of §312.202 of the Property Tax Code.

P. **"Tangible Personal Property"** means tangible personal property classified as such under state law, but excluding inventory and/or supplies and tangible personal property that was located in the investment zone at any time before the period covered by the agreement with the District.

II. ABATEMENT AUTHORIZED

A. **Submission:** Upon submission of an Economic Impact Statement signed by the company and certified by the Greater Fort Bend Economic Development Council, (hereinafter referred to as ("GFBEDC") Eligible Property shall be considered for tax abatement as hereinafter provided.

B. **Creation of New Value:** An abatement may only be granted for the additional value of eligible Improvements made subsequent to and specified in an abatement agreement between the District and the property owner or lessee, subject to such limitations as the District may require.

C. **New and Existing Facilities:** An abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.

D. **Economic Qualifications:** In order to be eligible for designation as a reinvestment zone and receive tax abatement the planned improvement:
   1. Must be expected to have an increased appraised ad valorem tax value of at least $1,000,000 based upon the Fort Bend Central Appraisal District's assessment of the eligible property; and
   2. Must be expected to prevent the loss of payroll or retain, increase or create payroll on a permanent basis in the District.
   3. Must not have the effect of transferring employment from one part of the District to another, unless there is a substantial threat of economic loss to the District.

E. **Standards for Tax Abatement:** The following factors, among others, may be considered in determining whether to grant tax abatement; and, if so, the percentage of value to be abated and duration of the 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 by proposed improvements;
   6. Amount of local payroll to be created;
   7. Whether persons residing, or projected to reside, within affected taxing jurisdictions will have the opportunity to fill the new jobs being created;
   8. Amount of local taxes to be generated directly;
   9. Amount that property tax base valuation will be increased during term of abatement and after abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than the economic qualifier stipulated in Section II(D)(1);
   10. The costs to be incurred by the District to provide facilities or services directly resulting from the new improvements;

11. The amount of ad valorem taxes to be paid to the District 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;
12. The population growth of the District that occurs directly as a result of new improvements;
13. The types and values of public improvements, if any, to be made by applicant seeking abatement;
14. Whether the proposed improvements compete with existing businesses to the detriment of the local economy;
15. The impact on the business opportunities of existing businesses;
16. The attraction of the other new businesses to the area as a result of the project;
17. The overall compatibility with the zoning ordinances and comprehensive plan for the area;
18. Whether the project is environmentally compatible with no negative impact on quality of life perceptions;
19. Whether the company has agreed to participate in the continuing economic development process in Fort Bend District by becoming a trustee member of the Greater Fort Bend Economic Development Council for a minimum period coinciding with the term of any abatement granted by District.

F. **Applications**: Each application for tax abatement shall be reviewed on its merits utilizing the factors provided above. After such review, abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

G. **Denial of Abatement:** Neither a reinvestment zone nor abatement 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;
   5. The application was filed after the commencement of construction, alteration, or installation of improvements related to the project; o
   6. Any other reason deemed appropriate by the District.

H. **Taxability:** From the execution of the abatement to the end of the agreement period, taxes shall be payable as follows:
   1. The value of ineligible property as provided in Section I(I) shall be fully taxable; and
   2. The base year value of existing eligible property as determined each year shall be fully taxable. The additional value of new eligible property shall be fully taxable at the end of the abatement period.

III. APPLICATION

A. Any present or potential owner of taxable property in the District may request the creation of a reinvestment zone and tax abatement by filing a written request with the Greater Fort Bend Economic Development Council for review and recommendation to the District for action on the application.

B. The application shall consist of a completed application form which shall provide detailed information on the items described in Section II(E) hereof; a map and property description; a time schedule for undertaking and completing the planned improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.

C. Prior to the adoption of an ordinance designating a reinvestment zone, the District shall give notice and hold a public hearing as provided by the Section 312.201 of the TEXAS TAX CODE. Before acting upon the application, through public hearing, the District shall afford the applicant, the public, and the designated representative of any governing body referenced hereinabove opportunity to show cause why the abatement should or should not be granted.

D. The District shall not establish a reinvestment zone for the purpose of abatement if it finds that the request for the abatement was filed after the commencement of construction, alteration, installation or improvements related to a proposed modernization, expansion or new facility.

E. Information that is provided to the District in connection with an application or request for tax abatement and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until the tax abatement agreement is executed. That information in the custody of a taxing unit after the agreement is executed is not confidential.

IV. AGREEMENT

A. Not later than the 7th day before the date on which the District enters into the abatement agreement, the District shall deliver to the presiding officer of the governing body of each taxing unit in which the property is located a written notice that the District intends to enter into the agreement. The notice shall include a copy of the prepared agreement.

B. After approval, the District shall formally execute an Agreement with the owner of the facility and lessee as required, which shall include:
   1. Estimated value to be abated and the base year value;
   2. Percent of value to be abated each year as provided in Section II(D);
   3. The commencement date and the termination date of abatement;
   4. The proposed use of the facility, nature of construction, time schedule, map, property description and improvement list as provided in application, Section III(B);
   5. Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections II, V, VI and VII;
   6. Contractual obligation in the event of delinquent taxes on any property owned by the entity in the Fort Bend County Drainage District that the taxes must be brought current or the abatement will be terminated, even if the delinquent taxes are for a property not subject to an abatement;
   7. Size of investment and number of jobs involved in the project; and

8. Such agreement shall normally be executed within sixty (60) days after the applicant has forwarded all necessary information and documentation to the District.

V. RECAPTURE

A. The agreement may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination in the event that the company or individual:
   1. Allows its ad valorem taxes owed the District to become delinquent and fails to timely and properly follow the legal procedures for their protest and /or contest;
   2. Violates any of the terms and conditions of the abatement agreement; or
   3. Vacates any of the improvements subject to the agreement before the term of the abatement; and fails to cure during the cure period.

B. Should the District determine that the company or individual is in default according to the terms and conditions of its agreement, the District shall notify the company or individual of such default in writing at the address stated in the agreement; and if such is not cured within thirty (30) days from the date of such notice ("Cure Period"), then the agreement may be terminated.

VI. ADMINISTRATION

A. The Chief Appraiser of the Fort Bend Central Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. The market value will be determined before the appraisal roll is certified for each year. Each year, the company or individual receiving the abatement will render their property as set out by the guidelines of the TEXAS PROPERTY TAX CODE to the Chief Appraiser of the Fort Bend Central Appraisal District, and will furnish all other information as may be necessary for the abatement. Once value has been established, the Chief Appraiser will notify the District of the amount of the assessment.

B. Each year, the company or individual receiving the abatement will inform the District by September 1st that the agreements have been met, and that they qualify for the abatement.

C. The abatement agreement shall stipulate that the employees and/or designated representatives of the District will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twentyfour (24) hours prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.

D. Upon completion of construction, the designated representative of the District shall annually evaluate each facility receiving abatement to insure compliance with the agreement, and a formal report shall be made to the District.

E. The District shall timely file with the Texas Department of Commerce and the State Property Tax Board all information required by the Tax Code.

VII. ASSIGNMENT

The abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by the Commissioners' Court; subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of the new contractual agreement with the District. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably withheld.

VIII. SUNSET PROVISION

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

IX. PUBLIC HEARINGS AND APPROVAL

A. The Commissioners Court may not approve an order designating a reinvestment zone until it has held a public hearing at which interested parties are entitled to speak and present evidence for or against its designation. Notice of the hearing shall be published in a general circulation publication at least 7 days prior to the hearing.
B. Prior to entering into a tax abatement agreement, the Commissioners Court may, at its option, hold a public meeting at which interested parties shall be entitled to speak and present written materials for or against the approval of the tax abatement agreement.

X. DISCRETION OF THE DISTRICT The adoption of these guidelines and criteria by the District does not:

A. Limit the discretion of the District to decide whether to enter into a specific tax abatement agreement;
B. Limit the discretion of the District to delegate to its employees the authority to determine whether or not the District should consider a particular application or request for tax abatement; or
C. Create any property, contract, or other legal rights in any person to have the District consider or grant a specific application or request for tax abatement.
D. Limit the ability to deviate from these guidelines and criteria for good cause.

Passed and Approved this 14 day of February, 2017, to be effective February 25, 2017

Robert E. Hebert,
Fort Bend County Drainage District Chair

ATTEST:

Laura Richard, County Clerk

MTR/Tax/Abatements/Guidelines 02.13.17

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 Curtis W. Rhodes — Print Name *(Authorized School District Representative)*

Superintendent — Title

sign here Curtis W. Rhodes — Signature *(Authorized School District Representative)*

6-25-2019 — 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 — Print Name *(Authorized Company Representative (Applicant))*

Manager — Title

sign here [signature] — Signature *(Authorized Company Representative (Applicant))*

06/12/19 — Date

JOSEPH ROBERT IMBER, III.
Notary Public, State of Texas
Comm. Expires 01-17-2021
Notary ID 129189199

(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.