

FINDINGS
OF THE
PEARSALL INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION FOR APPRAISED VALUE LIMITATION
SUBMITTED BY
MORROW LAKE SOLAR, LLC
(TEXAS TAXPAYER ID: # 32065325428)
(APPLICATION #1406)

MAY 13, 2020

FINDINGS
OF THE
PEARSALL INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT

STATE OF TEXAS §

COUNTY OF FRIO §

PREAMBLE

On the 13th day of May 2020, a public meeting of the Board of Trustees (“Board”) of the Pearsall Independent School District (“District”) was held. 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 took up and considered the Application (as amended, the “Application”) of Morrow Lake Solar, LLC (“Applicant”) for a limitation on appraised value on qualified property, pursuant to Chapter 313 of the Texas Tax Code. The Board heard presentations from the District’s administrative staff to advise the Board in this matter.

The Board considered the presentations made at the meeting, the Comptroller’s recommendation and the economic impact evaluation and makes the following findings with respect to the Application in accordance with the Texas Economic Development Act, Texas Tax Code Chapter 313, and the Administrative regulations promulgated by the Texas Comptroller of Public Accounts published at 34 Texas Administrative Code Part 1, Chapter 9, Subchapter F:

1. On July 24, 2019 the District received an application for appraised value limitation on qualified property (“Application”) on the form prescribed by the Comptroller from Applicant pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached hereto as Exhibit A.
2. The Board acknowledged receipt of the Application, along with the requisite application fee, as established pursuant to Texas Tax Code Section 313.025(a)(1).
3. The Board elected to consider the Application.
4. The Application was delivered to the Texas Comptroller of Public Accounts (“Comptroller”) for review pursuant to Texas Tax Code Section 313.025(b).

5. Pursuant to a request received from the Comptroller, Application amendments and supplements were submitted to the Comptroller on August 30, 2016 and October 25, 2019 respectively.
6. The Application (as amended) was reviewed by the Comptroller pursuant to Texas Tax Code Sections 313.025 and 313.026. After review, the Comptroller's Office, by letter dated December 6, 2019, recommended that the Board approve the Application. A copy of the Comptroller's letter is attached to these findings as Exhibit B.
7. The Texas Comptroller's Office performed an economic impact evaluation pursuant to Texas Tax Code Section 313.025(b). The Board has considered such evaluation. A copy of the economic impact evaluation is attached to these findings as Exhibit C.
8. After receipt of the Application, the District entered into negotiations with Applicant over the specific language to be included in an Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes ("Agreement"), pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these findings as Exhibit D.
9. The Agreement was reviewed by the Comptroller. After review, the Comptroller's office, in a letter dated April 1, 2020, approved the Agreement.

FINDINGS

Findings as to each of the criterion listed in Texas Tax Code Section 313.025 and Texas Administrative Code Title 34, §9.1054. Based in the representation of Applicant set out in the Application attached as Exhibit A, the Comptroller's approval attached as Exhibit B, the Comptroller's Economic Impact Analysis attached as Exhibit C and the Franchise Tax Account Status attached as Exhibit E, the Board of Trustees finds:

1. That the Comptroller recommends approval of the Application.
2. That there is a strong and positive relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plans of the State.
3. That, based on the representations in the Application, the Applicant could locate or relocate the Project to another state or another region of this state.
4. That the Project will result in revenue gains by the school district and that the economic effects on the local and regional tax base are that the tax base will increase as a result of the Project and additional employment.
5. That there exists a small but undetermined possibility that the Project could have an impact on enrollment from families that might temporarily relocate during the construction phase, but that any impact during the operation phase can be absorbed by current facilities.
6. That the projected market value of the qualified property of the Applicant as determined by the Comptroller is \$234,000,000.

7. That the proposed limitation on appraised value for the qualified property of the Applicant is \$30,000,000.00.
8. That the projected dollar amount of District maintenance and operation taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does not receive a limitation on appraised value is \$17,723,003 as shown on Exhibit C, Attachment A, Table 3.
9. That the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the Agreement, if the property receives a limitation on appraised value is \$7,097,790 as shown on Exhibit B, Attachment A, Table 4.
10. That the total amount of taxes projected to be lost or gained by the District over the life of the Agreement computed by subtracting the projected taxes if the property receives a tax limitation from the projected taxes if the property does not receive a tax limitation is \$10,625,213, as shown on Exhibit C, Attachment A, Table 4.
11. The Applicant is eligible for the limitation on the appraised value of the Applicant's qualified property. Applicant's qualified property is eligible for a limitation on appraised value under Texas Tax Code § 313.024 as a renewable energy electric generation project.
12. The Project proposed by the 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.
13. The limitation of appraised value is a determining factor in the Applicant's decision to invest capital and construct the Project in this state.
14. The job creation requirement of ten (10) new jobs exceeds the industry standard for the number of employees reasonably necessary for the operation of the Project described in the Application. Pursuant to Texas tax Code Section 313.025(f-1), the Board waives the new job creation requirement in Tax Code Section 313.051(b).
15. Applicant will create two (2) new qualifying jobs, and Applicant has confirmed that such jobs will meet all of the requirements of Texas tax Code § 313.021(3).
16. That the Project will be located within an area designated as a reinvestment zone pursuant to Texas Tax Code Chapter 312.
17. The information in the Application submitted by Applicant is true and correct.
18. The proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes ("Agreement"), attached hereto as Exhibit D, meets all of the requirements set out in Texas Tax Code § 313.027, including adequate and appropriate revenue protection provisions for the District.

19. The proposed Agreement is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller as of January 24, 2016, and the Comptroller has verified that the agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 Texas Administrative Code Chapter 9, Subchapter F.

20. Considering the purpose and effect of the law and the terms of the Agreement, granting the Application and entering the Agreement are in the best interest of the District and the State.

21. The Applicant, Morrow Lake Solar, LLC (Tex. Taxpayer ID #32065325428) is an entity subject to Chapter 171, Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts. A copy of the Comptroller's Franchise Tax Account Status is attached as Exhibit E.

22. There are no conflicts of interest on the Board at the time of its consideration of the Agreement.

23. It is hereby found, determined and declared that sufficient written notice of the date, time, place and subject of the meeting of the Board of Trustees at which these Findings were made was posted at a place convenient and readily accessible at all times to the general public for the time required by law preceding this meeting, as required by chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which these Findings were made and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Trustees further ratifies, approves and confirms such written notice and posting thereof.

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[Orders and signatures follow]

It is therefore **ORDERED** that:

1. The Findings above, including the recitals set out in the Preamble, are adopted and approved by the Board of Trustees.
2. The Application of Morrow Lake Solar, LLC for a limitation on the appraised value for school district maintenance and operations ad valorem tax purposes of qualified property is approved.
3. The Agreement attached hereto as Exhibit D is approved and the Board President is designated and directed to sign the Agreement on behalf of the District.
4. These findings and the Exhibits referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the District.

Dated the 13th day of May 2020.

PEARSALL INDEPENDENT SCHOOL DISTRICT

By: 
Tommy Navarro, President

ATTEST:
By: 
Sandra Waldrum, Secretary

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between PEARSALL INDEPENDENT SCHOOL
DISTRICT and MORROW LAKE SOLAR, LLC

EXHIBIT A

Application for Appraised Value Limitation on Qualified Property



WALSH GALLEGOS
TREVINO RUSSO & KYLE P.C.

July 30, 2019

Mr. John Villarreal
Senior Research Analyst
Economic Development & Local Government
Data Analysis & Transparency Division
Texas Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

***VIA FEDERAL EXPRESS
AND VIA E-MAIL DELIVERY:
john.villarreal@cpa.texas.gov***

Re: Pearsall Independent School District (“District”) / Tax Limitation Agreement:
Morrow Lake Solar, LLC. (“Applicant”)

Dear Mr. Villarreal:

The Pearsall Independent School District Board of Trustees accepted the enclosed application for Limitation on Appraised Value of Property at a duly called board meeting held on July 24, 2019. The Application was determined to be complete on July 26, 2019. Pursuant to Tax Code §313.025(b) and 34 TAC Rules §9.1053(a)(2) and 9.1054(c), attached are the following:

1. One (1) copy of the Application for Appraised Value Limitation on Qualified Property (“Application”) submitted to the Pearsall Independent District by Morrow Lake Solar, LLC
2. One (1) electronically digitized copy of the Application, including schedules in Excel format.

The District requests that the Comptroller provide an economic impact evaluation. By copy of this letter, we are notifying the Applicant that the District has submitted the Application to the Comptroller and to the Frio County Appraisal District.

Please call if you have any questions.

Sincerely,

EDDY HERNANDEZ PEREZ

EHP/paw
Enclosures

Mr. John Villarreal
July 30, 2019
Page 2

cc: Dr. Nobert Rodriguez, Superintendent of Schools, Pearsall Independent School District
(Via Certified Mail No. 7018 1130 0002 1891 1988; Return Receipt Requested; with enclosures)

Mike Fry, KE Andrews
(Via Certified Mail No. 7018 1130 0002 1891 1971; Return Receipt Requested; with enclosures)

Heather Otten, SunChase Power, LLC.
(Via Certified Mail No. 7018 1130 0002 1891 1964; Return Receipt Requested; with enclosures)

Frio County Appraisal District *(Via U.S. Postal Service Delivery; with enclosures)*
815 S Oak Street
Pearsall, Texas 78061



Morrow Lake Solar, LLC

Chapter 313 Application for Appraised Value Limitation to Pearsall ISD



Tab 1

Pages 1-9 of the application

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

July 24, 2019

Date Application Received by District

Nobert

First Name

Rodriguez

Last Name

Superintendent

Title

Pearsall Independent School District

School District Name

318 Berry Ranch Road, Pearsall, Texas 78061

Street Address

318 Berry Ranch Road

Mailing Address

Pearsall

City

Texas

State

78061

ZIP

830-334-8001

Phone Number

N/A

Fax Number

Mobile Number (optional)

nobert.rodriquez@pearsallisd.org

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)

Eddy	Perez
First Name	Last Name
Associate	
Title	
Walsh Gallegos Trevino Russo & Kyle P.C.	
Firm Name	
210-979-6633	210-979-7024
Phone Number	Fax Number
	eperez@wabsa.com
	Email Address
Mobile Number (optional)	

4. On what date did the district determine this application complete? July 26, 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)

Heather	Otten
First Name	Last Name
Principal	SunChase Power, LLC
Title	Organization
4300 Speedway #4617, Austin, Texas 78765	
Street Address	
4300 Speedway #4617	
Mailing Address	
Austin	Texas
City	State
512-963-6181	78765
Phone Number	ZIP
	N/A
	Fax Number
	heather@sunchasepower.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.

Will	Furgeson
First Name	Last Name
Vice President	SunChase Power, LLC
Title	Organization
4300 Speedway #4617, Austin, Texas 78765	
Street Address	
4300 Speedway #4617	
Mailing Address	
Austin	Texas
City	State
512-963-6181	78765
Phone Number	ZIP
	N/A
	Fax Number
	will@sunchasepower.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)

Jordan	Christman
First Name	Last Name
Consultant	
Title	
KE Andrews	
Firm Name	
469-331-1356	469-331-1357
Phone Number	Fax Number
jchristman@keatax.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? MORROW LAKE SOLAR, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32065325428
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 (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

1. Application approval by school board December 1, 2019
2. Commencement of construction August 1, 2020
3. Beginning of qualifying time period January 1, 2020
4. First year of limitation January 1, 2022
5. Begin hiring new employees May 1, 2021
6. Commencement of commercial operations July 1, 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? July 1, 2021

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Frio County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Frio 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: <u>Frio County .5535 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>Frio Co. Hosp. District .23488 100%</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>Evergreen Water District .0065 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>Lateral Road .0433 100%</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>Emergency Services #1 .03 100%</u> <small>(Name, tax rate and percent of project)</small>
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? 30,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 30,000,000.00
Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? Yes No

SECTION 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? Please See Tab 16

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? 2

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

6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 1,003.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,290.30
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,033.77

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? 53,755.90

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 53,755.90

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**.

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

Dr. Nobert Rodriguez
Print Name (Authorized School District Representative)

Superintendent of Schools
Title

sign here

[Handwritten Signature: Nobert Rodriguez]
Signature (Authorized School District Representative)

7/24/19
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here

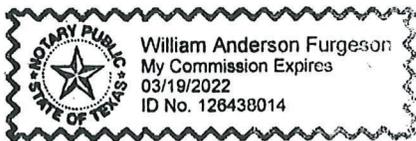
HEATHER OTTEN
Print Name (Authorized Company Representative (Applicant))

MANAGER
Title

sign here

[Handwritten Signature]

7/23/2019
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

23rd day of JULY, 2019

[Handwritten Signature: William Anderson Furgeson]
Notary Public in and for the State of Texas

My Commission expires: 03/19/2022

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



Tab 2

Proof of Payment 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

Franchise Tax

2018 Annual No Tax Due Report

Confirmation

You Have Filed Successfully

Please do NOT send a paper form

[Print this page for your records](#)

Submission ID: 40200221

Date and Time of Filing: 04/16/2018 03:41:22 PM

Taxpayer ID: 32060993113

Taxpayer Name: BACON SWITCH SOLAR, LLC

Taxpayer Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306 - 2116

Entered By: Susan Wylie

Email Address: swylie@maproyalty.com

Telephone Number: (303) 895-3095

IP Address: 67.190.190.66

Additional Reports	
Is this the reporting entity of a combined group?	Yes
Do any of the entities in the combined group have a temporary business loss preserved?	No
Will your total revenue be adjusted for the Tiered Partnership Election?	No

No Tax Due Report	
SIC Code:	NAICS Code: 531390
Accounting Year Begin Date: 01/01/2017	Accounting Year End Date: 12/31/2017
Is this a passive entity as defined in Chapter 171 of the Texas Tax Code?	No
Is this entity's annualized total revenue below the no tax due threshold?	Yes
Does the entity have zero Texas Gross Receipts?	Yes
Is this entity a Real Estate Investment Trust (REIT) that meets the qualifications specified in section 171.0002(c)(4)?	No
Is this entity a New Veteran-Owned Business as defined in Texas Tax Code Sec. 171.0005?	No
Total Revenue:	\$0

Mailing Address	
Street Address: 3000 EL CAMINO REAL STE 5-700	
City: PALO ALTO	
State: CA	
Zip Code: 94306 - 2116	
Country: USA	

Affiliate 1	
Legal Name of Affiliate: BACON SWITCH SOLAR, LLC	
Affiliate Taxpayer Number: 32060993113	
SOS File Number or Comptroller File Number: 0802496908	
Affiliate NAICS Code: 531390	
Is this affiliate disregarded for Franchise Tax? No	
Does this affiliate have nexus? Yes	
Affiliate Reporting Begin Date: 01/01/2017	
Affiliate Reporting End Date: 12/31/2017	
Gross receipts subject to throwback in other states: 0	
Gross receipts everywhere: 0	
Gross receipts in Texas: 0	
Cost of goods sold or compensation: 0	

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? Yes

Public Information Report			
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306-2116			
Principal Office: 4300 Speedway, #4617, Austin, TX 78765			
Principal Place Of Business: 4300 Speedway, #4617, Austin, TX 78765			
Changes from previous year?: Yes			
Officers, Directors, Managers, Member or General Partner			
Name: DAVID GROBERG			
Title: MANAGER	Director? No	Term Expiration Date:	
Mailing Address: 4300 SPEEDWAY, #4617 AUSTIN, TX 78765			
Name: HEATHER OTTEN			
Title: MANAGER	Director? No	Term Expiration Date:	
Mailing Address: 4300 SPEEDWAY, #4617 AUSTIN, TX 78765			
Name: AARON ZUBATY			
Title: MANAGER	Director? No	Term Expiration Date:	
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306			
Name: PETER J BLUM			
Title: MANAGER	Director? No	Term Expiration Date:	
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306			
Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			
Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Red River Renewable Energy, LLC	DE		100.0
Registered Agent and Office			
Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO			
Office: 211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701-2116			
Declaration Statement			
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.			

Affiliate 2	
Legal Name of Affiliate: Red River Renewable Energy, LLC	
Affiliate Taxpayer Number: 811954692	
SOS File Number or Comptroller File Number:	
Affiliate NAICS Code: 531390	
Is this affiliate disregarded for Franchise Tax? No	
Does this affiliate have nexus? No	
Affiliate Reporting Begin Date: 01/01/2017	
Affiliate Reporting End Date: 12/31/2017	
Gross receipts subject to throwback in other states: 0	
Gross receipts everywhere: 0	
Gross receipts in Texas: 0	
Cost of goods sold or compensation: 0	
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes	
Will you be filing an information report for this affiliate? No	

Affiliate 3

Legal Name of Affiliate: Ables Springs Solar, LLC
 Affiliate Taxpayer Number: 32064084612
 SOS File Number or Comptroller File Number: 0802748222
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? Yes
 Affiliate Reporting Begin Date: 06/16/2017
 Affiliate Reporting End Date: 12/31/2017
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? Yes

Public Information Report			
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306			
Principal Office: 4300 Speedway, #4617, Austin, TX 78765			
Principal Place Of Business: 4300 Speedway, #4617, Austin, TX 78765			
Changes from previous year?: Yes			
Officers, Directors, Managers, Member or General Partner			
Name: AARON ZUBATY			
Title: MANAGER	Director? No	Term Expiration Date:	
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306			
Name: PETER J BLUM			
Title: MANAGER	Director? No	Term Expiration Date:	
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306			
Name: HEATHER OTTEN			
Title: MANAGER	Director? No	Term Expiration Date:	
Mailing Address: 4300 SPEEDWAY, #4617 AUSTIN, TX 78765			
Name: DAVID GROBERG			
Title: MANAGER	Director? No	Term Expiration Date:	
Mailing Address: 4300 SPEEDWAY, #4617 AUSTIN, TX 78765			
Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			
Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Red River Renewable Energy, LLC	DE		100.0
Registered Agent and Office			
Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO			
Office: 211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701-3218			
Declaration Statement			
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.			

Affiliate 4	
Legal Name of Affiliate: Anvil Solar, LLC	
Affiliate Taxpayer Number: 611863823	
SOS File Number or Comptroller File Number:	
Affiliate NAICS Code: 531390	

Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? No
 Affiliate Reporting Begin Date: 11/15/2017
 Affiliate Reporting End Date: 12/31/2017
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? No

Affiliate 5

Legal Name of Affiliate: Burkburnett Solar, LLC
 Affiliate Taxpayer Number: 32060993097
 SOS File Number or Comptroller File Number: 0802496913
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? Yes
 Affiliate Reporting Begin Date: 01/01/2017
 Affiliate Reporting End Date: 12/31/2017
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306-2116
 Principal Office: 4300 Speedway, #4617, Austin, TX 78765
 Principal Place Of Business: 4300 Speedway, #4617, Austin, TX 78765
 Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: PETER J BLUM
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306

Name: AARON ZUBATY
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306

Name: DAVID GROBERG
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 4300 SPEEDWAY, #4617
 AUSTIN, TX 78765

Name: HEATHER OTTEN
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 4300 SPEEDWAY, #4617
 AUSTIN, TX 78765

Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			

Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Red River Renewable Energy, LLC	DE		100.0

Registered Agent and Office

Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS
 INCO

Office: 211 E. 7TH STREET, SUITE 620
AUSTIN, TX 78701-2116

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 6

Legal Name of Affiliate: Cottonwood Bayou Solar, LLC
 Affiliate Taxpayer Number: 32064624490
 SOS File Number or Comptroller File Number: 0802796088
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? Yes
 Affiliate Reporting Begin Date: 08/18/2017
 Affiliate Reporting End Date: 12/31/2017
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 3000 EL CAMINO REAL STE 5-700
PALO ALTO, CA 94306-2116
 Principal Office: 4300 Speedway, #4617, Austin, TX 78765
 Principal Place Of Business: 4300 Speedway, #4617, Austin, TX 78765
 Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: AARON ZUBATY
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
PALO ALTO, CA 94306
 Name: PETER J BLUM
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
PALO ALTO, CA 94306
 Name: HEATHER OTTEN
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 4300 SPEEDWAY, #4617
AUSTIN, TX 78765
 Name: DAVID GROBERG
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 4300 SPEEDWAY, #4617
AUSTIN, TX 78765

Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			

Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Red River Renewable Energy, LLC	DE		100.0

Registered Agent and Office

Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS
INCO
 Office: 211 E. 7TH STREET, SUITE 620
AUSTIN, TX 78701-2116

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 7

Legal Name of Affiliate: Daylight Solar, LLC
 Affiliate Taxpayer Number: 32063625035
 SOS File Number or Comptroller File Number: 0802712432
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? Yes
 Affiliate Reporting Begin Date: 05/02/2017
 Affiliate Reporting End Date: 12/31/2017
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306
 Principal Office: 4300 Speedway, #4617, Austin, TX 78765
 Principal Place Of Business: 4300 Speedway, #4617, Austin, TX 78765
 Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: AARON ZUBATY
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306

Name: PETER J BLUM
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306

Name: HEATHER OTTEN
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 4300 SPEEDWAY, #4617
 AUSTIN, TX 78765

Name: DAVID GROBERG
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 4300 SPEEDWAY, #4617
 AUSTIN, TX 78765

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			

Owners

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Red River Renewable Energy, LLC	DE		100.0

Registered Agent and Office

Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS
 INCO
 Office: 211 E. 7TH STREET, SUITE 620
 AUSTIN, TX 78701-3218

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 8

Legal Name of Affiliate: Drumtown Solar, LLC
 Affiliate Taxpayer Number: 320535175
 SOS File Number or Comptroller File Number:
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? No
 Affiliate Reporting Begin Date: 05/19/2017
 Affiliate Reporting End Date: 12/31/2017
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? No

Affiliate 9

Legal Name of Affiliate: Drumtown Solar II, LLC
 Affiliate Taxpayer Number: 384051625
 SOS File Number or Comptroller File Number:
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? No
 Affiliate Reporting Begin Date: 10/10/2017
 Affiliate Reporting End Date: 12/31/2017
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? No

Affiliate 10

Legal Name of Affiliate: Fly Gap Solar, LLC
 Affiliate Taxpayer Number: 611864095
 SOS File Number or Comptroller File Number:
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? No
 Affiliate Reporting Begin Date: 11/15/2017
 Affiliate Reporting End Date: 12/31/2017
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? No

Affiliate 11

Legal Name of Affiliate: Ganado Solar, LLC
 Affiliate Taxpayer Number: 32062105674
 SOS File Number or Comptroller File Number: 0802586242
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? Yes
 Affiliate Reporting Begin Date: 01/01/2017
 Affiliate Reporting End Date: 12/31/2017
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0

Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? Yes

Public Information Report
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306-2116
 Principal Office: 4300 Speedway, #4617, Austin, TX 78765
 Principal Place Of Business: 4300 Speedway, #4617, Austin, TX 78765
 Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: DAVID GROBERG
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 4300 SPEEDWAY, #4617
 AUSTIN, TX 78765

Name: AARON ZUBATY
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306

Name: HEATHER OTTEN
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 4300 SPEEDWAY, #4617
 AUSTIN, TX 78765

Name: PETER J BLUM
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306

Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			

Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Red River Renewable Energy, LLC	DE		100.0

Registered Agent and Office
 Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS
 INCO
 Office: 211 E. 7TH STREET, SUITE 620
 AUSTIN, TX 78701-2116

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 12

Legal Name of Affiliate: Great Raft Solar, LLC
 Affiliate Taxpayer Number: 300994310
 SOS File Number or Comptroller File Number:
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? No
 Affiliate Reporting Begin Date: 05/15/2017
 Affiliate Reporting End Date: 12/31/2017
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate?

No

Affiliate 13

Legal Name of Affiliate: Hat Creek Solar, LLC
 Affiliate Taxpayer Number: 32063176906
 SOS File Number or Comptroller File Number: 0802675271
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? Yes
 Affiliate Reporting Begin Date: 03/15/2017
 Affiliate Reporting End Date: 12/31/2017
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306
 Principal Office: 4300 Speedway, #4617, Austin, TX 78765
 Principal Place Of Business: 4300 Speedway, #4617, Austin, TX 78765
 Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: AARON ZUBATY
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306

Name: PETER J BLUM
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306

Name: HEATHER OTTEN
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 4300 SPEEDWAY, #4617
 AUSTIN, TX 78765

Name: DAVID GROBERG
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 4300 SPEEDWAY, #4617
 AUSTIN, TX 78765

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			

Owners

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Red River Renewable Energy, LLC	DE		100.0

Registered Agent and Office

Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS
 INCO
 Office: 211 E. 7TH STREET, SUITE 620
 AUSTIN, TX 78701-3218

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 14

Legal Name of Affiliate: Highfill Solar, LLC

Affiliate Taxpayer Number: 371845159

SOS File Number or Comptroller File Number:
 Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? No
 Affiliate Reporting Begin Date: 01/01/2017
 Affiliate Reporting End Date: 12/31/2017

Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? No

Affiliate 15

Legal Name of Affiliate: Hill Solar, LLC

Affiliate Taxpayer Number: 32064993986

SOS File Number or Comptroller File Number: 0802827249
 Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? Yes
 Affiliate Reporting Begin Date: 09/29/2017
 Affiliate Reporting End Date: 12/31/2017

Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306

Principal Office: 4300 Speedway, #4617, Austin, TX 78765
 Principal Place Of Business: 4300 Speedway, #4617, Austin, TX 78765

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: AARON ZUBATY
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306

Name: PETER J BLUM
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306

Name: HEATHER OTTEN
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 4300 SPEEDWAY, #4617
 AUSTIN, TX 78765

Name: DAVID GROBERG
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 4300 SPEEDWAY, #4617
 AUSTIN, TX 78765

Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			
Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Red River Renewable Energy, LLC	DE		100.0

Registered Agent and Office

Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS
 INCO
 Office: 211 E. 7TH STREET, SUITE 620
 AUSTIN, TX 78701-3218

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 16

Legal Name of Affiliate: Huckleberry Solar, LLC
 Affiliate Taxpayer Number: 352598107
 SOS File Number or Comptroller File Number:
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? No
 Affiliate Reporting Begin Date: 04/24/2017
 Affiliate Reporting End Date: 12/31/2017
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? No

Affiliate 17

Legal Name of Affiliate: Lamar Solar, LLC
 Affiliate Taxpayer Number: 32062105666
 SOS File Number or Comptroller File Number: 0802586243
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? Yes
 Affiliate Reporting Begin Date: 01/01/2017
 Affiliate Reporting End Date: 12/31/2017
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306-2116
 Principal Office: 4300 Speedway, #4617, Austin, TX 78765
 Principal Place Of Business: 4300 Speedway, #4617, Austin, TX 78765
 Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: PETER J BLUM		
Title: MANAGER	Director? No	Term Expiration Date:
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306		
Name: HEATHER OTTEN		
Title: MANAGER	Director? No	Term Expiration Date:
Mailing Address: 4300 SPEEDWAY, #4617 AUSTIN, TX 78765		
Name: AARON ZUBATY		
Title: MANAGER	Director? No	Term Expiration Date:

Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306			
Name: DAVID GROBERG			
Title: MANAGER		Director? No	Term Expiration Date:
Mailing Address: 4300 SPEEDWAY, #4617 AUSTIN, TX 78765			
Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			
Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Red River Renewable Energy, LLC	DE		100.0
Registered Agent and Office			
Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO			
Office: 211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701-2116			
Declaration Statement			
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.			

Affiliate 18	
Legal Name of Affiliate: Lily Solar, LLC	
Affiliate Taxpayer Number: 32063679255	
SOS File Number or Comptroller File Number: 0802717048	
Affiliate NAICS Code: 531390	
Is this affiliate disregarded for Franchise Tax? No	
Does this affiliate have nexus? Yes	
Affiliate Reporting Begin Date: 05/08/2017	
Affiliate Reporting End Date: 12/31/2017	
Gross receipts subject to throwback in other states: 0	
Gross receipts everywhere: 0	
Gross receipts in Texas: 0	
Cost of goods sold or compensation: 0	
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes	
Will you be filing an information report for this affiliate? Yes	
Public Information Report	
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306	
Principal Office: 4300 Speedway, #4617, Austin, TX 78765	
Principal Place Of Business: 4300 Speedway, #4617, Austin, TX 78765	
Changes from previous year?: Yes	
Officers, Directors, Managers, Member or General Partner	
Name: AARON ZUBATY	
Title: MANAGER	Director? No Term Expiration Date:
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306	
Name: PETER J BLUM	
Title: MANAGER	Director? No Term Expiration Date:
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306	
Name: HEATHER OTTEN	
Title: MANAGER	Director? No Term Expiration Date:
Mailing Address: 4300 SPEEDWAY, #4617 AUSTIN, TX 78765	
Name: DAVID GROBERG	
Title: MANAGER	Director? No Term Expiration Date:

Mailing Address: 4300 SPEEDWAY, #4617 AUSTIN, TX 78765			
Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			
Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Red River Renewable Energy, LLC	DE		100.0
Registered Agent and Office			
CORPORATION SERVICE COMPANY DBA CSC - LAWYERS			
Agent: INCO			
Office: 211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701-3218			
Declaration Statement			
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.			

Affiliate 19			
Legal Name of Affiliate: Long Point Solar, LLC			
Affiliate Taxpayer Number: 32063625068			
SOS File Number or Comptroller File Number: 0802712425			
Affiliate NAICS Code: 531390			
Is this affiliate disregarded for Franchise Tax? No			
Does this affiliate have nexus? Yes			
Affiliate Reporting Begin Date: 05/02/2017			
Affiliate Reporting End Date: 12/31/2017			
Gross receipts subject to throwback in other states: 0			
Gross receipts everywhere: 0			
Gross receipts in Texas: 0			
Cost of goods sold or compensation: 0			
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes			
Will you be filing an information report for this affiliate? Yes			
Public Information Report			
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306			
Principal Office: 4300 Speedway, #4617, Austin, TX 78765			
Principal Place Of Business: 4300 Speedway, #4617, Austin, TX 78765			
Changes from previous year?: Yes			
Officers, Directors, Managers, Member or General Partner			
Name: AARON ZUBATY			
Title: MANAGER	Director? No Term Expiration Date:		
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306			
Name: PETER J BLUM			
Title: MANAGER	Director? No Term Expiration Date:		
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306			
Name: HEATHER OTTEN			
Title: MANAGER	Director? No Term Expiration Date:		
Mailing Address: 4300 SPEEDWAY, #4617 AUSTIN, TX 78765			
Name: DAVID GROBERG			
Title: MANAGER	Director? No Term Expiration Date:		
Mailing Address: 4300 SPEEDWAY, #4617 AUSTIN, TX 78765			
Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership

None entered.

Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Red River Renewable Energy, LLC	DE		100.0
Registered Agent and Office			
Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO			
Office: 211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701-3218			
Declaration Statement			
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.			

Affiliate 20

Legal Name of Affiliate: Louise Solar, LLC
 Affiliate Taxpayer Number: 32060993089
 SOS File Number or Comptroller File Number: 0802496917
 Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? Yes
 Affiliate Reporting Begin Date: 01/01/2017
 Affiliate Reporting End Date: 12/31/2017

Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? Yes

Public Information Report
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306-2116
Principal Office: 4300 Speedway, #4617, Austin, TX 78765
Principal Place Of Business: 4300 Speedway, #4617, Austin, TX 78765
Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner		
Name: HEATHER OTTEN	Director? No	Term Expiration Date:
Title: MANAGER		
Mailing Address: 4300 SPEEDWAY, #4617 AUSTIN, TX 78765		
Name: PETER J BLUM	Director? No	Term Expiration Date:
Title: MANAGER		
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306		
Name: AARON ZUBATY	Director? No	Term Expiration Date:
Title: MANAGER		
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306		
Name: DAVID GROBERG	Director? No	Term Expiration Date:
Title: MANAGER		
Mailing Address: 4300 SPEEDWAY, #4617 AUSTIN, TX 78765		

Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			

Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
	DE		100.0

Red River Renewable
Energy, LLC

Registered Agent and Office

Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS
INCO
Office: 211 E. 7TH STREET, SUITE 620
AUSTIN, TX 78701-2116

Declaration Statement

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Affiliate 21

Legal Name of Affiliate: Mail Rider Wind, LLC
Affiliate Taxpayer Number: 384036166
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 03/23/2017
Affiliate Reporting End Date: 12/31/2017
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 22

Legal Name of Affiliate: Mayes Solar, LLC
Affiliate Taxpayer Number: 364871195
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 04/24/2017
Affiliate Reporting End Date: 12/31/2017
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 23

Legal Name of Affiliate: Morrow Lake Solar, LLC
Affiliate Taxpayer Number: 32065325428
SOS File Number or Comptroller File Number: 0802853345
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? Yes
Affiliate Reporting Begin Date: 11/03/2017
Affiliate Reporting End Date: 12/31/2017
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? Yes

Public Information Report
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306-2116
 Principal Office: 4300 Speedway, #4617, Austin, TX 78765
 Principal Place Of Business: 4300 Speedway, #4617, Austin, TX 78765
 Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: AARON ZUBATY
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306

Name: PETER J BLUM
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306

Name: HEATHER OTTEN
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 4300 SPEEDWAY, #4617
 AUSTIN, TX 78765

Name: DAVID GROBERG
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 4300 SPEEDWAY, #4617
 AUSTIN, TX 78765

Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			

Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Red River Renewable Energy, LLC	DE		100.0

Registered Agent and Office
 Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS
 INCO
 Office: 211 E. 7TH STREET, SUITE 620
 AUSTIN, TX 78701-2116

Declaration Statement

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Affiliate 24

Legal Name of Affiliate: Mother Road Solar Energy, LLC
 Affiliate Taxpayer Number: 384017034
 SOS File Number or Comptroller File Number:
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? No
 Affiliate Reporting Begin Date: 12/30/2017
 Affiliate Reporting End Date: 12/31/2017
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? No

Affiliate 25

Legal Name of Affiliate: Myrtle Solar, LLC
 Affiliate Taxpayer Number: 32063625100
 SOS File Number or Comptroller File Number: 0802712414

Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? Yes
 Affiliate Reporting Begin Date: 05/02/2017
 Affiliate Reporting End Date: 12/31/2017
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? Yes

Public Information Report
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306
 Principal Office: 4300 Speedway, #4617, Austin, TX 78765
 Principal Place Of Business: 4300 Speedway, #4617, Austin, TX 78765
 Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: AARON ZUBATY
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306

Name: PETER J BLUM
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306

Name: HEATHER OTTEN
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 4300 SPEEDWAY, #4617
 AUSTIN, TX 78765

Name: DAVID GROBERG
 Title: MANAGER Director? No Term Expiration Date:
 Mailing Address: 4300 SPEEDWAY, #4617
 AUSTIN, TX 78765

Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			

Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Red River Renewable Energy, LLC	DE		100.0

Registered Agent and Office
 Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS
 INCO
 Office: 211 E. 7TH STREET, SUITE 620
 AUSTIN, TX 78701-3218

Declaration Statement
 I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 26
 Legal Name of Affiliate: Oxbow Solar, LLC
 Affiliate Taxpayer Number: 384006346
 SOS File Number or Comptroller File Number:
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? No
 Affiliate Reporting Begin Date: 01/01/2017

Affiliate Reporting End Date: 12/31/2017

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? No

Affiliate 27

Legal Name of Affiliate: Prairie Grove Solar, LLC

Affiliate Taxpayer Number: 300947794

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 01/01/2017

Affiliate Reporting End Date: 12/31/2017

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? No

Affiliate 28

Legal Name of Affiliate: Rocking R Solar, LLC

Affiliate Taxpayer Number: 371852588

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 02/13/2017

Affiliate Reporting End Date: 12/31/2017

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? No

Affiliate 29

Legal Name of Affiliate: Round Hall Solar, LLC

Affiliate Taxpayer Number: 32063625118

SOS File Number or Comptroller File Number: 0802712411

Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? Yes

Affiliate Reporting Begin Date: 05/02/2017

Affiliate Reporting End Date: 12/31/2017

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 3000 EL CAMINO REAL STE 5-700
PALO ALTO, CA 94306

Principal Office: 4300 Speedway, #4617, Austin, TX 78765

Principal Place Of Business: 4300 Speedway, #4617, Austin, TX 78765
Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: AARON ZUBATY
Title: MANAGER Director? No Term Expiration Date:
Mailing Address: 3000 EL CAMINO REAL STE 5-700
PALO ALTO, CA 94306

Name: PETER J BLUM
Title: MANAGER Director? No Term Expiration Date:
Mailing Address: 3000 EL CAMINO REAL STE 5-700
PALO ALTO, CA 94306

Name: HEATHER OTTEN
Title: MANAGER Director? No Term Expiration Date:
Mailing Address: 4300 SPEEDWAY, #4617
AUSTIN, TX 78765

Name: DAVID GROBERG
Title: MANAGER Director? No Term Expiration Date:
Mailing Address: 4300 SPEEDWAY, #4617
AUSTIN, TX 78765

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Owned Entity(s)			
None entered.			
Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Red River Renewable Energy, LLC	DE		100.0

Registered Agent and Office

Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS
INCO
Office: 211 E. 7TH STREET, SUITE 620
AUSTIN, TX 78701-3218

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 30

Legal Name of Affiliate: Salt Branch Solar, LLC
Affiliate Taxpayer Number: 352589146
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/27/2017
Affiliate Reporting End Date: 12/31/2017
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 31

Legal Name of Affiliate: San Bernard Solar, LLC
Affiliate Taxpayer Number: 32060993055
SOS File Number or Comptroller File Number: 0802496920
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? Yes
Affiliate Reporting Begin Date: 01/01/2017

Affiliate Reporting End Date: 12/31/2017
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? Yes

Public Information Report			
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306-2116			
Principal Office: 4300 Speedway, #4617, Austin, TX 78765			
Principal Place Of Business: 4300 Speedway, #4617, Austin, TX 78765			
Changes from previous year?: Yes			
Officers, Directors, Managers, Member or General Partner			
Name: PETER J BLUM			
Title: MANAGER	Director? No	Term Expiration Date:	
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306			
Name: HEATHER OTTEN			
Title: MANAGER	Director? No	Term Expiration Date:	
Mailing Address: 4300 SPEEDWAY, #4617 AUSTIN, TX 78765			
Name: DAVID GROBERG			
Title: MANAGER	Director? No	Term Expiration Date:	
Mailing Address: 4300 SPEEDWAY, #4617 AUSTIN, TX 78765			
Name: AARON ZUBATY			
Title: MANAGER	Director? No	Term Expiration Date:	
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306			
Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			
Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Red River Renewable Energy, LLC	DE		100.0
Registered Agent and Office			
Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO			
Office: 211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701-2116			
Declaration Statement			
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.			

Affiliate 32	
Legal Name of Affiliate: Twelvemile Energy, LLC	
Affiliate Taxpayer Number: 320487928	
SOS File Number or Comptroller File Number:	
Affiliate NAICS Code: 531390	
Is this affiliate disregarded for Franchise Tax? No	
Does this affiliate have nexus? No	
Affiliate Reporting Begin Date: 01/01/2017	
Affiliate Reporting End Date: 12/31/2017	
Gross receipts subject to throwback in other states: 0	
Gross receipts everywhere: 0	
Gross receipts in Texas: 0	

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? No

Affiliate 33

Legal Name of Affiliate: Twelvemile Energy II, LLC

Affiliate Taxpayer Number: 384040684

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 05/22/2017

Affiliate Reporting End Date: 12/31/2017

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? No

Affiliate 34

Legal Name of Affiliate: Twelvemile Solar Energy, LLC

Affiliate Taxpayer Number: 384002643

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 01/01/2017

Affiliate Reporting End Date: 12/31/2017

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? No

Affiliate 35

Legal Name of Affiliate: Twelvemile Solar II, LLC

Affiliate Taxpayer Number: 000000000

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 11/15/2017

Affiliate Reporting End Date: 12/31/2017

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? No

Affiliate 36

Legal Name of Affiliate: Wedington Solar, LLC

Affiliate Taxpayer Number: 300955781

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 01/01/2017

Affiliate Reporting End Date: 12/31/2017
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 37
Legal Name of Affiliate: West Tenn Solar, LLC
Affiliate Taxpayer Number: 352570919
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 09/29/2017
Affiliate Reporting End Date: 12/31/2017
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

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Tab 4

Detailed Description of the Project

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.

In compliance with the criteria and guidelines set forth in Title 3, Chapter 313 of the Texas Property Tax Code, Morrow Lake Solar, LLC requests an appraised value limitation from Pearsall Independent School District. SunChase Power, LLC is proposing to construct a solar electric generating facility in Frio County. The facility will be located in a reinvestment zone of approximately 4,600 acres in the north-central portion of the county. Additionally, the entirety of the project will be within Pearsall ISD. Please find attached in Tab 11 maps that further define the location of the facility.

The facility itself is expected to have a total capacity of 200 MW-AC and will feature 697,728 photovoltaic panels, 68 central inverters, and a 72 MW-AC battery storage system.

Morrow Lake Solar, LLC requests that this application includes but is not limited to the following components of this project:

- Solar Modules & Panels
- Inverter Boxes
- Meteorological Equipment
- Operation & Maintenance Building
- Electrical Substations
- Associated Towers
- Battery Storage System
- Racking & Mounting Structures
- Combiner Boxes
- Foundations
- Roadways, Paving, & Fencing
- Generation Transmission Tie Line
- Interconnection Facilities

Morrow Lake Solar, LLC is a solar energy project managed by SunChase Power, LLC, a renewable energy company focused on developing utility-scale and industrial solar energy projects. Their management team has been influential in the development of over 4,000 megawatts of renewable energy projects, bringing years of experience to the development process. They are committed to the future of renewable energy as well as building quality stakeholder relationships in the communities they choose to invest in.



Tab 5

Limitation as a Determining Factor

Currently, SunChase Power, LLC is considering a variety of other locations for Morrow Lake Solar, LLC but believes Pearsall ISD would be an ideal location for this solar facility. Currently, there are locations across the United States being evaluated for the establishment of this solar facility. In the event a 313 agreement is not permitted, SunChase Power, LLC would choose to use development capital in another area where it is more financially viable to develop, construct, and operate a project. Other sites being considered include locations in Oklahoma, Louisiana, Arkansas, Mississippi, Tennessee, and Florida. Unfortunately, this would also preclude Frio County and Pearsall Independent School District from receiving the economic benefits associated with the development of a solar facility within their jurisdiction.

SunChase Power, LLC is a renewable energy company focused on developing utility-scale and large industrial behind-the-meter solar energy projects. They work with landowners and large industrial electricity users to identify promising locations for profitable solar energy projects, and bring those projects to market. SunChase Power, LLC has a national footprint, and the ability to locate projects of this type in other states in the US with strong solar characteristics. Other states with favorable solar property tax climates are Oklahoma, Louisiana, Arkansas, Mississippi, Tennessee, and Florida. Property taxes are often the highest operating expense for a solar generation facility, as solar plants do not have any associated fuel costs to produce electricity. Furthermore, with the Texas wholesale electricity price already below the international average, the necessity of limiting the property tax liability becomes paramount. The magnitude at which tax expenses affect the feasibility of a project is what causes agreements like the Ch. 313 to be so important to companies like this applicant. If the 313 is not granted, the rate of return drops too low for investors to tolerate, and the capital once allocated to the project must be reapportioned to out-of-state projects with better cash flows (due to tax incentives and higher wholesale electricity rates). Effectively, whether or not the project is built hinges heavily on the execution of a 313 agreement. SunChase Power, LLC is constantly evaluating various locations for development and where to commit substantial long-term investment based on economic rate of return with the proposed projects. The economic benefits provided by a Chapter 313 Value Limitation is one of the most important components in their analysis.

Not only SunChase Power, LLC but all prudent energy developers, know tax incentives play an important role in attracting capital intensive facilities due to the high property tax burden in Texas. Ultimately, the decision to invest in Texas, or any other state, requires any capital investment by SunChase Power, LLC to be based on expected economic return on their investment.



With property tax liabilities composing a substantial ongoing cost of operation that directly impacts the rate of return on the investment without the 313 Value Limitation tax incentive, the economics of this project could be less competitive with other capital-intensive projects and the viability of the proposed project becomes uncertain. SunChase Power, LLC evaluates the economic viability of proposed projects through comparing the proposed project's rate of return with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. Therefore, if receiving a value limitation agreement under a Chapter 313 agreement results in significant annual cost savings the limitation becomes "the determining factor" to invest in this project.



Tab 6

Taxing Jurisdiction	Percentage of Project located within Jurisdiction	Tax Rate
Frio County	100%	0.5535
Pearsall ISD	100%	1.3175
Frio County Hospital District	100%	0.2349
Lateral Road	100%	0.0433
Evergreen Water District	100%	0.0065
Emergency Services District #1	100%	.03



Tab 7

Description of Qualified Investment

Morrow Lake Solar, LLC is a proposed solar electric generating facility anticipated to be established in Frio County, Texas. The facility will be located in a reinvestment zone of approximately 4,600 acres located in the north-central portion of the county. Additionally, the entirety of the project will be within Pearsall ISD. Please find attached in Tab 11 maps that further define the location of the facility.

The facility itself is expected to have a total capacity of 200 MW-AC and will feature 697,728 photovoltaic panels, 68 central inverters, and a 72 MW-AC battery storage system. Construction is anticipated to commence in August 2020 and will be complete by July 2021, when the plant will also be fully operational.

Morrow Lake Solar, LLC requests that this application includes but is not limited to the following components of this project:

- Solar Modules & Panels
- Inverter Boxes
- Meteorological Equipment
- Operation & Maintenance Building (s)
- Electrical Substations
- Associated Towers
- Battery Storage System
- Racking & Mounting Structures
- Combiner Boxes
- Foundations
- Roadways, Paving, & Fencing
- Generation Transmission Tie Line
- Interconnection Facilities



Tab 8

Description of Qualified Property

Morrow Lake Solar, LLC is a proposed solar electric generating facility anticipated to be established in Frio County, Texas. The facility will be located in a reinvestment zone of 4,600 acres located in the north-central portion of the county. Additionally, the entirety of the project will be within Pearsall ISD. Please find attached in Tab 11 maps that further define the location of the facility.

The facility itself is expected to have a total capacity of 200 MW-AC and will feature 697,728 photovoltaic panels, 68 central inverters, and a 72 MW-AC battery storage system. Construction is anticipated to commence in August 2020 and will be complete by July 2021, when the plant will also be fully operational.

Morrow Lake Solar, LLC requests that this application includes but is not limited to the following components of this project:

- Solar Modules & Panels
- Inverter Boxes
- Meteorological Equipment
- Operation & Maintenance Building (s)
- Electrical Substations
- Associated Towers
- Battery Storage System
- Racking & Mounting Structures
- Combiner Boxes
- Foundations
- Roadways, Paving, & Fencing
- Generation Transmission Tie Line
- Interconnection Facilities



Tab 9

Description of Land: N/A



Tab 10

Description of Existing Improvement

There are no existing improvements related to the project at the proposed site.



Tab 11

Maps

Morrow Lake Solar, LLC

Legend

Proposed Reinvestment Zone



Proposed Reinvestment Zone
(red outline)

North Pearsall

2779

Pearsall

3000

135 Frontage Rd

N Oak St



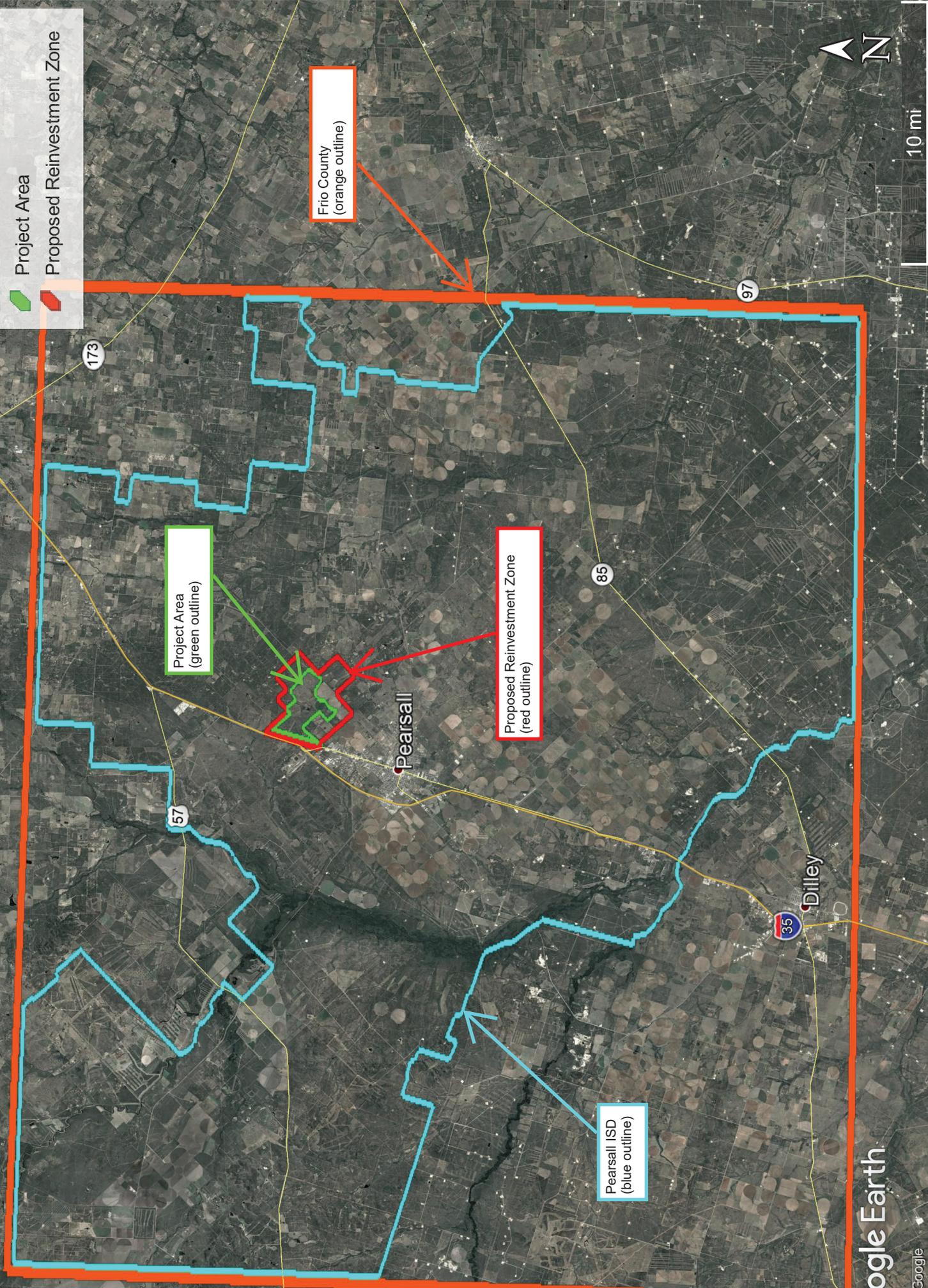
3 mi



Morrow Lake Solar, LLC

Legend

- Frio County
- Pearsall ISD
- Project Area
- Proposed Reinvestment Zone



Frio County
(orange outline)

Project Area
(green outline)

Proposed Reinvestment Zone
(red outline)

Pearsall ISD
(blue outline)

Morrow Lake Solar, LLC

Legend

Project Area

Proposed Reinvestment Zone



2 mi

Proposed Reinvestment Zone
(red outline)

Project Area
(green outline)

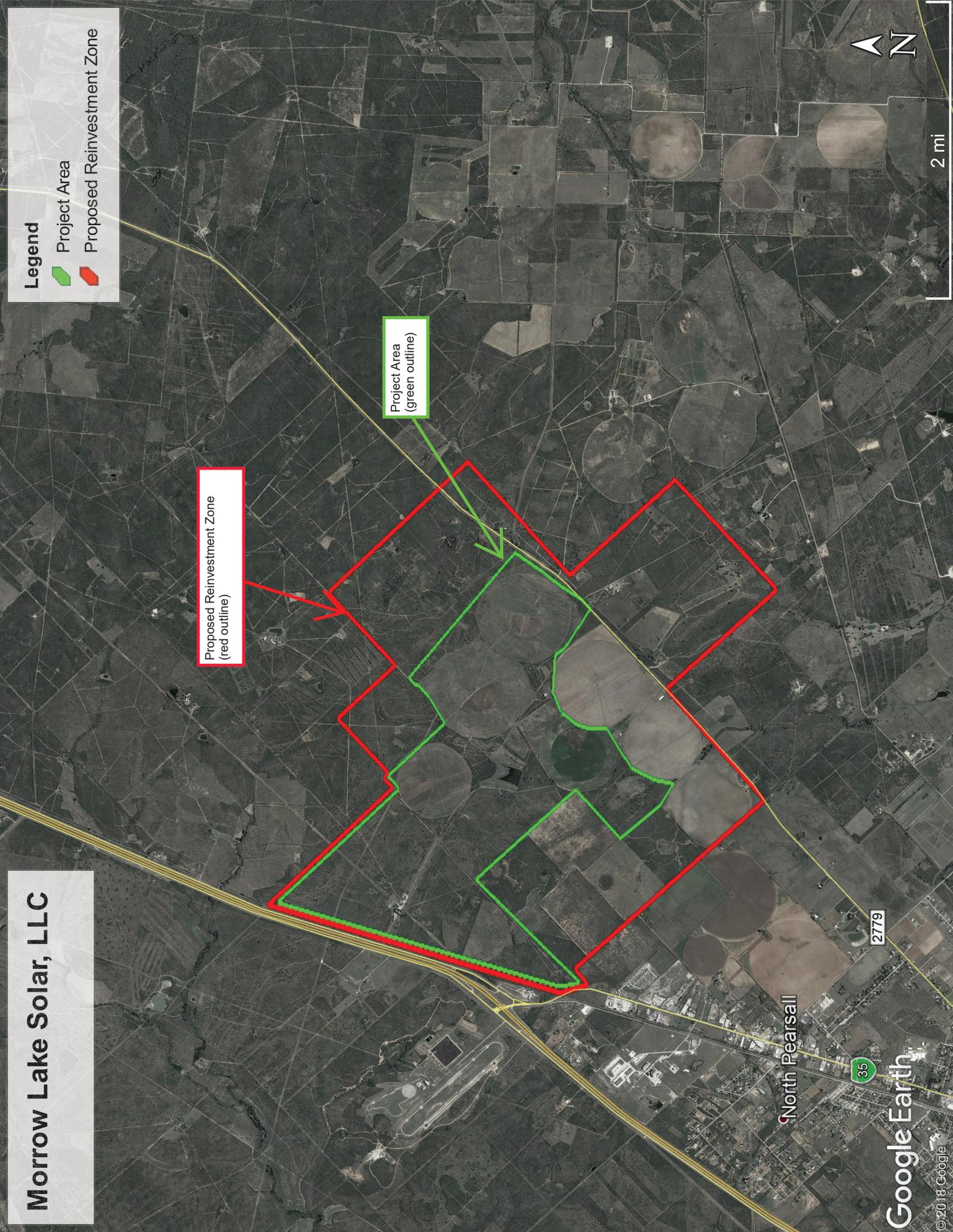
North Pearsall

35

2779

Google Earth

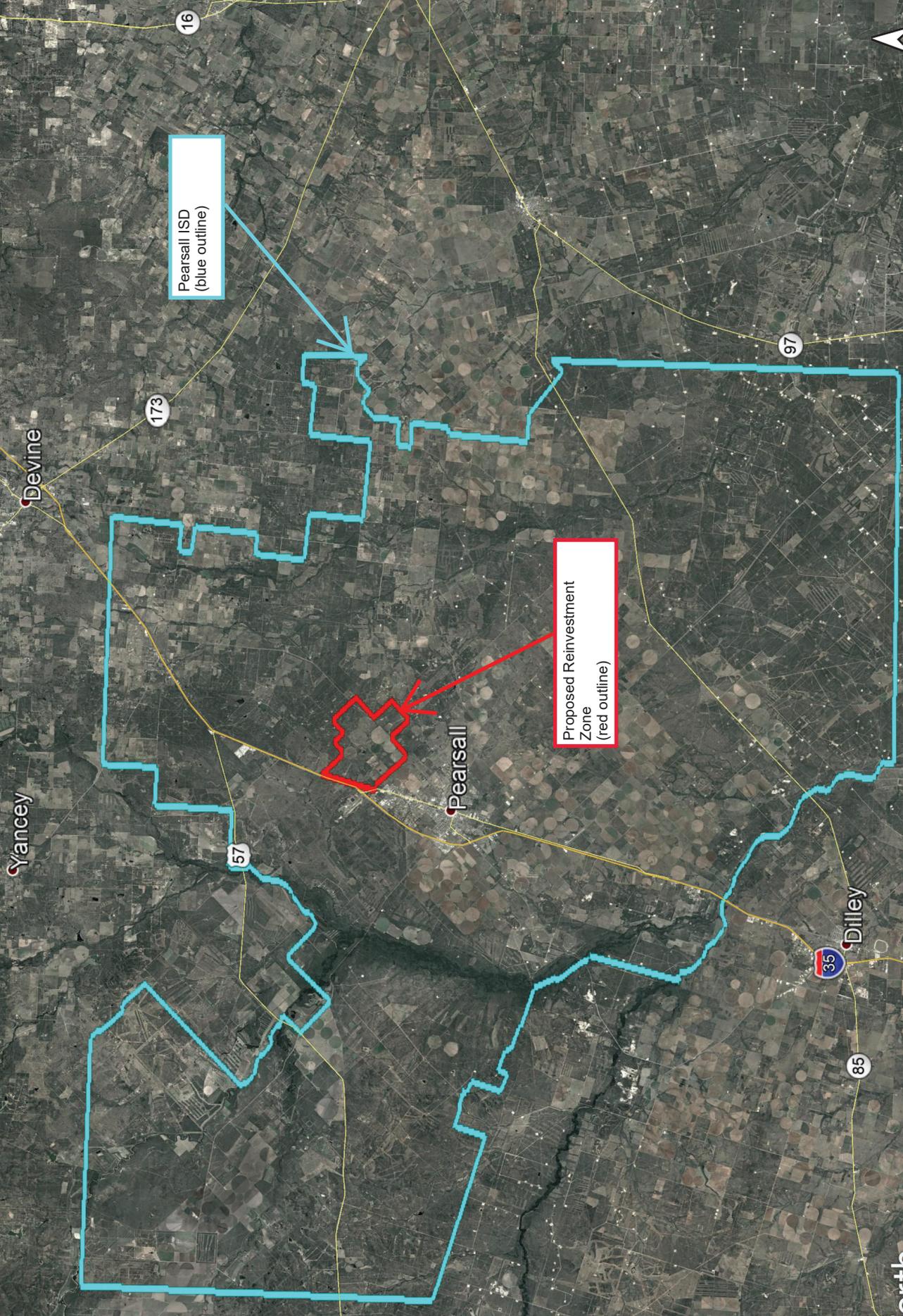
© 2018 Google



Morrow Lake Solar, LLC

Legend

- Pearsall ISD
- Proposed Reinvestment Zone



Pearsall ISD
(blue outline)

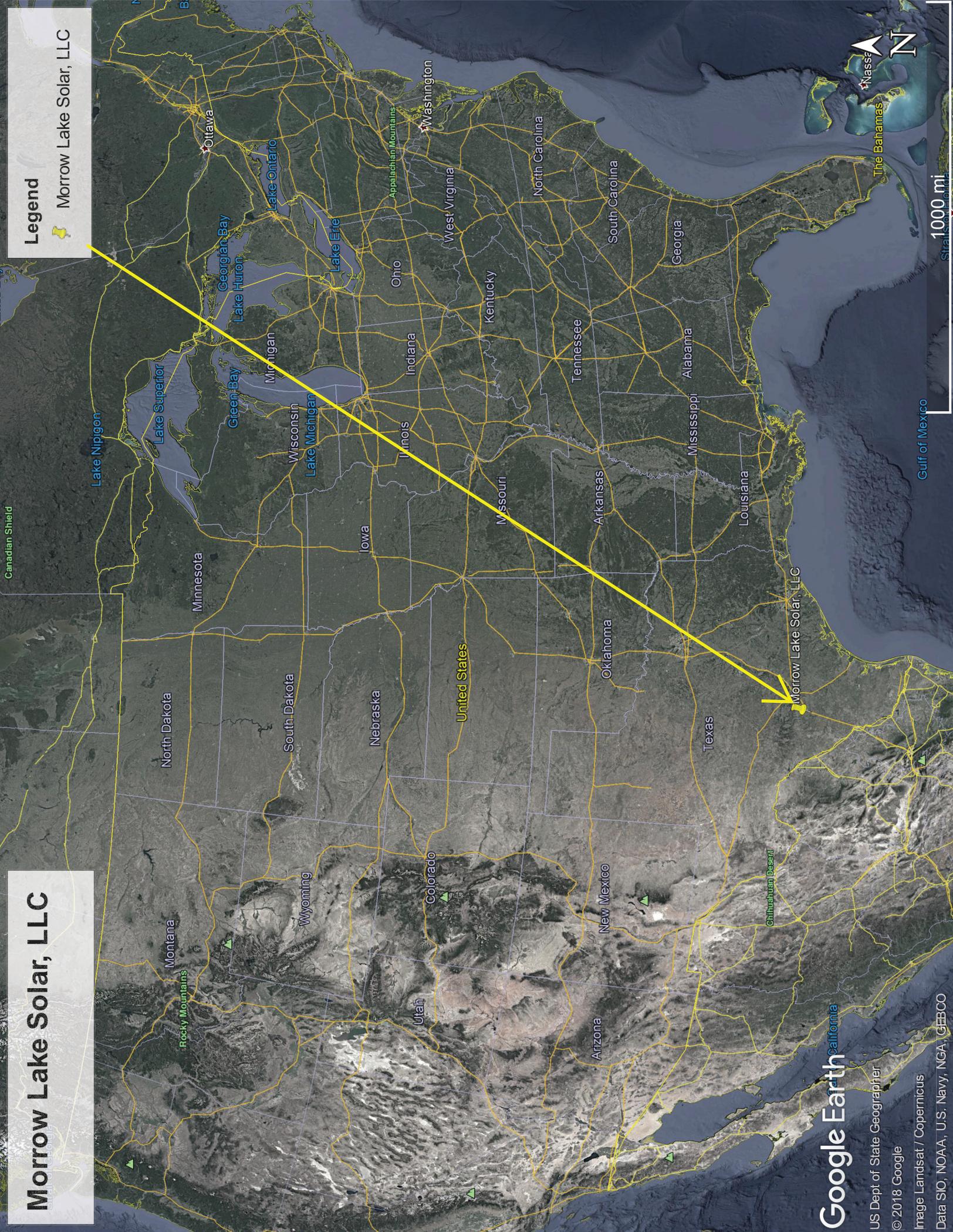
Proposed Reinvestment
Zone
(red outline)

Morrow Lake Solar, LLC

Legend



Morrow Lake Solar, LLC



Google Earth California

US Dept of State Geographer

© 2018 Google

Image Landsat / Copernicus

Data SIO, NOAA, U.S. Navy, NGA, GEBCO

Gulf of Mexico

1000 mi



Nassau
The Bahamas

Morrow Lake Solar, LLC

Legend

-  PV Panels & Battery Storage
-  Project Area
-  Substation

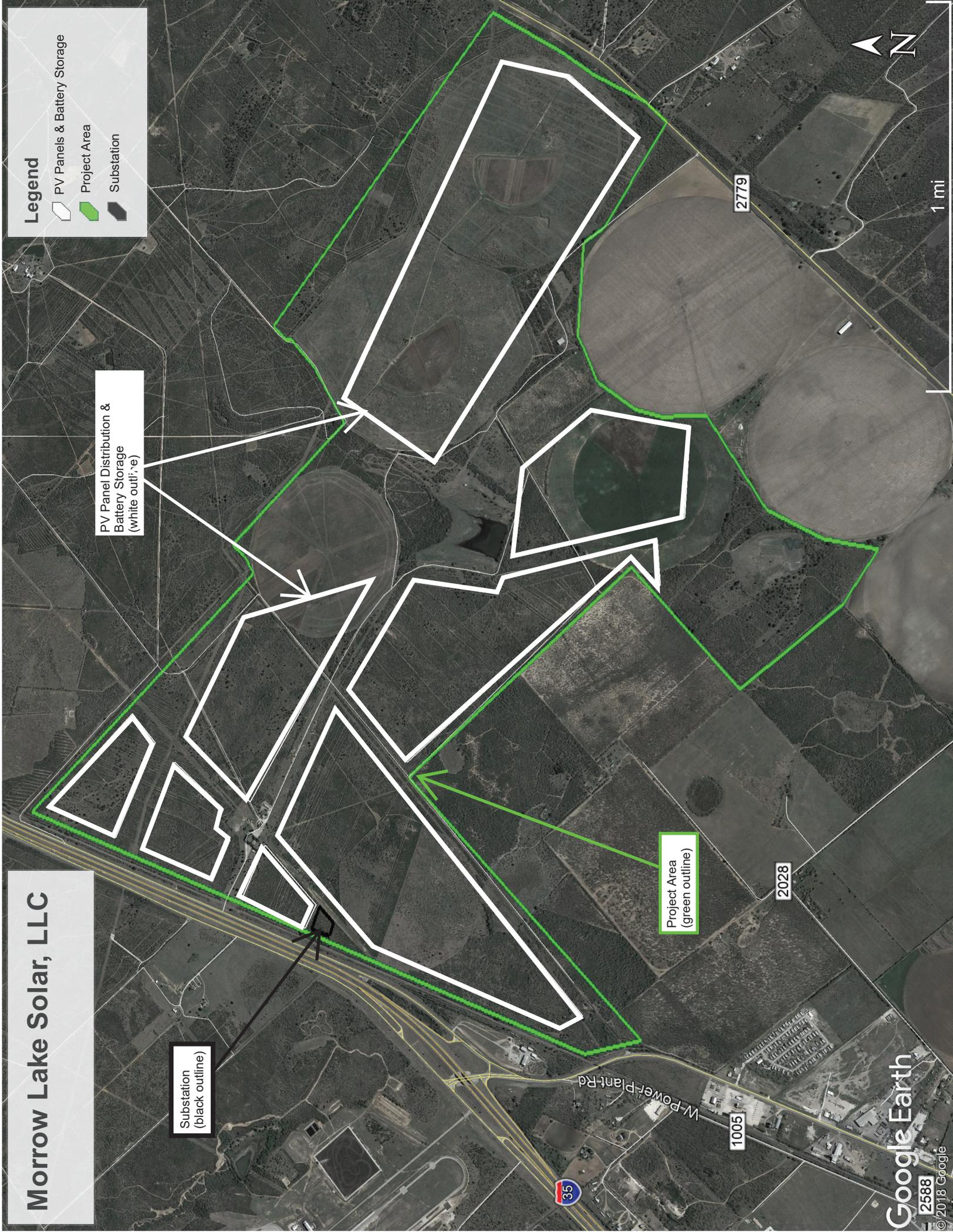
PV Panel Distribution & Battery Storage (white outline)

Substation (black outline)

Project Area (green outline)



1 mi





Tab 12

Request for Waiver of Job Requirements

Please refer to the proceeding letter attached



July 22, 2019

Mr. Nobert Rodriguez
Pearsall ISD
318 Berry Ranch Road
Pearsall, Texas 78061

RE: Morrow Lake Solar, LLC Chapter 313 Job Waiver Request

Dear Mr. Nobert Rodriguez,

SunChase Power, LLC is requesting that Pearsall ISD's Board of Trustees waive the job requirement provision as allowed by Section 313.025 (f-1) of the Texas Tax Code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

SunChase Power, LLC requests that Pearsall ISD makes such finding and waive the job creation requirement for 10 permanent jobs. In line with the current industry standards for job requirements, Morrow Lake Solar, LLC has committed to create 2 qualifying jobs in Pearsall ISD.

Solar projects create many jobs, both full and part time. Additionally, during the construction phase, solar projects create many temporary jobs; however, after construction is completed solar facilities only require a relatively small number of workers to operate and maintain the plant. The number of jobs Morrow Lake Solar, LLC has committed to create is congruent with current industry standards for maintenance and operation of a facility of this capacity. This is evidenced by previously certified limitation agreement applications by solar developers who also requested and were granted a waiver of the job requirement based on the industry standard of 1 worker per 115 MW.

The permanent employees of a solar facility maintain and service the photovoltaic panels and inverters, underground electrical connections, substations, as well as other infrastructure associated with the safe and reliable operation of the facilities. In addition to onsite employees, there may also be managers and/or technicians who provide support to the facility remotely.

The establishment of Morrow Lake Solar, LLC will undoubtedly be beneficial to the economic development of Pearsall ISD and the advancement of renewable energy. Thank you for your consideration of this request. If you have any questions, feel free to contact us.

Sincerely,

Mike Fry, Director—Energy Services

mike@keatax.com



Tab 13

Calculation of Wage Requirements

U.S. Department of Labor—Bureau of Labor Statistics

The proceeding calculations are for the following wage requirements:

Calculation A: Frio County Average Weekly Wage

Calculation B: 110% of Frio County Average for Manufacturing Jobs

Calculation C: 110% of Alamo Area Council of Government Regional Manufacturing Wage

Calculation A: Frio County Average Weekly Wage for all Jobs

Year	Quarter	Average Weekly Wage
2018	Q1	\$1,028.00
2018	Q2	\$999.00
2018	Q3	\$960.00
2018	Q4	\$1,028.00
2018	Q Average	\$1,003.75

In order to calculate Frio County Average Weekly Wage for all Jobs, the following calculations were completed:

Quarterly Average Calculation:

Step 1: $\$1,028.00 + \$999.00 + \$960.00 + \$1,028.00 = \$4,015$

Step 2: $\$4,015 / 4 =$ **\$1,003.75**

**Calculation B: 110% of Frio County Average Weekly Wage for Manufacturing Jobs**

Year	Quarter	Average Weekly Wage
2018	Q1	\$1,288.00
2018	Q2	\$1,163.00
2018	Q3	\$1,298.00
2018	Q4	\$943.00
2018	Q Average	\$1,173.00
2018	110 % Q Average	\$1,290.30

In order to calculate 110% of the Frio County Average Weekly Wage for Manufacturing Jobs, the following calculations were completed:

110% Quarterly Average Calculation

Step 1: $\$1,288.00 + \$1,163.00 + \$1,298.00 + \$943.00 = \$4,692$

Step 2: $\$4,692.00 / 4 = \$1,173.00$

Step 3: $\$1,173.00 * 1.10 =$ **\$1,290.30**



Calculation C: 110% of Alamo Area Council of Government Regional Manufacturing Wage

2017 Alamo Area Council of Government Regional Annual Wage: \$48,869.00

2017 Alamo Area Council of Government 110% Regional Wage: \$53,755.90 annually or \$1,033.77 weekly

In order to calculate 110% of the Average Weekly Wage for Manufacturing Jobs in the Alamo Area Council of Government Region the following calculations were completed:

Step 1: $\$48,869.00 * 1.10 = \$53,755.90$

Step 2: $\$53,755.90 / 52 =$ **\$1,033.77**

*All calculations were completed using the most recent data available from the Texas Labor Market Information



Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry	Average Weekly Wage
2018	01	Frio	Total All	Total, All Industries	1,028
2018	02	Frio	Total All	Total, All Industries	999
2018	03	Frio	Total All	Total, All Industries	960
2018	04	Frio	Total All	Total, All Industries	1,028

Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry	Average Weekly Wage
2018	01	Frio	Private	Manufacturing	1,288
2018	02	Frio	Private	Manufacturing	1,163
2018	03	Frio	Private	Manufacturing	1,298
2018	04	Frio	Private	Manufacturing	943



**2017 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$26.24	\$54,587
1. Panhandle Regional Planning Commission	\$23.65	\$49,190
2. South Plains Association of Governments	\$19.36	\$40,262
3. NORTEX Regional Planning Commission	\$23.46	\$48,789
4. North Central Texas Council of Governments	\$26.80	\$55,747
5. Ark-Tex Council of Governments	\$18.59	\$38,663
6. East Texas Council of Governments	\$21.07	\$43,827
7. West Central Texas Council of Governments	\$21.24	\$44,178
8. Rio Grande Council of Governments	\$18.44	\$38,351
9. Permian Basin Regional Planning Commission	\$26.24	\$54,576
10. Concho Valley Council of Governments	\$19.67	\$40,924
11. Heart of Texas Council of Governments	\$21.53	\$44,781
12. Capital Area Council of Governments	\$31.49	\$65,497
13. Brazos Valley Council of Governments	\$17.76	\$39,931
14. Deep East Texas Council of Governments	\$17.99	\$37,428
15. South East Texas Regional Planning Commission	\$34.98	\$72,755
16. Houston-Galveston Area Council	\$28.94	\$60,202
17. Golden Crescent Regional Planning Commission	\$26.94	\$56,042
18. Alamo Area Council of Governments	\$22.05	\$48,869
19. South Texas Development Council	\$15.07	\$31,343
20. Coastal Bend Council of Governments	\$28.98	\$60,276
21. Lower Rio Grande Valley Development Council	\$17.86	\$37,152
22. Texoma Council of Governments	\$21.18	\$44,060
23. Central Texas Council of Governments	\$19.30	\$40,146
24. Middle Rio Grande Development Council	\$24.07	\$50,058

Source: Texas Occupational Employment and Wages

Data published: July 2018

Data published annually, next update will be July 31, 2019

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.



Tab 14

Schedules A1-D

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

Date: 7/22/2019
Applicant Name: Morrow Lake Solar, LL
ISD Name: Pearsall 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												
Investment made after filing complete application with district, but before final board approval of 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	Q1P1	2020	\$ 94,500,000.00	\$	500,000.00						\$	95,000,000.00
	Q1P2	2021	\$ 139,000,000.00	\$	-						\$	139,000,000.00
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]			\$ 233,500,000.00	\$	500,000.00	Enter amounts from TOTAL row above in Schedule A2						\$ 234,000,000.00
Total Qualified Investment (sum of green cells)			\$ 234,000,000.00									

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 components 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 7/22/2019
Applicant Name Morrow Lake Solar, LLC
ISD Name Pearsall 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 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)	PROPERTY INVESTMENT AMOUNTS (Estimated investment in each year. Do not put cumulative totals.)	
								Column A	Column B
			\$ 234,000,000.00					\$	234,000,000.00
0	2019-2020	2019							
0	2020-2021	2020	\$ 94,500,000.00	\$ 500,000.00				\$	95,000,000.00
0	2021-2022	2021	\$ 139,000,000.00					\$	139,000,000.00
1	2022-2023	2022							
2	2023-2024	2023							
3	2024-2025	2024							
4	2025-2026	2025							
5	2026-2027	2026							
6	2027-2028	2027							
7	2028-2029	2028							
8	2029-2030	2029							
9	2030-2031	2030							
10	2031-2032	2031							
			\$ 233,500,000.00	\$ 500,000.00				\$	234,000,000.00
Total Investment from Schedule A1*		TOTALS FROM SCHEDULE A1							
Each year prior to start of value limitation period**									
Each year prior to start of value limitation period**									
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)									
Continue to maintain viable presence									
		11	2032-2033	2032					
		12	2033-2034	2033					
		13	2034-2035	2034					
		14	2035-2036	2035					
		15	2036-2037	2036					
		16	2037-2038	2037					
		17	2038-2039	2038					
		18	2039-2040	2039					
		19	2040-2041	2040					
		20	2041-2042	2041					
		21	2042-2043	2042					
		22	2043-2044	2043					
		23	2044-2045	2044					
		24	2045-2046	2045					
		25	2046-2047	2046					

* 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(e). 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.

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

Date: **7/22/2019**
 Applicant Name: **Morrow Lake Solar, LLC**
 ISD Name: **Pearsall ISD**

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 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	
0	2019-2020	2019							
0	2020-2021	2020							
0	2021-2022	2021							
1	2022-2023	2022		\$ 500,000.00	\$ 47,500,000.00	\$ 47,500,000.00	\$ 47,500,000.00	\$ 47,500,000.00	\$ 47,500,000.00
2	2023-2024	2023		\$ 485,000.00	\$ 233,500,000.00	\$ 234,000,000.00	\$ 234,000,000.00	\$ 234,000,000.00	\$ 30,000,000.00
3	2024-2025	2024		\$ 470,000.00	\$ 210,150,000.00	\$ 210,635,000.00	\$ 210,635,000.00	\$ 210,635,000.00	\$ 30,000,000.00
4	2025-2026	2025		\$ 455,000.00	\$ 186,800,000.00	\$ 187,270,000.00	\$ 187,270,000.00	\$ 187,270,000.00	\$ 30,000,000.00
5	2026-2027	2026		\$ 440,000.00	\$ 163,450,000.00	\$ 163,905,000.00	\$ 163,905,000.00	\$ 163,905,000.00	\$ 30,000,000.00
6	2027-2028	2027		\$ 425,000.00	\$ 140,100,000.00	\$ 140,540,000.00	\$ 140,540,000.00	\$ 140,540,000.00	\$ 30,000,000.00
7	2028-2029	2028		\$ 410,000.00	\$ 116,750,000.00	\$ 117,175,000.00	\$ 117,175,000.00	\$ 117,175,000.00	\$ 30,000,000.00
8	2029-2030	2029		\$ 395,000.00	\$ 93,400,000.00	\$ 93,810,000.00	\$ 93,810,000.00	\$ 93,810,000.00	\$ 30,000,000.00
9	2030-2031	2030		\$ 380,000.00	\$ 70,050,000.00	\$ 70,445,000.00	\$ 70,445,000.00	\$ 70,445,000.00	\$ 30,000,000.00
10	2031-2032	2031		\$ 365,000.00	\$ 46,700,000.00	\$ 47,080,000.00	\$ 47,080,000.00	\$ 47,080,000.00	\$ 30,000,000.00
11	2032-2033	2032		\$ 350,000.00	\$ 46,700,000.00	\$ 47,065,000.00	\$ 47,065,000.00	\$ 47,065,000.00	\$ 30,000,000.00
12	2033-2034	2033		\$ 335,000.00	\$ 46,700,000.00	\$ 47,050,000.00	\$ 47,050,000.00	\$ 47,050,000.00	\$ 47,050,000.00
13	2034-2035	2034		\$ 320,000.00	\$ 46,700,000.00	\$ 47,035,000.00	\$ 47,035,000.00	\$ 47,035,000.00	\$ 47,035,000.00
14	2035-2036	2035		\$ 305,000.00	\$ 46,700,000.00	\$ 47,020,000.00	\$ 47,020,000.00	\$ 47,020,000.00	\$ 47,020,000.00
15	2036-2037	2036		\$ 290,000.00	\$ 46,700,000.00	\$ 47,005,000.00	\$ 47,005,000.00	\$ 47,005,000.00	\$ 47,005,000.00
16	2037-2038	2037		\$ 275,000.00	\$ 46,700,000.00	\$ 46,990,000.00	\$ 46,990,000.00	\$ 46,990,000.00	\$ 46,990,000.00
17	2038-2039	2038		\$ 260,000.00	\$ 46,700,000.00	\$ 46,975,000.00	\$ 46,975,000.00	\$ 46,975,000.00	\$ 46,975,000.00
18	2039-2040	2039		\$ 245,000.00	\$ 46,700,000.00	\$ 46,960,000.00	\$ 46,960,000.00	\$ 46,960,000.00	\$ 46,960,000.00
19	2040-2041	2040		\$ 230,000.00	\$ 46,700,000.00	\$ 46,945,000.00	\$ 46,945,000.00	\$ 46,945,000.00	\$ 46,945,000.00
20	2041-2042	2041		\$ 215,000.00	\$ 46,700,000.00	\$ 46,930,000.00	\$ 46,930,000.00	\$ 46,930,000.00	\$ 46,930,000.00
21	2042-2043	2042		\$ 200,000.00	\$ 46,700,000.00	\$ 46,915,000.00	\$ 46,915,000.00	\$ 46,915,000.00	\$ 46,915,000.00
22	2043-2044	2043		\$ 185,000.00	\$ 46,700,000.00	\$ 46,900,000.00	\$ 46,900,000.00	\$ 46,900,000.00	\$ 46,900,000.00
23	2044-2045	2044		\$ 170,000.00	\$ 46,700,000.00	\$ 46,885,000.00	\$ 46,885,000.00	\$ 46,885,000.00	\$ 46,885,000.00
24	2045-2046	2045		\$ 155,000.00	\$ 46,700,000.00	\$ 46,870,000.00	\$ 46,870,000.00	\$ 46,870,000.00	\$ 46,870,000.00
25	2046-2047	2046		\$ 140,000.00	\$ 46,700,000.00	\$ 46,855,000.00	\$ 46,855,000.00	\$ 46,855,000.00	\$ 46,855,000.00

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 **7/22/2019**
 Applicant Name **Morrow Lake Solar, LLC**
 ISD Name **Pearsall 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						
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	200	\$ 38,000.00				
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021	200	\$ 38,000.00				
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2022-2023	2022				2	\$ 53,755.90	
	2	2023-2024	2023				2	\$ 53,755.90	
	3	2024-2025	2024				2	\$ 53,755.90	
	4	2025-2026	2025				2	\$ 53,755.90	
	5	2026-2027	2026				2	\$ 53,755.90	
	6	2027-2028	2027				2	\$ 53,755.90	
	7	2028-2029	2028				2	\$ 53,755.90	
	8	2029-2030	2029				2	\$ 53,755.90	
	9	2030-2031	2030				2	\$ 53,755.90	
	10	2031-2032	2031				2	\$ 53,755.90	
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2047				2	\$ 53,755.90	

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) Yes No
- 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)

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: Frio City: Other: Frio County Hospital District	2022	2022-2031	\$ 581,729.00	65%	\$ 203,605.15
Local Government Code Chapters 380/381	County: City: Other:	2022	2022-2031	\$ 246,859.00	65%	\$ 86,400.65
Freight 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				\$ 828,588.00	65%	\$ 290,005.80

Additional information on incentives for this project:



Tab 15

Economic Impact Study: N/A



Tab 16

Description of Reinvestment Zone

Morrow Lake Solar, LLC is to be located within a proposed reinvestment zone. The adoption of this measure will not be complete until Frio County or Pearsall ISD creates the proposed reinvestment zone, which will likely occur in the fourth quarter of 2019. At that time, the legal description of the zone as well as the order, resolution, or ordinance that establishes the reinvestment zone will be submitted to the Texas Comptroller. Please find attached the guidelines and criteria for pursuing a tax abatement in Frio County.



Tab 17

Signatures and Certification

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between PEARSALL INDEPENDENT SCHOOL
DISTRICT and MORROW LAKE SOLAR, LLC

EXHIBIT A-1

Amendment 001 to Application for Appraised Value
Limitation on Qualified Property



August 30, 2019

Mr. Nobert Rodriguez, Pearsall ISD Superintendent
cc. Texas Comptroller of Public Accounts
318 Berry Ranch Road
Pearsall, Texas 78061

Re: Amendment One for Texas Property Tax Code Section 313 Value Limitation Application #1406-Pearsall ISD-Morrow Lake Solar, LLC

Dear Superintendent Rodriguez:

Please find attached Amendment One for Section 313 Value Limitation Application #1406-Pearsall ISD-Morrow Lake Solar, LLC. We kindly ask you review and consider accepting the following changes:

- Section 9: Projected Timeline
 - Question 3. Beginning of Qualifying Time Period Date Changed from January 1, 2020 to January 2, 2020
- Section 14: Questions 7-10; Tab 13
 - Wages updated to reflect new data
- Tab 4, 7, & 8
 - Explanation provided for battery storage
- Tab 7 & 8
 - Requested language regarding qualified property added
- Tab 11
 - Map labels updated from “Project Area” to “Project Boundary”
- Tab 14
 - Schedule A1 updated to reflect "stub year."
- Tab 17
 - New signature page provided

If you have any questions, please feel free to contact me at 469-298-1594 or mike@keatax.com. We look forward to working with you.

Sincerely,

A handwritten signature in black ink that reads "Mike Fry". The signature is written in a cursive, slightly slanted style.

Mike Fry
Director—Energy Services



Tab 1

Pages 1-9 of the application

SECTION 9: Projected Timeline

- 1. Application approval by school board ... December 1, 2019
2. Commencement of construction ... August 1, 2020
3. Beginning of qualifying time period ... January 1, 2020
4. First year of limitation ... January 1, 2022
5. Begin hiring new employees ... May 1, 2021
6. Commencement of commercial operations ... July 1, 2021
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date ... Yes No
8. When do you anticipate the new buildings or improvements will be placed in service? ... July 1, 2021

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located ... Frio County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property ... Frio 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: Frio County .5535 100%
Hospital District: Frio Co. Hosp. District .23488 100%
Other (describe): Lateral Road .0433 100%
City: N/A
Water District: Evergreen Water District .0065 100%
Other (describe): Emergency Services #1 .03 100%
5. Is the project located entirely within the ISD listed in Section 1? ... Yes No
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

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? ... 30,000,000.00
2. What is the amount of appraised value limitation for which you are applying? ... 30,000,000.00
Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ... Yes No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 7);
b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7); and
c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (Tab 11).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ... Yes No

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2019
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 2
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 a. Average weekly wage for all jobs (all industries) in the county is 1,003.75
 b. 110% of the average weekly wage for manufacturing jobs in the county is 1,290.30
 c. 110% of the average weekly wage for manufacturing jobs in the region is 1,033.77
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? 53,755.90
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 53,755.90
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 4

Detailed Description of the Project

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.

In compliance with the criteria and guidelines set forth in Title 3, Chapter 313 of the Texas Property Tax Code, Morrow Lake Solar, LLC requests an appraised value limitation from Pearsall Independent School District. SunChase Power, LLC is proposing to construct a solar electric generating facility in Frio County. The facility will be located in a reinvestment zone of approximately 4,600 acres in the north-central portion of the county. Additionally, the entirety of the project will be within Pearsall ISD. Please find attached in Tab 11 maps that further define the location of the facility.

The facility itself is expected to have a total capacity of 200 MW-AC and will feature 697,728 photovoltaic panels, 68 central inverters, and a 72 MW-AC battery storage system. Please note: the battery storage will only be used for the storage of energy generated directly from Morrow Lake Solar, LLC via the equipment associated with the project. The batteries will not be storing power pulled from the grid.

Morrow Lake Solar, LLC requests that this application includes but is not limited to the following components of this project:

- Solar Modules & Panels
- Inverter Boxes
- Meteorological Equipment
- Operation & Maintenance Building
- Electrical Substations
- Associated Towers
- Battery Storage System
- Racking & Mounting Structures
- Combiner Boxes
- Foundations
- Roadways, Paving, & Fencing
- Generation Transmission Tie Line
- Interconnection Facilities

Morrow Lake Solar, LLC is a solar energy project managed by SunChase Power, LLC, a renewable energy company focused on developing utility-scale and industrial solar energy projects. Their management team has been influential in the development of over 4,000 megawatts of renewable energy projects, bringing years of experience to the development process. They are committed to the future of renewable energy as well as building quality stakeholder relationships in the communities they choose to invest in.



Tab 7

Description of Qualified Investment

Morrow Lake Solar, LLC is a proposed solar electric generating facility anticipated to be established in Frio County, Texas. The facility will be located in a reinvestment zone of approximately 4,600 acres located in the north-central portion of the county. Additionally, the entirety of the project will be within Pearsall ISD. Please find attached in Tab 11 maps that further define the location of the facility. Additionally, this application covers all qualified property in the reinvestment zone and project boundary within Pearsall ISD.

The facility itself is expected to have a total capacity of 200 MW-AC and will feature 697,728 photovoltaic panels, 68 central inverters, and a 72 MW-AC battery storage system. Construction is anticipated to commence in August 2020 and will be complete by July 2021, when the plant will also be fully operational.

Please note: the battery storage will only be used for the storage of energy generated directly from Morrow Lake Solar, LLC via the equipment associated with the project. The batteries will not be storing power pulled from the grid.

Morrow Lake Solar, LLC requests that this application includes but is not limited to the following components of this project:

- Solar Modules & Panels
- Inverter Boxes
- Meteorological Equipment
- Operation & Maintenance Building (s)
- Electrical Substations
- Associated Towers
- Battery Storage System
- Racking & Mounting Structures
- Combiner Boxes
- Foundations
- Roadways, Paving, & Fencing
- Generation Transmission Tie Line
- Interconnection Facilities



Tab 8

Description of Qualified Property

Morrow Lake Solar, LLC is a proposed solar electric generating facility anticipated to be established in Frio County, Texas. The facility will be located in a reinvestment zone of 4,600 acres located in the north-central portion of the county. Additionally, the entirety of the project will be within Pearsall ISD. Please find attached in Tab 11 maps that further define the location of the facility. Additionally, this application covers all qualified property in the reinvestment zone and project boundary within Pearsall ISD.

The facility itself is expected to have a total capacity of 200 MW-AC and will feature 697,728 photovoltaic panels, 68 central inverters, and a 72 MW-AC battery storage system. Construction is anticipated to commence in August 2020 and will be complete by July 2021, when the plant will also be fully operational.

Please note: the battery storage will only be used for the storage of energy generated directly from Morrow Lake Solar, LLC via the equipment associated with the project. The batteries will not be storing power pulled from the grid.

Morrow Lake Solar, LLC requests that this application includes but is not limited to the following components of this project:

- Solar Modules & Panels
- Inverter Boxes
- Meteorological Equipment
- Operation & Maintenance Building (s)
- Electrical Substations
- Associated Towers
- Battery Storage System
- Racking & Mounting Structures
- Combiner Boxes
- Foundations
- Roadways, Paving, & Fencing
- Generation Transmission Tie Line
- Interconnection Facilities



Tab 11

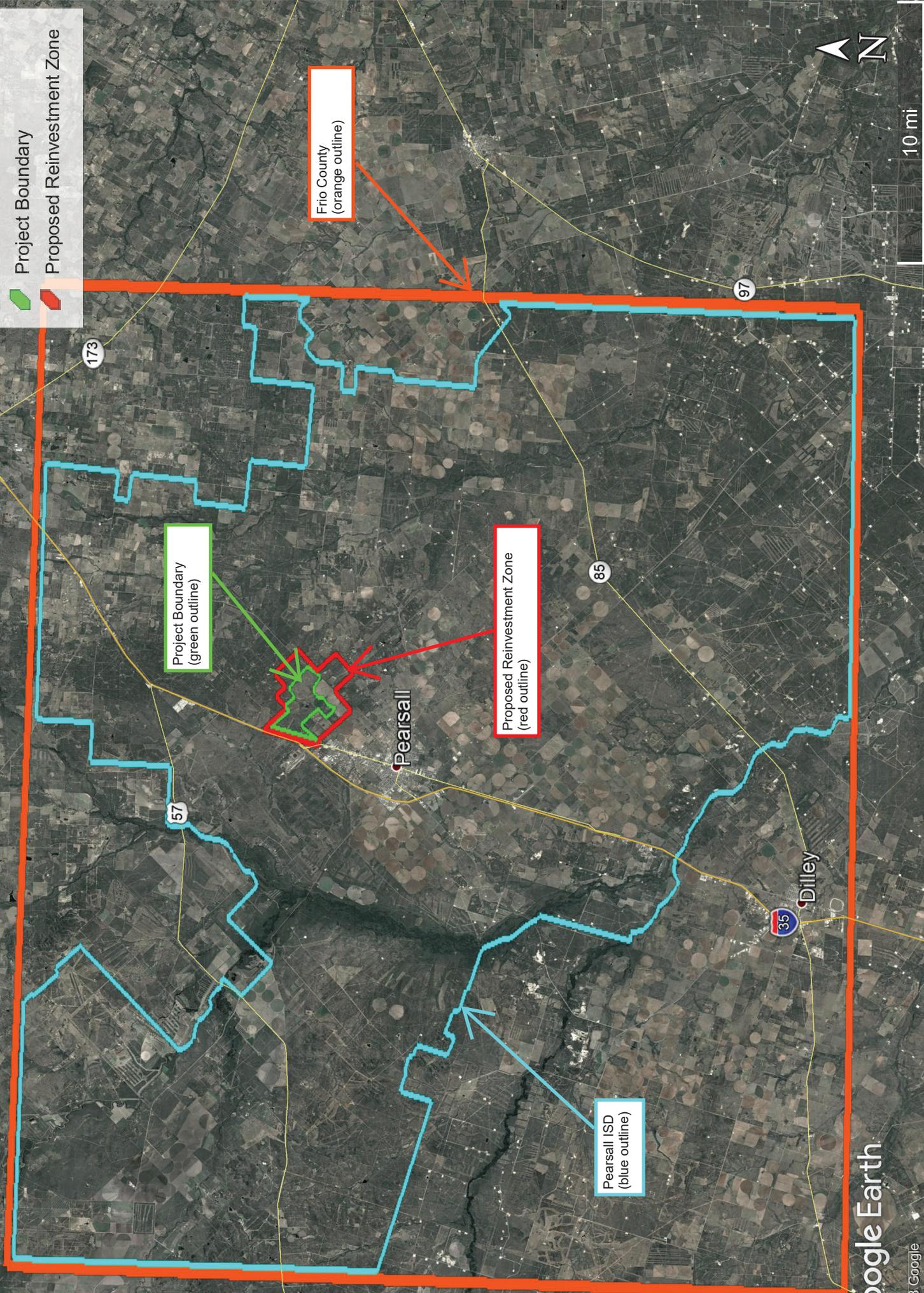
Maps

Morrow Lake Solar, LLC

Amendment One (3/30/2019)

Legend

- Frio County
- Pearsall ISD
- Project Boundary
- Proposed Reinvestment Zone



Frio County
(orange outline)

Project Boundary
(green outline)

Proposed Reinvestment Zone
(red outline)

Pearsall ISD
(blue outline)

Morrow Lake Solar, LLC

Amendment One [03/01/2018]

Legend

Project Boundary

Proposed Reinvestment Zone



Project Boundary
(green outline)

Proposed Reinvestment Zone
(red outline)

North Pearsall

35

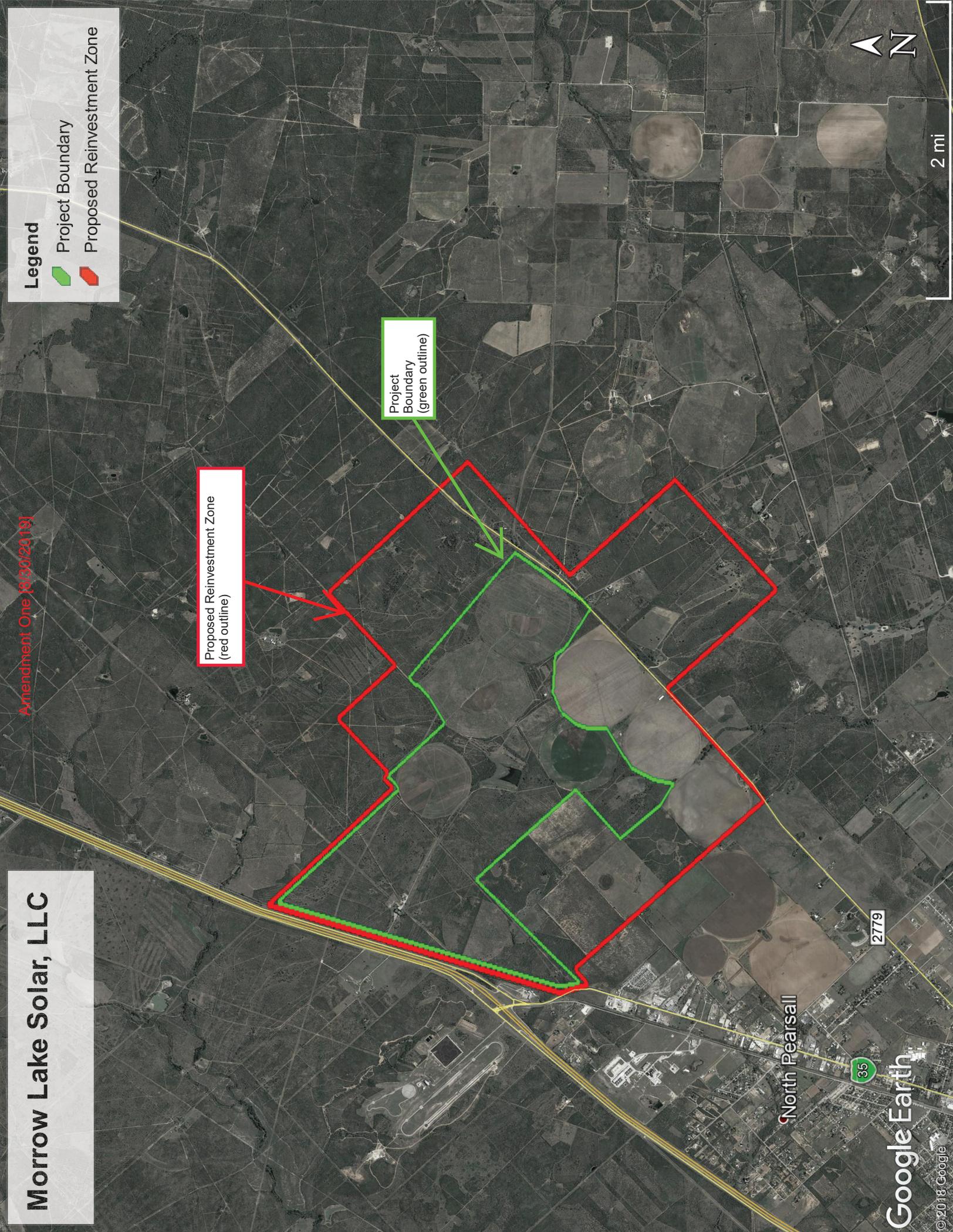
2779

Google Earth

© 2018 Google



2 mi



Morrow Lake Solar, LLC

Amendment One [8/30/2019]

Legend

- PV Panels & Battery Storage
- Project Boundary
- Substation

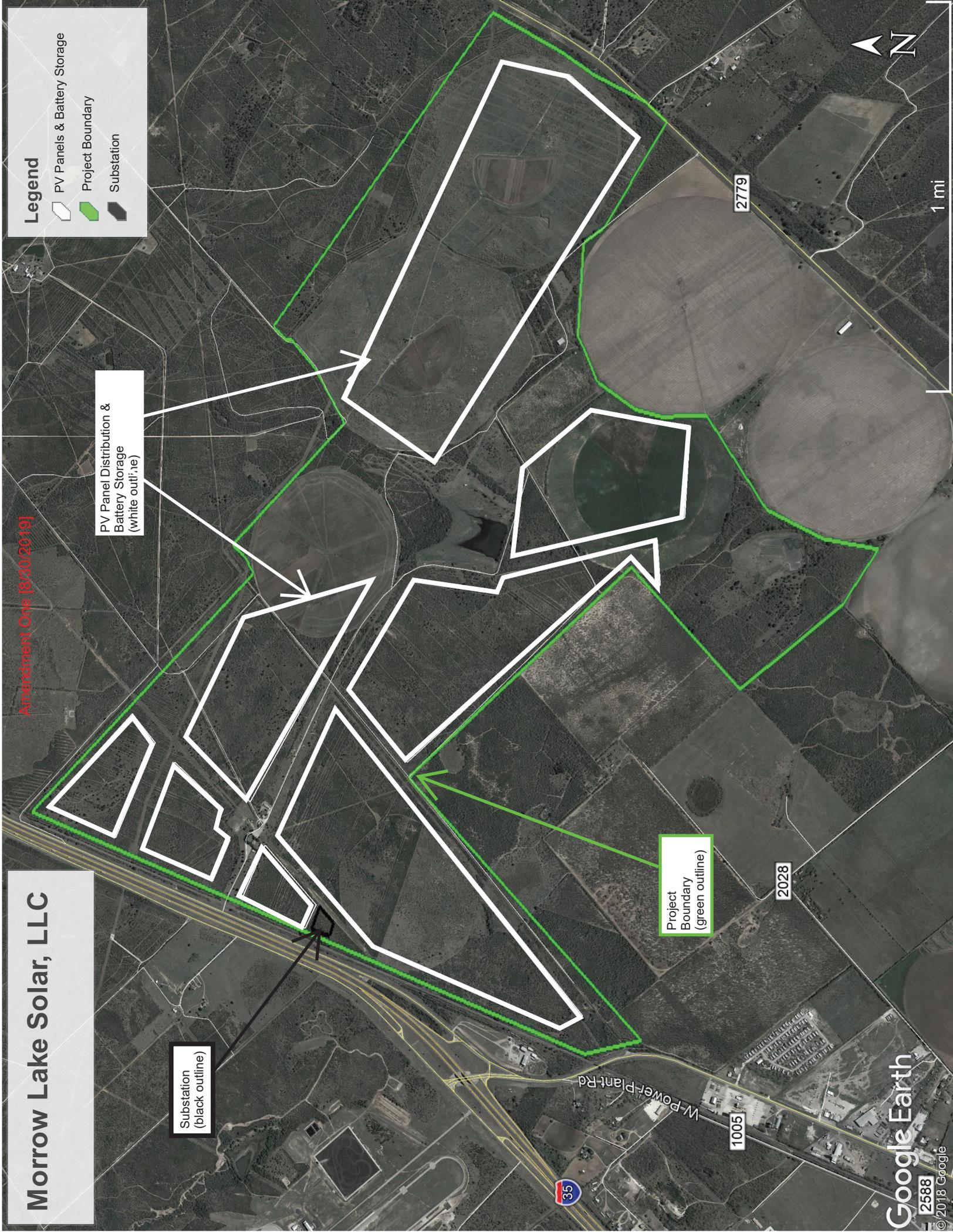
PV Panel Distribution & Battery Storage (white outline)

Project Boundary (green outline)

Substation (black outline)



1 mi





Tab 13

Calculation of Wage Requirements

U.S. Department of Labor—Bureau of Labor Statistics

The proceeding calculations are for the following wage requirements:

Calculation A: Frio County Average Weekly Wage

Calculation B: 110% of Frio County Average for Manufacturing Jobs

Calculation C: 110% of Alamo Area Council of Government Regional Manufacturing Wage

Calculation A: Frio County Average Weekly Wage for all Jobs

Year	Quarter	Average Weekly Wage
2018	Q2	\$999.00
2018	Q3	\$971.00
2018	Q4	\$1,027.00
2019	Q1	\$1,020.00
	Q Average	\$1,004.25

In order to calculate Frio County Average Weekly Wage for all Jobs, the following calculations were completed:

Quarterly Average Calculation:

Step 1: $\$999.00 + \$971.00 + \$1,027.00 + \$1,020.00 = \$4,017.00$

Step 2: $\$4,017 / 4 =$ **1,004.25**



Calculation B: 110% of Frio County Average Weekly Wage for Manufacturing Jobs

Year	Quarter	Average Weekly Wage
2018	Q2	\$1,163.00
2018	Q3	\$1,298.00
2018	Q4	\$1,267.00
2019	Q1	\$1,354.00
	Q Average	\$1,270.50
	110 % Q Average	\$1,397.55

In order to calculate 110% of the Frio County Average Weekly Wage for Manufacturing Jobs, the following calculations were completed:

110% Quarterly Average Calculation

Step 1: $\$1,163.00 + \$1,298.00 + \$1,267.00 + \$1,354.00 = \$5,082$

Step 2: $\$5,082.00 / 4 = \$1,270.50$

Step 3: $\$1,270.50 * 1.10 =$ **1,397.55**



Calculation C: 110% of Alamo Area Council of Government Regional Manufacturing Wage

2018 Alamo Area Council of Government Regional Annual Wage: \$47,428.00

2018 Alamo Area Council of Government 110% Regional Wage: \$52,170.80 annually or \$1,003.28 weekly

In order to calculate 110% of the Average Weekly Wage for Manufacturing Jobs in the Alamo Area Council of Government Region the following calculations were completed:

Step 1: $\$47,428.00 * 1.10 = \$52,170.80$

Step 2: $\$52,170.80 / 52 =$ **\$1,003.28**

*All calculations were completed using the most recent data available from the Texas Labor Market Information



Quarterly Census of Employment and Wages (QCEW) Report

Customize the report/Help with Accessibility [?](#)

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry	Average Weekly Wage
2018	01	Frio	Total All	Total, All Industries	1,028
2018	02	Frio	Total All	Total, All Industries	999
2018	03	Frio	Total All	Total, All Industries	971
2018	04	Frio	Total All	Total, All Industries	1,027
2019	01	Frio	Total All	Total, All Industries	1,020

Quarterly Census of Employment and Wages (QCEW) Report

Customize the report/Help with Accessibility [?](#)

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry	Average Weekly Wage
2018	01	Frio	Private	Manufacturing	1,288
2018	02	Frio	Private	Manufacturing	1,163
2018	03	Frio	Private	Manufacturing	1,298
2018	04	Frio	Private	Manufacturing	1,267
2019	01	Frio	Private	Manufacturing	1,354

**2018 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	COG Number	Wages	
		Hourly	Annual
Texas		\$27.04	\$56,240
<u>Alamo Area Council of Governments</u>	18	\$22.80	\$47,428
<u>Ark-Tex Council of Governments</u>	5	\$18.73	\$38,962
<u>Brazos Valley Council of Governments</u>	13	\$18.16	\$37,783
<u>Capital Area Council of Governments</u>	12	\$32.36	\$67,318
<u>Central Texas Council of Governments</u>	23	\$19.60	\$40,771
<u>Coastal Bend Council of Governments</u>	20	\$28.52	\$59,318
<u>Concho Valley Council of Governments</u>	10	\$21.09	\$43,874
<u>Deep East Texas Council of Governments</u>	14	\$18.28	\$38,021
<u>East Texas Council of Governments</u>	6	\$21.45	\$44,616
<u>Golden Crescent Regional Planning Commission</u>	17	\$28.56	\$59,412
<u>Heart of Texas Council of Governments</u>	11	\$22.71	\$47,245
<u>Houston-Galveston Area Council</u>	16	\$29.76	\$61,909
<u>Lower Rio Grande Valley Development Council</u>	21	\$17.21	\$35,804
<u>Middle Rio Grande Development Council</u>	24	\$20.48	\$42,604
<u>NORTEX Regional Planning Commission</u>	3	\$25.14	\$52,284
<u>North Central Texas Council of Governments</u>	4	\$27.93	\$58,094
<u>Panhandle Regional Planning Commission</u>	1	\$24.19	\$50,314
<u>Permian Basin Regional Planning Commission</u>	9	\$25.90	\$53,882
<u>Rio Grande Council of Governments</u>	8	\$18.51	\$38,493
<u>South East Texas Regional Planning Commission</u>	15	\$36.26	\$75,430
<u>South Plains Association of Governments</u>	2	\$20.04	\$41,691
<u>South Texas Development Council</u>	19	\$17.83	\$37,088
<u>Texoma Council of Governments</u>	22	\$21.73	\$45,198
<u>West Central Texas Council of Governments</u>	7	\$21.84	\$45,431

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.

Data published: July 2019

Data published annually, next update will be July 31, 2020

Annual wage figure assumes a 40-hour work week.

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas Occupational Employment Statistics (OES) data, and is not to be compared to BLS estimates.

Data intended only for use in implementing Chapter 313, Tax Code.



Tab 14

Schedules A1-D

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

Amendment One [6/30/2019]

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 other 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		Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2019	Not eligible to become Qualified Property					
			2020	\$ 94,500,000.00	\$ 500,000.00		\$	\$ 95,000,000.00	
Complete tax years of qualifying time period	Q1P1	2021-2022	2021	\$ 139,000,000.00				\$ 139,000,000.00	
	Q1P2	2022-2023	2022				\$	\$ -	
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 233,500,000.00	\$ 500,000.00	Enter amounts from TOTAL row above in Schedule A2		\$ 234,000,000.00	
Total Qualified Investment (sum of green cells)				\$ 234,000,000.00				\$ 234,000,000.00	

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: **7/22/2019**
Applicant Name: **Morrow Lake Solar, LLC**
ISD Name: **Pearsall ISD**

Amendment One [8/30/2019]

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 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	
0	2019-2020	2019							
0	2020-2021	2020							
0	2021-2022	2021							
1	2022-2023	2022		\$ 500,000.00	\$ 47,500,000.00	\$ 47,500,000.00	\$ 47,500,000.00	\$ 47,500,000.00	\$ 47,500,000.00
2	2023-2024	2023		\$ 485,000.00	\$ 210,150,000.00	\$ 210,635,000.00	\$ 210,635,000.00	\$ 210,635,000.00	\$ 30,000,000.00
3	2024-2025	2024		\$ 470,000.00	\$ 186,800,000.00	\$ 187,270,000.00	\$ 187,270,000.00	\$ 187,270,000.00	\$ 30,000,000.00
4	2025-2026	2025		\$ 455,000.00	\$ 163,450,000.00	\$ 163,905,000.00	\$ 163,905,000.00	\$ 163,905,000.00	\$ 30,000,000.00
5	2026-2027	2026		\$ 440,000.00	\$ 140,100,000.00	\$ 140,540,000.00	\$ 140,540,000.00	\$ 140,540,000.00	\$ 30,000,000.00
6	2027-2028	2027		\$ 425,000.00	\$ 116,750,000.00	\$ 117,175,000.00	\$ 117,175,000.00	\$ 117,175,000.00	\$ 30,000,000.00
7	2028-2029	2028		\$ 410,000.00	\$ 93,400,000.00	\$ 93,810,000.00	\$ 93,810,000.00	\$ 93,810,000.00	\$ 30,000,000.00
8	2029-2030	2029		\$ 395,000.00	\$ 70,050,000.00	\$ 70,445,000.00	\$ 70,445,000.00	\$ 70,445,000.00	\$ 30,000,000.00
9	2030-2031	2030		\$ 380,000.00	\$ 46,700,000.00	\$ 47,080,000.00	\$ 47,080,000.00	\$ 47,080,000.00	\$ 30,000,000.00
10	2031-2032	2031		\$ 365,000.00	\$ 46,700,000.00	\$ 47,065,000.00	\$ 47,065,000.00	\$ 47,065,000.00	\$ 30,000,000.00
11	2032-2033	2032		\$ 350,000.00	\$ 46,700,000.00	\$ 47,050,000.00	\$ 47,050,000.00	\$ 47,050,000.00	\$ 47,050,000.00
12	2033-2034	2033		\$ 335,000.00	\$ 46,700,000.00	\$ 47,035,000.00	\$ 47,035,000.00	\$ 47,035,000.00	\$ 47,035,000.00
13	2034-2035	2034		\$ 320,000.00	\$ 46,700,000.00	\$ 47,020,000.00	\$ 47,020,000.00	\$ 47,020,000.00	\$ 47,020,000.00
14	2035-2036	2035		\$ 305,000.00	\$ 46,700,000.00	\$ 47,005,000.00	\$ 47,005,000.00	\$ 47,005,000.00	\$ 47,005,000.00
15	2036-2037	2036		\$ 290,000.00	\$ 46,700,000.00	\$ 46,990,000.00	\$ 46,990,000.00	\$ 46,990,000.00	\$ 46,990,000.00
16	2037-2038	2037		\$ 275,000.00	\$ 46,700,000.00	\$ 46,975,000.00	\$ 46,975,000.00	\$ 46,975,000.00	\$ 46,975,000.00
17	2038-2039	2038		\$ 260,000.00	\$ 46,700,000.00	\$ 46,960,000.00	\$ 46,960,000.00	\$ 46,960,000.00	\$ 46,960,000.00
18	2039-2040	2039		\$ 245,000.00	\$ 46,700,000.00	\$ 46,945,000.00	\$ 46,945,000.00	\$ 46,945,000.00	\$ 46,945,000.00
19	2040-2041	2040		\$ 230,000.00	\$ 46,700,000.00	\$ 46,930,000.00	\$ 46,930,000.00	\$ 46,930,000.00	\$ 46,930,000.00
20	2041-2042	2041		\$ 215,000.00	\$ 46,700,000.00	\$ 46,915,000.00	\$ 46,915,000.00	\$ 46,915,000.00	\$ 46,915,000.00
21	2042-2043	2042		\$ 200,000.00	\$ 46,700,000.00	\$ 46,900,000.00	\$ 46,900,000.00	\$ 46,900,000.00	\$ 46,900,000.00
22	2043-2044	2043		\$ 185,000.00	\$ 46,700,000.00	\$ 46,885,000.00	\$ 46,885,000.00	\$ 46,885,000.00	\$ 46,885,000.00
23	2044-2045	2044		\$ 170,000.00	\$ 46,700,000.00	\$ 46,870,000.00	\$ 46,870,000.00	\$ 46,870,000.00	\$ 46,870,000.00
24	2045-2046	2045		\$ 155,000.00	\$ 46,700,000.00	\$ 46,855,000.00	\$ 46,855,000.00	\$ 46,855,000.00	\$ 46,855,000.00
25	2046-2047	2046		\$ 140,000.00	\$ 46,700,000.00	\$ 46,840,000.00	\$ 46,840,000.00	\$ 46,840,000.00	\$ 46,840,000.00

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
 ISD Name

7/22/2019
 Morrow Lake Solar, LLC
 Pearsall 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						
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	200	\$ 38,000.00				
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021	200	\$ 38,000.00				
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2022-2023	2022				2	\$ 52,170.80	
	2	2023-2024	2023				2	\$ 52,170.80	
	3	2024-2025	2024				2	\$ 52,170.80	
	4	2025-2026	2025				2	\$ 52,170.80	
	5	2026-2027	2026				2	\$ 52,170.80	
	6	2027-2028	2027				2	\$ 52,170.80	
	7	2028-2029	2028				2	\$ 52,170.80	
	8	2029-2030	2029				2	\$ 52,170.80	
	9	2030-2031	2030				2	\$ 52,170.80	
	10	2031-2032	2031				2	\$ 52,170.80	
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2047				2	\$ 52,170.80	

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) Yes No
- 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: 7/22/2019
 Applicant Name: Morrow Lake Solar, LLC
 ISD Name: Pearsall 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:					
Tax Code Chapter 312	County: Frio City: Other: Frio County Hospital District	2022	2022-2031	\$ 581,729.00	65%	\$ 203,605.15
Local Government Code Chapters 380/381	County: City: Other:	2022	2022-2031	\$ 246,859.00	65%	\$ 86,400.65
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				\$ 828,588.00	65%	\$ 290,005.80

Additional information on incentives for this project:



Tab 17

Signatures and Certification

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 Dr. Nobert Rodriguez
Print Name (Authorized School District Representative)

Superintendent of Schools
Title

sign here [Signature]
Signature (Authorized School District Representative)

9/9/19
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

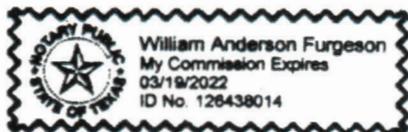
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here Heather Otten
Print Name (Authorized Company Representative (Applicant))

Manager
Title

sign here [Signature]
Signature (Authorized Company Representative (Applicant))

August 30, 2019
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

30 day of August 2019

[Signature]
Notary Public in and for the State of Texas

My Commission expires: 03/19/2022

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

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between PEARSALL INDEPENDENT SCHOOL
DISTRICT and MORROW LAKE SOLAR, LLC

EXHIBIT A-2

Supplement 001 to Application for Appraised
Value Limitation on Qualified Property

**FRIO COUNTY
TAX ABATEMENT POLICY
Preamble**

Pursuant to Chapter 312, Texas Tax Code (the “Act”), Frio County may consider an application for tax abatement, designate a reinvestment zone, and enter into a tax abatement agreement as provided for in this Tax Abatement Policy. This Policy and the guidelines and criteria outlined herein were approved by Resolution No. _____ adopted by the Frio County Commissioners Court on _____, after a public hearing on _____, and approval of a Resolution providing that the County elects to become eligible in tax abatement pursuant to the Act.

I. Abatement Policy

- A. Investment. To enter into an abatement agreement, the Commissioners Court must find that the project will result in a significant investment being made in the County. Unless additional factors are deemed to provide value to the County, the minimum investment for abatement is as follows:
- i. New business: \$1,000,000, and
 - ii. Expansion of existing business: \$300,000.
- B. Job Creation. Abatement on eligible real and fixed personal property requires new job creation, or, in the case of expansion, sustained employment levels.
- C. Criteria. In determining whether to designate a reinvestment zone the County shall consider the Criteria provided in Section 312.202, Texas Tax Code, and with regard to whether to enter into a tax abatement agreement, the Commissioners Court shall consider the following criteria, among others determined to be appropriate by the Court:
- i. Site and Improvements
 - a. Existing value of land and existing improvements, if any;
 - b. Type and value of proposed improvements;
 - c. Productive life of proposed improvements;
 - d. Overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area; and
 - e. Environmental impacts of project.
 - ii. Economic Spinoff
 - a. Number and dollar amounts of all construction contracts and subcontracts award on the project;
 - b. Impact on the business opportunities of existing businesses and the attraction of new business to the area, if any; and
 - c. Disadvantaged business entity and Frio County contractors represented in total construction, suppliers, and services contracts.
 - iii. Jobs
 - a. Number of existing jobs to be retained by proposed improvements, if any;
 - b. Number and type of new jobs, if any, to be created by proposed improvements;
 - c. Diversity of employment base;
 - d. Local employment opportunities; and
 - e. Competitive wages and benefits for employees.
 - iv. Public Costs and Benefits

- a. Costs to be incurred by Frio County, if any, to provide facilities or services directly resulting from the new improvements;
 - b. Types and values of public improvements, if any, to be made by applicant seeking abatement; and
 - c. Amount of ad valorem property tax to be paid to Frio County during and after expiration of the abatement agreement.
- D. Ad Valorem Taxes. Unless expressly provided, County approval of tax abatement applies only to County ad valorem taxes and may be restricted to include only County maintenance and operations taxes, excluding interest and sinking fund taxes. County approval of tax abatement may also apply to both Hospital District and Emergency Services District ad valorem taxes, provided that the County is statutorily required to approve the tax rate for such districts or levies their ad valorem taxes as described in Section 312.004, Texas Tax Code.
- E. Existing Property Value. The value of existing real and personal property currently on the tax rolls will remain taxable and be included in the base value, even if personal property is moved to a new, abated location or replaced due to modernization or expansion. Abatement may be only granted for the additional value of eligible property improvements made subsequent to and listed in an abatement agreement between the County and the property owner and lessee, subject to such limitations as Commissioners Court may require.
- F. Application Must Precede Commencement of Project. A project is ineligible for abatement if the application for County abatement was filed after the commencement for construction, alteration, or installation of new improvements.
- G. Ineligible Property. The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; private aircraft; deferred maintenance investments; property to be rented or leased except if a leased facility is granted the abatement; also, any property included in the calculation of base year value as defined.
- H. Compliance with Policy. The County will only enter into abatement agreements that the County finds meet the guidelines and criteria outlined in this Policy and in the Act.
- I. County Discretion. Nothing herein limits the discretion of the County to determine whether to enter into a specific abatement agreement. The County is under no obligation to provide an abatement for any project.
- J. 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 above shall be fully taxable; (2) The base year value of existing eligible property shall be fully taxable, as well as the value of any existing personal property currently on the tax rolls in Frio County that is either moved to a new abated location or is replaced due to modernization or expansion; (3) The additional value of new eligible property shall be taxable in the manner and for the period provided for in the abatement agreement, subject to the terms described herein; and (4) The additional value of new eligible property shall be fully taxable at the end of the abatement period.

II. Application Procedure

- A. Applicant. Any present or potential owner or lessee of taxable property in Frio County may request

the creation of a reinvestment zone and/or tax abatement by submitting a written application conforming to the requirements outlined herein.

- B. Eligible Property. Abatement may only be granted for the following property constructed or otherwise put in place after the effective date of the tax abatement agreement: new, expanded or modernized buildings and structures, fixed machinery, and equipment; site improvements; related fixed improvements; other tangible items necessary to the operation and administration of the project or facility; and all other real and tangible personal property permitted by the Act.
- C. Application. The application shall consist of a completed Frio County Tax Abatement Application, in the form attached hereto as Exhibit A, as may be amended from time to time, which shall contain the following:
- i. a general description of the project, including a descriptive list of the improvements for which the abatement is requested;
 - ii. information showing how the project meets the requirements of the criteria outlined herein, including employment and contract information;
 - iii. a map and description of the property;
 - iv. a time schedule for completing the planned improvements;
 - v. the estimated taxable value or range of values of the project or facility;
 - vi. basic financial information about the principles sufficient to enable evaluation of the applicant's financial capacity;
 - vii. a feasibility study estimating the economic impact of the project and effect on the County and any other participating jurisdictions, and the applicant;
 - viii. in the case of modernization, a statement of the assessed value of the facility separately stated for real and personal property, shall be provided for the three years immediately preceding the application; and
 - ix. Each application shall be accompanied by an application fee of \$1,000.00 payable to Frio County.
- D. Application Consideration. The procedure for consideration by the County of a tax abatement application is as follows:
- i. The application form is provided as Exhibit A to this Policy, and shall be available on the County's website.
 - ii. After an applicant completes the Tax Abatement Application, applicant provides a copy to each member of the Frio County Commissioners Court and the County Judge's Administrative Assistant.
 - iii. If the application is deemed to be complete by the County Judge, the County Judge shall provide a copy of the application to the presiding officer of the governing body of each eligible jurisdiction.
 - iv. Upon receipt of a completed application and/or request to participate with a municipality in an abatement agreement, the County Judge shall review and provide a recommendation to the Commissioner's Court prior to thirty (30) days prior to the public hearing.
 - v. The County shall not establish a reinvestment zone, nor participate in an abatement, if it finds that the application for County reinvestment zone/tax abatement was filed after the commencement of construction, alteration, or installation of improvements related to the proposed modernization, expansion or new facility.
 - vi. A request for variance from the provisions of this Policy must be made in written form to the County Judge and submitted with the Tax Abatement Application; provided, however,

the total duration of an abatement shall in no instance exceed ten (10) years. Such variance request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Request for variance must be approved by a majority vote of the Commissioners Court.

III. Public Hearing and Approval

- A. New Reinvestment Zone. The Commissioners Court may not adopt a resolution designating a County reinvestment zone for a five (5) year period until it has held a public hearing at which interested persons are entitled to speak and present evidence for or against the designation. No later than the seventh (7th) day before the hearing, notice of the hearing shall be published in a newspaper having general circulation in the County and delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone.
- i. If the reinvestment zone is not designated, the application fails, although it may be amended and resubmitted.
 - ii. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect and may then arrange to consider for approval of the tax abatement agreement between the applicant and the County at its next regularly scheduled meeting.
 - iii. At least seven (7) days prior to entering into a tax abatement agreement, the county must give written notice of its intent to do so to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought, along with a copy of the proposed tax abatement agreement. At the regularly scheduled meeting, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement or to decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the county.
- B. Abatement Agreement. Prior to entering into a tax abatement agreement, the Commissioners Court may, at its option, hold a public hearing at which interested persons shall be entitled to speak and present written materials for or against the approval of the tax abatement agreement.
- i. At least seven (7) days prior to entering into a tax abatement agreement, the county must give written notice of its intent to do so to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought, along with a copy of the proposed tax abatement agreement.
 - ii. At the regularly scheduled meeting, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement or to decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County.
 - iii. The public notice of the meeting at which the Commissioners Court will consider the approval of a tax abatement agreement shall contain the following:
 - a. the name of the property owner and the name of the applicant for the abatement agreement;
 - b. the name and location of the reinvestment zone in which the property subject to the agreement is located;
 - c. a general description of the nature of the improvements or repairs included in the agreement;
 - d. the estimated cost of the improvements or repairs; and
 - e. the public notice must be given in a manner required by Chapter 551, Texas

Government Code, except that the notice must be provided at least 30 days prior to the scheduled time of the meeting.

C. Findings.

- i. To be designated a reinvestment zone by the County, the County Commissioners must find by majority vote that:
 - a. the property designated for the reinvestment zone is not located in the taxing jurisdiction of a municipality;
 - b. the property for which the abatement is sought will be reasonably likely as a result the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the County, or meet one or more of the other requirements provide in Section 312.202, Texas Tax Code; and
 - c. the improvements sought are feasible and practical and would be a benefit to the land to be included in the zone and to the County after expiration of the tax abatement agreement.
 - ii. In order to enter into a tax abatement agreement, the Commissioners Court must find by majority vote that the terms of the proposed agreement meet these Guidelines and Criteria and that: (1) there will be no substantial adverse effect on the provision of the jurisdiction's service or tax base: and (2) the planned use of the property will not constitute a hazard to public safety, health or morals.
- D. Confidentiality. As required by Section 312.003, Texas Tax code, information that is provided to the County 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 the property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until a tax abatement agreement is executed. Such information should be clearly marked in the application.

IV. Format for Tax Abatement Agreement

- A. Required Provisions. If the Frio County Commissioners Court designates a reinvestment zone, it may consider and execute a tax abatement agreement, that conforms with this Policy, with the owner of the designated property and lessee, as appropriate, as outlined above. Any tax abatement agreement shall include at least the following:
- i. the kind, number and location of all proposed improvements of the property;
 - ii. provisions allowing for reasonable access to the property for initial and intermittent inspection purposes by County employees or designated representatives to ensure improvements are made in compliance with the agreement;
 - iii. provisions limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the area during the period of abatement;
 - iv. provisions for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided in the agreement;
 - v. each term agreed to by the recipient of the abatement;
 - vi. a requirement that the abatement recipient certify its compliance with the agreement annually to the County; and

- vii. provisions allowing the County to cancel or modify the agreement if the recipient is out of compliance with the agreement.
- B. Optional Provisions. The tax abatement agreement may also contain any or all of the following items, in addition to any others deemed appropriate by the contracting parties:
- i. the estimated taxable value to be abated each year;
 - ii. percent of value to be abated each year;
 - iii. the commencement and termination dates of the abatement;
 - iv. proposed use of the property;
 - v. nature of the construction, time schedule, map and property description;
 - vi. contractual obligations in the event of default or violation of terms or conditions;
 - vii. size of investment and number of temporary and permanent jobs involved, if any;
 - viii. provisions for dispute resolution; and
 - ix. a PILOT payment to cover the County's fees associated with reviewing, analyzing, negotiating and drafting the abatement agreement.
- C. Value and Term of Abatement. Abatement shall be granted effective with the execution of the agreement. The value of the abatement will be determined based on the merits of the project, including, but not limited to, total capital investment value and added employment. Up to one hundred percent (100%) of the value of new eligible properties may be abated for a total term of abatement not to exceed ten (10) years. However, a project must provide an extraordinary economic benefit to the County to be considered for a one hundred percent abatement (100%). The County may approve a sliding scale of abatement percentages, may limit the abatement to maintenance and operations tax revenues, or may require a payment in lieu of taxes for all or part of the costs of project to the County. The abatement period may be deferred by written agreement of the parties, provided the duration of an abatement agreement does not exceed ten (10) years. An abatement agreement granted to a lessee may not exceed the terms of a lessee's lease.
- D. Time limit. Such agreement shall be executed within thirty (30) days after passage of the resolution approving the agreement, unless the County and the applicant mutually agree otherwise.
- E. Recapture. Commissioners Court reserves the right to review compliance for full or partial recapture in the event that the applicant fails to perform in "good faith." If a project is not completed as specified in the tax abatement agreement, the County has the right to cancel the abatement agreement and abated taxes shall become due to the County and other affected taxing units as provided by law. If any of the provisions contained in the tax abatement agreement, i.e., employment, amount of investment, etc., are not met, the County shall have the right to reduce or cancel the abatement agreement. If a project granted a tax abatement ceases to operate or is no longer in conformance with the tax abatement agreement, the agreement shall not be in effect for the period of time during which the project is not operating or is not in conformance.

V. Administration of Tax Abatement Agreement

- A. Inspections. County employees or their designated representatives shall have reasonable access to the property for initial and intermittent inspection purposes in order to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement.
- B. Evaluation. Upon completion of construction, the County and/or the jurisdiction creating the

reinvestment zone shall annually (or at such other times as deemed appropriate by the Commissioners Court) evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations to the contract and agreement to the Commissioners Court and the District Attorney. On or before April 30th of every year during the life of the abatement agreement, the company or individual receiving the abatement shall complete and file a Tax Abatement Evaluation Report, along with other required written documentation, detailing and certifying the abatement recipient's compliance with the terms of the abatement agreement. Failure to provide information requested in the compliance evaluation by the prescribed deadline may result in taxes abated in the prior year being due and payable. The company or individual receiving a tax abatement shall provide information to the County for the evaluation which shall include, but not be limited to, the following:

- i. the number and dollar amounts of all construction contracts and subcontracts awarded on the project;
 - ii. the total number of employees of the company, their gross salaries, and the number of employees residing in Tarrant County and their gross salaries, reported in job classifications appropriate to the employee; the gross dollars spent on supplier and professional service contracts, indicating the amounts by contract awarded and performed by Frio County business and individuals;
 - iii. the dollar amount of contracts awarded to Disadvantaged Business Enterprises;
 - iv. detail of actions taken to mitigate any adverse environmental impacts of the project, if applicable; and
 - v. should the dollars, percentages, or actions not meet the original or modified requirements of the abatement agreement, a statement shall be provided explaining the reason for the failure to meet the requirements and a recommended course of rectification.
- C. Cure Provisions. Should Frio County determine that the company or individual receiving the abatement is in default of the tax abatement agreement, it shall notify the company or individual of such default in writing at the address specified in the agreement, and if such is not cured within sixty (60) days' of notice, the agreement may be terminated by the County.
- D. Modification and Termination. At any time before the expiration of a tax abatement agreement, an agreement may be modified by the parties to include other provisions that could have been included in the original agreement or to delete provisions that were not necessary to the original agreement. The modification must be made by the same procedure by which the original agreement was made. An agreement may also be terminated by the mutual consent of the parties in the same way the agreement was made, or by other means as agreed by the parties according to the provisions of the agreement.
- E. Reporting. The chief appraiser for the County's appraisal district shall report annually the designation of reinvestment zones and executed abatement agreements as required under the Act.
- F. Posting. This Policy, as may be amended from time to time, shall be posted on the County's website.

VI. Assignment

An abatement granted by Frio County may be transferred and assigned by the holder to a new owner or lessee of the same property, upon the approval by resolution of Frio County, subject to the financial capacity of the assignee and provided that all conditions and obligations in the tax abatement

agreement with Frio County are fulfilled. Approval shall not be unreasonably withheld by Frio County.

VI. Sunset and Amendment of Guidelines and Criteria

These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two (2) years, unless amended by three-fourths (3/4) vote of the Frio County Commissioners Court.

Passed and approved at a regular meeting of the Frio County Commissioners Court, at which a quorum was present on the ____ day of _____, 2019.

Arnulfo C. Luna
County Judge

Vickie "Coach" Camacho
Commissioner, Precinct 1

Richard Graf
Commissioner, Precinct 2

Ruben Maldonado
Commissioner, Precinct 3

Jose Asuncion
Commissioner, Precinct 4

EXHIBIT A
FORM OF APPLICATION

Applications for Tax Abatement shall be organized as follows:

Section A

1. Name and contact of the property owner and the name and contact information of the applicant for the abatement agreement.
2. Name and location of the reinvestment zone in which the property subject to the agreement is located.

Section B

1. Overview. General description of the project, including a descriptive list of the improvements for which the abatement is requested.
2. Criteria. Information showing how the project meets the requirements of the criteria outlined herein, including employment and contract information.
 - a. Site and Improvements
 - i. Existing value of land and existing improvements, if any;
 - ii. Type and value of proposed improvements, including estimated costs of all improvements and/or repairs;
 - iii. Productive life of proposed improvements;
 - iv. Overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area; and
 - v. Environmental impacts of project.
 - b. Economic Spinoff
 - i. Number and dollar amounts of all construction contracts and subcontracts award on the project;
 - ii. Impact on the business opportunities of existing businesses and the attraction of new business to the area, if any; and
 - iii. Disadvantaged business entity and Frio County contractors represented in total construction, suppliers, and services contracts.
 - c. Jobs
 - i. Number of existing jobs to be retained by proposed improvements, if any;
 - ii. Number and type of new jobs, if any, to be created by proposed improvements;
 - iii. Diversity of employment base;
 - iv. Local employment opportunities; and
 - v. Competitive wages and benefits for employees.
 - d. Public Costs and Benefits
 - i. Costs to be incurred by Frio County, if any, to provide facilities or services directly resulting from the new improvements;
 - ii. Types and values of public improvements, if any, to be made by applicant seeking abatement; and
 - iii. Amount of ad valorem property tax to be paid to Frio County during and after expiration of the abatement agreement.

3. Map. A map and description of the property showing the existing uses and conditions of the property and a map and description of the property showing the proposed improvements and uses of the property.
4. Schedule. A time schedule for completing the planned improvements; the estimated taxable value or range of values of the project or facility.
5. Financial Capability. Basic financial information about the principles sufficient to enable evaluation of the applicant's financial capacity. Note: The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application.
6. Feasibility Study. A feasibility study estimating the economic impact of the project and effect on the County and any other participating jurisdictions, and the applicant.
7. Modernization Criteria (if applicable). In the case of modernization, a statement of the assessed value of the facility separately stated for real and personal property, shall be provided for the three years immediately preceding the application.

Section C. Variance request, if any.

Each application shall be accompanied by an application fee of \$1,000.00 payable to Frio County.

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between PEARSALL INDEPENDENT SCHOOL
DISTRICT and MORROW LAKE SOLAR, LLC

EXHIBIT B

Comptroller's Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 6, 2019

Nobert Rodriguez
Superintendent
Pearsall Independent School District
318 Berry Ranch Road
Pearsall, Texas 78061

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Pearsall Independent School District and Morrow Lake Solar, LLC, Application 1406

Dear Superintendent Rodriguez:

On October 1, 2019, the Comptroller issued written notice that Morrow Lake Solar, LLC (applicant) submitted a completed application (Application 1406) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on July 24, 2019, to the Pearsall 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 1406.

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 October 1, 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 fluid and cursive, with the first name "Lisa" and last name "Craven" clearly legible.

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Morrow Lake Solar, LLC (project) applying to Pearsall 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 Morrow Lake Solar, LLC.

Applicant	Morrow Lake Solar, LLC
Tax Code, 313.024 Eligibility Category	Electric Power Generation, Solar
School District	Pearsall ISD
2018-2019 Average Daily Attendance	1,961
County	Frio
Proposed Total Investment in District	\$234,000,000
Proposed Qualified Investment	\$234,000,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,034
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,034
Minimum annual wage committed to by applicant for qualified jobs	\$52,190
Minimum weekly wage required for non-qualifying jobs	\$1,004
Minimum annual wage required for non-qualifying jobs	\$52,222
Investment per Qualifying Job	\$117,000,000
Estimated M&O levy without any limit (15 years)	\$17,723,003
Estimated M&O levy with Limitation (15 years)	\$7,097,790
Estimated gross M&O tax benefit (15 years)	\$10,625,213

* 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 Morrow Lake Solar, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	200	230	430	\$7,600,000	\$21,400,000	\$29,000,000
2021	200	239	439	\$7,600,000	\$25,400,000	\$33,000,000
2022	2	33	35	\$104,342	\$6,895,658	\$7,000,000
2023	2	17	19	\$104,342	\$3,895,658	\$4,000,000
2024	2	2	4	\$104,342	\$2,895,658	\$3,000,000
2025	2	(5)	-3	\$104,342	\$1,895,658	\$2,000,000
2026	2	(7)	-5	\$104,342	\$895,658	\$1,000,000
2027	2	(6)	-4	\$104,342	\$895,658	\$1,000,000
2028	2	(4)	-2	\$104,342	\$895,658	\$1,000,000
2029	2	(1)	1	\$104,342	\$895,658	\$1,000,000
2030	2	1	3	\$104,342	\$895,658	\$1,000,000
2031	2	4	6	\$104,342	\$895,658	\$1,000,000
2032	2	5	7	\$104,342	\$895,658	\$1,000,000
2033	2	7	9	\$104,342	\$895,658	\$1,000,000
2034	2	7	9	\$104,342	\$1,895,658	\$2,000,000
2035	2	8	10	\$104,342	\$1,895,658	\$2,000,000

Source: CPA REMI, Morrow Lake Solar, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Pearsall ISD I&S Tax Levy	Pearsall ISD M&O Tax Levy	M&O and I&S Tax Levies	Frio County Tax Levy	Frio County Hospital District Tax Levy	Lateral Road Tax Levy	Evergreen Water District Tax Levy	Emergency Service #1 Tax Levy	Estimated Total Property Taxes
			0.1475	1.0500			0.5535	0.2349	0.0433	0.0065	0.0300	
2022	\$234,000,000	\$234,000,000		\$345,103	\$2,457,000	\$2,802,103	\$1,295,190	\$549,619	\$101,322	\$15,210	\$70,200	\$4,833,644
2023	\$210,635,000	\$210,635,000		\$310,644	\$2,211,668	\$2,522,312	\$1,165,865	\$494,739	\$91,205	\$13,691	\$63,191	\$4,351,003
2024	\$187,270,000	\$187,270,000		\$276,186	\$1,966,335	\$2,242,521	\$1,036,539	\$439,860	\$81,088	\$12,173	\$56,181	\$3,868,361
2025	\$163,905,000	\$163,905,000		\$241,727	\$1,721,003	\$1,962,730	\$907,214	\$384,980	\$70,971	\$10,654	\$49,172	\$3,385,720
2026	\$140,540,000	\$140,540,000		\$207,268	\$1,475,670	\$1,682,938	\$777,889	\$330,100	\$60,854	\$9,135	\$42,162	\$2,903,079
2027	\$117,175,000	\$117,175,000		\$172,810	\$1,230,338	\$1,403,147	\$648,564	\$275,221	\$50,737	\$7,616	\$35,153	\$2,420,437
2028	\$93,810,000	\$93,810,000		\$138,351	\$985,005	\$1,123,356	\$519,238	\$220,341	\$40,620	\$6,098	\$28,143	\$1,937,796
2029	\$70,445,000	\$70,445,000		\$103,892	\$739,673	\$843,565	\$389,913	\$165,461	\$30,503	\$4,579	\$21,134	\$1,455,154
2030	\$47,080,000	\$47,080,000		\$69,434	\$494,340	\$563,774	\$260,588	\$110,582	\$20,386	\$3,060	\$14,124	\$972,513
2031	\$47,065,000	\$47,065,000		\$69,411	\$494,183	\$563,594	\$260,505	\$110,546	\$20,379	\$3,059	\$14,120	\$972,203
2032	\$47,050,000	\$47,050,000		\$69,389	\$494,025	\$563,414	\$260,422	\$110,511	\$20,373	\$3,058	\$14,115	\$971,893
2033	\$47,035,000	\$47,035,000		\$69,367	\$493,868	\$563,235	\$260,339	\$110,476	\$20,366	\$3,057	\$14,111	\$971,583
2034	\$47,020,000	\$47,020,000		\$69,345	\$493,710	\$563,055	\$260,256	\$110,441	\$20,360	\$3,056	\$14,106	\$971,273
2035	\$47,005,000	\$47,005,000		\$69,323	\$493,553	\$562,875	\$260,173	\$110,405	\$20,353	\$3,055	\$14,102	\$970,963
2036	\$46,990,000	\$46,990,000		\$69,301	\$493,395	\$562,696	\$260,090	\$110,370	\$20,347	\$3,054	\$14,097	\$970,654
2037	\$46,975,000	\$46,975,000		\$69,279	\$493,238	\$562,516	\$260,007	\$110,335	\$20,340	\$3,053	\$14,093	\$970,344
2038	\$46,960,000	\$46,960,000		\$69,257	\$493,080	\$562,337	\$259,924	\$110,300	\$20,334	\$3,052	\$14,088	\$970,034
2039	\$46,945,000	\$46,945,000		\$69,234	\$492,923	\$562,157	\$259,841	\$110,264	\$20,327	\$3,051	\$14,084	\$969,724
			Total	\$2,489,322	\$17,723,003	\$20,212,325	\$9,342,554	\$3,964,551	\$730,863	\$109,714	\$506,372	\$34,866,378

Source: CPA, Morrow Lake Solar, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Frio County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county and Frio County Hospital district.

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*	Pearsall ISD I&S Tax Levy	Pearsall ISD M&O Tax Levy	M&O and I&S Tax Levies	Frio County Tax Levy	Frio County Hospital District Tax Levy	Lateral Road Tax Levy	Evergreen Water District Tax Levy	Emergency Service #1 Tax Levy	Estimated Total Property Taxes	
				0.1475	1.0500		0.5535	0.2349	0.0433	0.0065	0.0300		
2022	\$234,000,000	\$30,000,000		\$345,103	\$315,000	\$660,103	\$453,317	\$192,367	\$101,322	\$15,210	\$70,200	\$1,305,786	
2023	\$210,635,000	\$30,000,000		\$310,644	\$315,000	\$625,644	\$408,053	\$173,159	\$91,205	\$13,691	\$63,191	\$1,206,856	
2024	\$187,270,000	\$30,000,000		\$276,186	\$315,000	\$591,186	\$362,789	\$153,951	\$81,088	\$12,173	\$56,181	\$1,107,926	
2025	\$163,905,000	\$30,000,000		\$241,727	\$315,000	\$556,727	\$317,525	\$134,743	\$70,971	\$10,654	\$49,172	\$1,008,995	
2026	\$140,540,000	\$30,000,000		\$207,268	\$315,000	\$522,268	\$272,261	\$115,535	\$60,854	\$9,135	\$42,162	\$910,065	
2027	\$117,175,000	\$30,000,000		\$172,810	\$315,000	\$487,810	\$226,997	\$96,327	\$50,737	\$7,616	\$35,153	\$811,134	
2028	\$93,810,000	\$30,000,000		\$138,351	\$315,000	\$453,351	\$181,733	\$77,119	\$40,620	\$6,098	\$28,143	\$712,204	
2029	\$70,445,000	\$30,000,000		\$103,892	\$315,000	\$418,892	\$136,470	\$57,911	\$30,503	\$4,579	\$21,134	\$613,273	
2030	\$47,080,000	\$30,000,000		\$69,434	\$315,000	\$384,434	\$91,206	\$38,704	\$20,386	\$3,060	\$14,124	\$514,343	
2031	\$47,065,000	\$30,000,000		\$69,411	\$315,000	\$384,411	\$91,177	\$38,691	\$20,379	\$3,059	\$14,120	\$514,279	
2032	\$47,050,000	\$47,050,000		\$69,389	\$494,025	\$563,414	\$260,422	\$110,511	\$20,373	\$3,058	\$14,115	\$934,347	
2033	\$47,035,000	\$47,035,000		\$69,367	\$493,868	\$563,235	\$260,339	\$110,476	\$20,366	\$3,057	\$14,111	\$934,049	
2034	\$47,020,000	\$47,020,000		\$69,345	\$493,710	\$563,055	\$260,256	\$110,441	\$20,360	\$3,056	\$14,106	\$933,751	
2035	\$47,005,000	\$47,005,000		\$69,323	\$493,553	\$562,875	\$260,173	\$110,405	\$20,353	\$3,055	\$14,102	\$933,453	
2036	\$46,990,000	\$46,990,000		\$69,301	\$493,395	\$562,696	\$260,090	\$110,370	\$20,347	\$3,054	\$14,097	\$933,156	
2037	\$46,975,000	\$46,975,000		\$69,279	\$493,238	\$562,516	\$260,007	\$110,335	\$20,340	\$3,053	\$14,093	\$932,858	
2038	\$46,960,000	\$46,960,000		\$69,257	\$493,080	\$562,337	\$259,924	\$110,300	\$20,334	\$3,052	\$14,088	\$932,560	
2039	\$46,945,000	\$46,945,000		\$69,234	\$492,923	\$562,157	\$259,841	\$110,264	\$20,327	\$3,051	\$14,084	\$932,262	
				Total	\$2,489,322	\$7,097,790	\$9,587,112	\$4,622,576	\$1,961,609	\$730,863	\$109,714	\$506,372	\$16,171,297
				Diff	\$0	\$10,625,213	\$10,625,213	\$4,719,978	\$2,002,942	\$0	\$0	\$0	\$18,695,081

Source: CPA, Morrow Lake Solar, LLC

*Tax Rate per \$100 Valuation

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

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

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$498,750	\$498,750	\$0	\$0
Limitation Period (10 Years)	2022	\$315,000	\$813,750	\$2,142,000	\$2,142,000
	2023	\$315,000	\$1,128,750	\$1,896,668	\$4,038,668
	2024	\$315,000	\$1,443,750	\$1,651,335	\$5,690,003
	2025	\$315,000	\$1,758,750	\$1,406,003	\$7,096,005
	2026	\$315,000	\$2,073,750	\$1,160,670	\$8,256,675
	2027	\$315,000	\$2,388,750	\$915,338	\$9,172,013
	2028	\$315,000	\$2,703,750	\$670,005	\$9,842,018
	2029	\$315,000	\$3,018,750	\$424,673	\$10,266,690
	2030	\$315,000	\$3,333,750	\$179,340	\$10,446,030
	2031	\$315,000	\$3,648,750	\$179,183	\$10,625,213
Maintain Viable Presence (5 Years)	2032	\$494,025	\$4,142,775	\$0	\$10,625,213
	2033	\$493,868	\$4,636,643	\$0	\$10,625,213
	2034	\$493,710	\$5,130,353	\$0	\$10,625,213
	2035	\$493,553	\$5,623,905	\$0	\$10,625,213
	2036	\$493,395	\$6,117,300	\$0	\$10,625,213
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$493,238	\$6,610,538	\$0	\$10,625,213
	2038	\$493,080	\$7,103,618	\$0	\$10,625,213
	2039	\$492,923	\$7,596,540	\$0	\$10,625,213
	2040	\$492,765	\$8,089,305	\$0	\$10,625,213
	2041	\$492,608	\$8,581,913	\$0	\$10,625,213
	2042	\$492,450	\$9,074,363	\$0	\$10,625,213
	2043	\$492,293	\$9,566,655	\$0	\$10,625,213
	2044	\$492,135	\$10,058,790	\$0	\$10,625,213
	2045	\$491,978	\$10,550,768	\$0	\$10,625,213
	2046	\$491,820	\$11,042,588	\$0	\$10,625,213

\$11,042,588

is greater than

\$10,625,213

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

Source: CPA, Morrow Lake Solar, LLC

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

Attachment C – Limitation as a Determining Factor

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

Methodology

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

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

Determination

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the Morrow Lake Solar, LLC’s (Morrow Lake Solar, LLC is a solar energy project managed by SunChase Power, LLC) 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 SunChase Power, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Sun Chase Power, LLC is a renewable energy company focused on developing utility-scale and large industrial behind-the-meter solar energy projects.”
 - B. “SunChase Power, LLC has a national footprint, and the ability to locate projects of this type in other states in the US with strong solar characteristics. Other states with favorable solar property tax climates are Oklahoma, Louisiana, Arkansas, Mississippi, Tennessee, and Florida. Property taxes are often the highest operating expenses for a solar generation facility, as solar plants do not have any associated fuel costs to produce electricity. Furthermore, with the Texas wholesale electricity price already below the international average, the necessity of limiting the property tax liability becomes paramount. The magnitude at which tax expenses affect the feasibility of a project is what causes agreements like the Ch. 313 to be so important to companies like this applicant. If the 313 is not granted, the rate of return drops too low for investors to tolerate, and the capital once allocated to the project must be reapportioned to out-of-state projects with better cash flows (due to tax incentives and higher wholesale electricity rates). Effectively, whether or not the project is built hinges heavily on the execution of a 313 agreement. SunChase Power, LLC is constantly evaluating various locations for development and where to commit substantial long-term investment based on economic rate of return with the proposed projects. The economic benefits provided by Chapter 313 Value Limitation is one of the most important components in their analysis.”

Supporting Information

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

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

Supporting Information

Section 8 of the Application for
a Limitation on Appraised Value

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 (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

Supporting Information

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



Tab 5

Limitation as a Determining Factor

Currently, SunChase Power, LLC is considering a variety of other locations for Morrow Lake Solar, LLC but believes Pearsall ISD would be an ideal location for this solar facility. Currently, there are locations across the United States being evaluated for the establishment of this solar facility. In the event a 313 agreement is not permitted, SunChase Power, LLC would choose to use development capital in another area where it is more financially viable to develop, construct, and operate a project. Other sites being considered include locations in Oklahoma, Louisiana, Arkansas, Mississippi, Tennessee, and Florida. Unfortunately, this would also preclude Frio County and Pearsall Independent School District from receiving the economic benefits associated with the development of a solar facility within their jurisdiction.

SunChase Power, LLC is a renewable energy company focused on developing utility-scale and large industrial behind-the-meter solar energy projects. They work with landowners and large industrial electricity users to identify promising locations for profitable solar energy projects, and bring those projects to market. SunChase Power, LLC has a national footprint, and the ability to locate projects of this type in other states in the US with strong solar characteristics. Other states with favorable solar property tax climates are Oklahoma, Louisiana, Arkansas, Mississippi, Tennessee, and Florida. Property taxes are often the highest operating expense for a solar generation facility, as solar plants do not have any associated fuel costs to produce electricity. Furthermore, with the Texas wholesale electricity price already below the international average, the necessity of limiting the property tax liability becomes paramount. The magnitude at which tax expenses affect the feasibility of a project is what causes agreements like the Ch. 313 to be so important to companies like this applicant. If the 313 is not granted, the rate of return drops too low for investors to tolerate, and the capital once allocated to the project must be reapportioned to out-of-state projects with better cash flows (due to tax incentives and higher wholesale electricity rates). Effectively, whether or not the project is built hinges heavily on the execution of a 313 agreement. SunChase Power, LLC is constantly evaluating various locations for development and where to commit substantial long-term investment based on economic rate of return with the proposed projects. The economic benefits provided by a Chapter 313 Value Limitation is one of the most important components in their analysis.

Not only SunChase Power, LLC but all prudent energy developers, know tax incentives play an important role in attracting capital intensive facilities due to the high property tax burden in Texas. Ultimately, the decision to invest in Texas, or any other state, requires any capital investment by SunChase Power, LLC to be based on expected economic return on their investment.



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With property tax liabilities composing a substantial ongoing cost of operation that directly impacts the rate of return on the investment without the 313 Value Limitation tax incentive, the economics of this project could be less competitive with other capital-intensive projects and the viability of the proposed project becomes uncertain. SunChase Power, LLC evaluates the economic viability of proposed projects through comparing the proposed project's rate of return with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. Therefore, if receiving a value limitation agreement under a Chapter 313 agreement results in significant annual cost savings the limitation becomes "the determining factor" to invest in this project.

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Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Pearsall ISD–Morrow Lake Solar, LLC App. #1406

Comptroller Questions (via email on August 23, 2019):

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

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

1. *Morrow lake Solar is not currently known by any other project names.*
2. *The project's IGNR number is 19INR0155, assigned on 12/5/2017.*
3. *The project has not been known by any other project names previously.*

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between PEARSALL INDEPENDENT SCHOOL
DISTRICT and MORROW LAKE SOLAR, LLC

EXHIBIT C

Economic Impact Evaluation

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED MORROW LAKE
SOLAR, LLC PROJECT IN THE PEARSALL INDEPENDENT
SCHOOL DISTRICT
(PROJECT # 1406)**

PREPARED BY



OCTOBER 3, 2019

Executive Summary

Morrow Lake Solar, LLC (Company) has requested that the Pearsall Independent School District (PISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to PISD on July 24, 2019 the Company plans to invest \$230 million to construct a renewable energy electric generation facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Morrow Lake Solar project is consistent with the state’s goal to “encourage large scale capital investments in this state.” When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others, although few of these other types of projects have been the basis for Chapter 313 applications.

Under the provisions of Chapter 313, PISD may offer a minimum value limitation of \$30 million. This value limitation, under the proposed application, will begin in the 2022-23 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA’s initial school finance analysis is detailed in this report. This analysis incorporates to the fullest extent possible the changes approved in House Bill 3 as approved in 2019, the most significant school finance revisions in more than 30 years. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to PISD	\$2.4 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$8.1 million

Application Process

After the school district has submitted an application to the Comptroller’s Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. At the time the application is determined complete—typically 4-6 weeks after receipt—the Comptroller will deliver a Completeness Letter to the company and the school district.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. After the certificate is received, the district has until the 150th day from the receipt of the Completeness Letter to adopt an agreement, although extensions may be requested by the Company and granted by the District

After the Comptroller's certificate is received, Walsh Gallegos will contact the school district to discuss the value limitation agreement and begin negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees.

Prior to final board meeting, Walsh Gallegos will provide the district with the necessary agenda language and any additional action items. The school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. In some instances, the school board may also be required to adopt a job waiver or create a reinvestment zone during this meeting.

How the 313 Agreement Interacts with Texas School Finance

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of two components: Tier I (based on ADA, special student populations and M&O taxes at the compressed tax rate) and Tier II (based on weighted ADA for each penny of tax effort above a specified level). Recapture costs are primarily a Tier I issue, although Tier II also can involve recapture costs for some school districts.

The basic allotment is now set at \$6,160 per weighted ADA (WADA) and is the basis for Tier I calculations. In the case of Tier II, the first eight cents of additional tax effort can be used to generate state aid of up to \$98.56 per WADA for what are known as "golden" pennies. Tax effort for golden pennies is not subject to recapture. Up to an additional nine cents may be levied to generate \$49.28 per WADA for what are known as "copper" pennies (generating half the revenue per WADA of the golden pennies).

Changes in the recapture calculation are an important part of HB 3, for those districts subject to recapture under the new law. Rather than being tied to property wealth exceeding an equalized wealth level per WADA, recapture is now defined as the amount of revenue collected in excess of a district's Tier I allotment, or for Tier II the amount of collections in excess of the entitlement provided for tax effort generating copper-penny level state aid. (Golden pennies are not subject to recapture.) The changes in the recapture methodology may affect the results of revenue protection payments relative to what was calculated when the equalized wealth level was used to determine the amount of recapture owed the state by school districts subject to recapture. It does not appear to be an issue for PISD, based on the calculations shown below.

Another significant school funding change is establishing current-year property values to determine state funding and recapture under the Foundation School Program. The traditional approach for the last 30 years has been to rely upon prior-year state property values as determined annually under the Comptroller's State Property Value Study (Section 403 of the Government Code). The change in House Bill 3 calls for using current-year property values as determined by the Comptroller's Property Value Study, without an explanation as to how the property value study is to be completed on a real-time basis.

While school district funding will now be determined based on current-year property values, House Bill 3 included language that addressed the property values to be used in determining calculating revenue protection payments under Chapter 313 agreements. This information is contained in Section 48.256(d), Education Code, as shown below:

- d) This subsection applies to a school district in which the board of trustees entered into a written agreement with a property owner under Section 313.027, Tax Code, for the implementation of a limitation on appraised value under Subchapter B or C, Chapter 313, Tax Code. For purposes of determining "DPV" under Subsection (a) for a school district to which this subsection applies, the commissioner shall exclude a portion of the market value of property not otherwise fully taxable by the district under Subchapter B or C, Chapter 313, Tax Code, before the expiration of the subchapter. The comptroller shall provide information to the agency necessary for this subsection. **A revenue protection payment required as part of an agreement for a limitation on appraised value shall be based on the district's taxable value of property for the preceding tax year [emphasis added].**

Given the directive regarding the use of preceding-tax-year values to calculate revenue protection payments required under Chapter 313 agreements, the amounts collected are expected to be consistent with the patterns shown since these calculations were first calculated under the standard Chapter 313 agreement language, dating back to 2004. The most significant impact is typically in the first limitation year, although major value increases in project values in later limitation years may also trigger a revenue protection payment. The additional factor that may generate a variance with the traditional pattern of revenue protection amounts is the new methodology in the calculation of recapture, as noted previously.

The calculations shown below are based on the Section 48.256(d), Education Code directive to use preceding-tax-year property values to determine the revenue protection payment, if any, owed to the school district under the terms of the Chapter 313 Agreement between the Applicant and the School District. These calculations are to be made for each of the 10 limitation years under the terms of the Agreement. Chapter 313 will be subject to legislative renewal in 2021 and any changes made may impact these calculations moving forward.

(For more detailed information on the school finance funding system, please review the Texas Education Agency's (TEA) website. [The current information is expected to be updated as the details of House Bill 3 implementation are determined by TEA.](#)

The implementation of recent legislative action on school funding in House Bill 3 could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

Underlying School District Data Assumptions

The agreement between the school district and the applicant calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. The Basic Allotment is now set to \$6,160, the Tier II golden penny yield is set to \$98.56 per WADA for up to eight cents, while the copper penny yield is \$49.28 per WADA for up to nine cents of local tax effort. These are maintained for future years at this time.

Static school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system. Any previously-approved Chapter 313 projects are also factored into the M&O tax bases used.

ADA:	1,926
Local M&O Tax Base	\$1.13 billion
2019-20 M&O Tax Rate:	\$1.0684 per \$100 of Taxable Value
2020-21 Projected M*O Tax Rate:	\$1.0548 per \$100 of Taxable Value
I&S Tax Rate:	\$0.1475 per \$100 of Taxable Value

Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

Table 1 – Base District Information with Morrow Lake Solar Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	Sec. 48.256(d) District Revenue Protection District Property Value with Project	Sec. 48.256(d) District Revenue Protection District Property Value with Limitation	DPV Value with Project per WADA	DPV Value with Limitation per WADA
QTP1	2020-21	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,124,313,269	\$1,124,313,269	\$405,035	\$405,035
QTP2	2021-22	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,124,313,269	\$1,124,313,269	\$405,035	\$405,035
VL1	2022-23	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,124,313,269	\$1,124,313,269	\$405,035	\$405,035
VL2	2023-24	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,354,313,269	\$1,154,313,269	\$487,892	\$415,842
VL3	2024-25	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,331,348,269	\$1,154,313,269	\$479,619	\$415,842
VL4	2025-26	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,308,383,269	\$1,154,313,269	\$471,346	\$415,842
VL5	2026-27	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,285,418,269	\$1,154,313,269	\$463,073	\$415,842
VL6	2027-28	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,262,453,269	\$1,154,313,269	\$454,800	\$415,842
VL7	2028-29	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,239,488,269	\$1,154,313,269	\$446,526	\$415,842
VL8	2029-30	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,216,523,269	\$1,154,313,269	\$438,253	\$415,842
VL9	2030-31	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,193,558,269	\$1,154,313,269	\$429,980	\$415,842
VL10	2031-32	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,170,593,269	\$1,154,313,269	\$421,707	\$415,842
VP1	2032-33	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,170,578,269	\$1,154,313,269	\$421,702	\$415,842
VP2	2033-34	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,170,563,269	\$1,170,563,269	\$421,696	\$421,696
VP3	2034-35	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,170,548,269	\$1,170,548,269	\$421,691	\$421,691
VP4	2035-36	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,170,533,269	\$1,170,533,269	\$421,685	\$421,685
VP5	2036-37	1,926.13	2,775.85	\$1.0548	\$0.1475	\$1,170,518,269	\$1,170,518,269	\$421,680	\$421,680

*Basic Allotment: \$6,160; Golden Penny Yield: \$98.56; Copper Penny Yield: \$49.28

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact of the Morrow Lake Solar Project on PISD

A model is established to make a calculation of the “Baseline Revenue Model” (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the “Value Limitation Revenue Model” (Table 3) by adding the project’s limited value of \$30 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$2.4 million over the course of the Agreement, with all the loss reflected in the first limitation year (2022-23).

Table 2- “Baseline Revenue Model” --Project Value Added to DPV with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP1	2020-21	\$10,276,315	\$7,145,533	\$0	\$1,551,264	\$1,427,814	\$0	-\$14,053	\$20,386,873
QTP2	2021-22	\$10,276,315	\$7,145,533	\$0	\$1,551,264	\$1,427,814	\$0	-\$14,053	\$20,386,873
VL1	2022-23	\$12,378,762	\$7,145,533	\$0	\$1,868,640	\$1,719,488	\$0	-\$16,924	\$23,095,499
VL2	2023-24	\$12,168,289	\$5,037,587	\$0	\$1,836,867	\$1,090,935	\$0	-\$16,638	\$20,117,040
VL3	2024-25	\$11,957,815	\$5,248,060	\$0	\$1,805,095	\$1,122,076	\$0	-\$16,351	\$20,116,695
VL4	2025-26	\$11,747,341	\$5,458,534	\$0	\$1,773,323	\$1,153,217	\$0	-\$16,064	\$20,116,351
VL5	2026-27	\$11,536,867	\$5,669,008	\$0	\$1,741,551	\$1,182,823	\$0	-\$15,778	\$20,114,471
VL6	2027-28	\$11,326,393	\$5,879,482	\$0	\$1,709,779	\$1,213,918	\$0	-\$15,491	\$20,114,081
VL7	2028-29	\$11,115,920	\$6,089,956	\$0	\$1,678,007	\$1,245,013	\$0	-\$15,204	\$20,113,692
VL8	2029-30	\$10,905,446	\$6,300,430	\$0	\$1,646,235	\$1,274,589	\$0	-\$14,917	\$20,111,783
VL9	2030-31	\$10,694,972	\$6,510,903	\$0	\$1,614,463	\$1,305,486	\$0	-\$14,631	\$20,111,193
VL10	2031-32	\$10,694,834	\$6,721,377	\$0	\$1,614,442	\$1,362,382	\$0	-\$14,631	\$20,378,404
VP1	2032-33	\$10,691,718	\$6,721,515	\$0	\$1,613,971	\$1,362,402	\$0	-\$14,630	\$20,374,976
VP2	2033-34	\$10,691,584	\$6,721,652	\$0	\$1,613,951	\$1,362,423	\$0	-\$14,630	\$20,374,980
VP3	2034-35	\$10,691,449	\$6,721,790	\$0	\$1,613,930	\$1,362,444	\$0	-\$14,630	\$20,374,983
VP4	2035-36	\$10,691,314	\$6,721,927	\$0	\$1,613,911	\$1,362,465	\$0	-\$14,630	\$20,374,987
VP5	2036-37	\$10,691,179	\$6,722,065	\$0	\$1,613,890	\$1,362,485	\$0	-\$14,630	\$20,374,989

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$10.4 million over the life of the agreement. The PISD revenue losses are expected to total approximately \$2.4 million. The total potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$8.1 million, prior to any negotiations with Morrow Lake Solar on supplemental payments. (See Table 5.)

It should be noted that a key element in the revenue-loss calculation appears to be linked to the retention of prior-year property values in the calculation of the revenue protection amount for the 2022-23 school year. Under the standard agreement, these calculations are based on whatever school finance and property tax laws are in effect each year. With a legislative session occurring in 2021, there could be changes made to current school finance law. While the District will still be protected against revenue losses, these calculations may be reduced below what we are projecting under what is now current law.

Table 3- "Value Limitation Revenue Model" --Project Value Added to DPV with Value Limitation in Effect

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP1	2020-21	\$10,276,315	\$7,145,533	\$0	\$1,551,264	\$1,427,814	\$0	-\$14,053	\$20,386,873
QTP2	2021-22	\$10,276,315	\$7,145,533	\$0	\$1,551,264	\$1,427,814	\$0	-\$14,053	\$20,386,873
VL1	2022-23	\$10,545,766	\$7,145,533	\$0	\$1,591,939	\$1,465,310	\$0	-\$14,734	\$20,733,814
VL2	2023-24	\$10,545,766	\$6,870,583	\$0	\$1,591,939	\$1,384,832	\$0	-\$14,699	\$20,378,421
VL3	2024-25	\$10,545,766	\$6,870,583	\$0	\$1,591,939	\$1,384,832	\$0	-\$14,663	\$20,378,457
VL4	2025-26	\$10,545,766	\$6,870,583	\$0	\$1,591,939	\$1,384,832	\$0	-\$14,628	\$20,378,492
VL5	2026-27	\$10,545,766	\$6,870,583	\$0	\$1,591,939	\$1,384,832	\$0	-\$14,593	\$20,378,527
VL6	2027-28	\$10,545,766	\$6,870,583	\$0	\$1,591,939	\$1,384,832	\$0	-\$14,558	\$20,378,562
VL7	2028-29	\$10,545,766	\$6,870,583	\$0	\$1,591,939	\$1,384,832	\$0	-\$14,523	\$20,378,597
VL8	2029-30	\$10,545,766	\$6,870,583	\$0	\$1,591,939	\$1,384,832	\$0	-\$14,488	\$20,378,632
VL9	2030-31	\$10,545,766	\$6,870,583	\$0	\$1,591,939	\$1,384,832	\$0	-\$14,452	\$20,378,668
VL10	2031-32	\$10,545,766	\$6,870,583	\$0	\$1,591,939	\$1,384,832	\$0	-\$14,452	\$20,378,668
VP1	2032-33	\$10,691,718	\$6,870,583	\$0	\$1,613,971	\$1,405,519	\$0	-\$14,630	\$20,567,161
VP2	2033-34	\$10,691,584	\$6,721,652	\$0	\$1,613,951	\$1,362,423	\$0	-\$14,630	\$20,374,980
VP3	2034-35	\$10,691,449	\$6,721,790	\$0	\$1,613,930	\$1,362,444	\$0	-\$14,630	\$20,374,983
VP4	2035-36	\$10,691,314	\$6,721,927	\$0	\$1,613,911	\$1,362,465	\$0	-\$14,630	\$20,374,987
VP5	2036-37	\$10,691,179	\$6,722,065	\$0	\$1,613,890	\$1,362,485	\$0	-\$14,630	\$20,374,989

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

Table 4 - Value Limitation Revenue Model Less Baseline Revenue Model with No Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP1	2020-21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2	2021-22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VL1	2022-23	-\$1,832,996	\$0	\$0	-\$276,701	-\$254,178	\$0	\$2,190	-\$2,361,685
VL2	2023-24	-\$1,622,523	\$1,832,996	\$0	-\$244,928	\$293,897	\$0	\$1,939	\$261,381
VL3	2024-25	-\$1,412,049	\$1,622,523	\$0	-\$213,156	\$262,756	\$0	\$1,688	\$261,762
VL4	2025-26	-\$1,201,575	\$1,412,049	\$0	-\$181,384	\$231,615	\$0	\$1,436	\$262,141
VL5	2026-27	-\$991,101	\$1,201,575	\$0	-\$149,612	\$202,009	\$0	\$1,185	\$264,056
VL6	2027-28	-\$780,627	\$991,101	\$0	-\$117,840	\$170,914	\$0	\$933	\$264,481
VL7	2028-29	-\$570,154	\$780,627	\$0	-\$86,068	\$139,819	\$0	\$681	\$264,905
VL8	2029-30	-\$359,680	\$570,153	\$0	-\$54,296	\$110,243	\$0	\$429	\$266,849
VL9	2030-31	-\$149,206	\$359,680	\$0	-\$22,524	\$79,346	\$0	\$179	\$267,475
VL10	2031-32	-\$149,068	\$149,206	\$0	-\$22,503	\$22,450	\$0	\$179	\$264
VP1	2032-33	\$0	\$149,068	\$0	\$0	\$43,117	\$0	\$0	\$192,185
VP2	2033-34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2035-36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2036-37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

Table 5 - Estimated Financial Impact of the Morrow Lake Solar Project Property Value Limitation Request Submitted to PISD at \$1.05485 M&O Tax Rate

Year of Agreement	School Year	Project Taxable Value for M&O If No Limitation	Project Taxable Value for M&O with Limitation	Assumed M&O Tax Rate	Tax Savings to Company	School District Revenue Protection	Estimated Net Tax Benefits
QTP1	2020-21	\$0	\$0	\$1.05485	\$0	\$0	\$0
QTP2	2021-22	\$65,000,000	\$65,000,000	\$1.05485	\$0	\$0	\$0
VL1	2022-23	\$230,000,000	\$30,000,000	\$1.05485	\$2,109,697	-\$2,361,685	-\$251,988
VL2	2023-24	\$207,035,000	\$30,000,000	\$1.05485	\$1,867,451	\$0	\$1,867,451
VL3	2024-25	\$184,070,000	\$30,000,000	\$1.05485	\$1,625,205	\$0	\$1,625,205
VL4	2025-26	\$161,105,000	\$30,000,000	\$1.05485	\$1,382,959	\$0	\$1,382,959
VL5	2026-27	\$138,140,000	\$30,000,000	\$1.05485	\$1,140,713	\$0	\$1,140,713
VL6	2027-28	\$115,175,000	\$30,000,000	\$1.05485	\$898,467	\$0	\$898,467
VL7	2028-29	\$92,210,000	\$30,000,000	\$1.05485	\$656,221	\$0	\$656,221
VL8	2029-30	\$69,245,000	\$30,000,000	\$1.05485	\$413,975	\$0	\$413,975
VL9	2030-31	\$46,280,000	\$30,000,000	\$1.05485	\$171,729	\$0	\$171,729
VL10	2031-32	\$46,265,000	\$30,000,000	\$1.05485	\$171,571	\$0	\$171,571
VP1	2032-33	\$46,250,000	\$46,250,000	\$1.05485	\$0	\$0	\$0
VP2	2033-34	\$46,235,000	\$46,235,000	\$1.05485	\$0	\$0	\$0
VP3	2034-35	\$46,220,000	\$46,220,000	\$1.05485	\$0	\$0	\$0
VP4	2035-36	\$46,205,000	\$46,205,000	\$1.05485	\$0	\$0	\$0
VP5	2036-37	\$46,190,000	\$46,190,000	\$1.05485	\$0	\$0	\$0
\$10,437,990						-\$2,361,685	\$8,076,305

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

Note: School district revenue-loss estimates are subject to change based on numerous factors, including:

- Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations, which could be significant under HB 3.
- Legislative changes addressing property value appraisals and exemptions.
- Year-to-year appraisals of project values and district taxable values.
- Changes in school district tax rates and student enrollment.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with PISD currently levying a \$0.1475per \$100 I&S rate. As shown in the Table 6 below, local taxpayers could benefit from the addition of the Morrow Lake Solar project to the local I&S tax roll. At its current wealth level per ADA, it does not appear that PISD qualifies for state support under the IFA or EDA programs, which makes increases in the I&S tax base a positive development.

The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. Continued expansion of the project and related development could result in some additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Table 6 - Estimated Impact of the Morrow Lake Solar Project Property Value Limitation Request on PISD I&S Tax Rate

Year of Agreement	School Year	I&S Rate w/out Project	Local Value w/out Project	I&S Taxes w/out Project	Project Full Taxable Value	I&S Rate with Project Value	Change in I&S Rate
QTP1	2020-21	\$0.1475	\$1,132,237,260	\$1,669,824	\$0	\$0.147480	\$0.0000
QTP2	2021-22	\$0.1475	\$1,067,237,260	\$1,573,962	\$65,000,000	\$0.139013	-\$0.0085
VL1	2022-23	\$0.1475	\$1,132,237,260	\$1,669,824	\$230,000,000	\$0.122579	-\$0.0249
VL2	2023-24	\$0.1475	\$1,132,237,260	\$1,669,824	\$207,035,000	\$0.124681	-\$0.0228
VL3	2024-25	\$0.1475	\$1,132,237,260	\$1,669,824	\$184,070,000	\$0.126857	-\$0.0206
VL4	2025-26	\$0.1475	\$1,132,237,260	\$1,669,824	\$161,105,000	\$0.129109	-\$0.0184
VL5	2026-27	\$0.1475	\$1,132,237,260	\$1,669,824	\$138,140,000	\$0.131443	-\$0.0160
VL6	2027-28	\$0.1475	\$1,132,237,260	\$1,669,824	\$115,175,000	\$0.133863	-\$0.0136
VL7	2028-29	\$0.1475	\$1,132,237,260	\$1,669,824	\$92,210,000	\$0.136374	-\$0.0111
VL8	2029-30	\$0.1475	\$1,132,237,260	\$1,669,824	\$69,245,000	\$0.138980	-\$0.0085
VL9	2030-31	\$0.1475	\$1,132,237,260	\$1,669,824	\$46,280,000	\$0.141689	-\$0.0058
VL10	2031-32	\$0.1475	\$1,132,237,260	\$1,669,824	\$46,265,000	\$0.141690	-\$0.0058
VP1	2032-33	\$0.1475	\$1,132,237,260	\$1,669,824	\$46,250,000	\$0.141692	-\$0.0058
VP2	2033-34	\$0.1475	\$1,132,237,260	\$1,669,824	\$46,235,000	\$0.141694	-\$0.0058
VP3	2034-35	\$0.1475	\$1,132,237,260	\$1,669,824	\$46,220,000	\$0.141696	-\$0.0058
VP4	2035-36	\$0.1475	\$1,132,237,260	\$1,669,824	\$46,205,000	\$0.141698	-\$0.0058
VP5	2036-37	\$0.1475	\$1,132,237,260	\$1,669,824	\$46,190,000	\$0.141699	-\$0.0058

IFA and EDA state aid are now based on current-year values, which could affect the tax rate needed for bond payments in districts eligible for these funds.

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between PEARSALL INDEPENDENT SCHOOL
DISTRICT and MORROW LAKE SOLAR, LLC

EXHIBIT D

Tax Limitation Agreement

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

by and between

PEARSALL INDEPENDENT SCHOOL DISTRICT

and

MORROW LAKE SOLAR, LLC

(Texas Taxpayer ID # 32065325428)

Comptroller Application # 1406

Dated
May 13, 2020

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

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

STATE OF TEXAS §

COUNTY OF FRIO §

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 **PEARSALL 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 **MORROW LAKE SOLAR, LLC**, Texas Taxpayer Identification Number **32065325428** 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 July 24, 2019, the Superintendent of Schools of the PEARSELL 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 July 24, 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 CCGB (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 October 1, 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 Frio County Appraisal District established in Frio County, Texas (the “Frio 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 December 6, 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 District's Board of Trustees, through its adoption of Board Policy CCGB(LOCAL), delegated to the Superintendent of Schools authority to extend the statutory deadline by which the District must consider the Application, and Superintendent of Schools duly extended such deadline to December 31, 2020, and the Comptroller was provided notice of such extension as set out under 34 TEXAS ADMIN CODE Section 9.1054(d);

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 May 13, 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 May 13, 2020, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on May 13, 2020, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in *Section 313.051(b)* of the TEXAS TAX CODE;

WHEREAS, on April 1, 2020, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on May 13, 2020, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary or, in the event the Board President or Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized the Board Vice President 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 MORROW LAKE SOLAR, LLC, (*Texas Taxpayer ID # 32065325428*), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

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

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

“*Application*” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on July 24, 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 Frio County Appraisal District.

“Board of Trustees” means the Board of Trustees of the PEARSALL INDEPENDENT School District.

“Commercial Operation” means the date on which the Project becomes commercially operational and placed into service, such that all of the following events have occurred and remain simultaneously true and accurate:

- i. The Project has been constructed, tested, and is fully capable of operating for the purpose of generating electricity for sale on one or more commercial markets;
- ii. The Project has received written authorization from the grid operator for interconnection, integration, and synchronization of the plan with the grid; and
- iii. The Project has obtained all permits, required approvals, and has met all requirements necessary for safely and reliably generating electricity and delivering electricity onto the grid.

“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 Frio County, Texas.

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

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

“Force Majeure” means those causes generally recognized under Texas law as constituting impossible conditions. Each Party must inform the other in writing with proof of receipt within sixty (60) business days of the existence of such Force Majeure or otherwise waive this right as a defense.

“Land” means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

“Maintain Viable Presence” means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant’s maintenance of jobs and wages as required by the Act and as set forth in its Application.

“Market Value” shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

“New Qualifying Jobs” means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller’s Rules.

“New Non-Qualifying Jobs” means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

“Qualified Investment” has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller’s Rules.

“Qualified Property” has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller’s Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

“Qualifying Time Period” means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller’s Rules, and this Agreement.

“State” means the State of Texas.

“Supplemental Payment” means any payments or transfers of things of value made to the District or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the Agreement and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on the Applicant’s Qualified Property for maintenance and operations tax assessment in each Tax Year of the Tax Limitation Period of this Agreement pursuant to Section 313.054 of the TEXAS TAX CODE.

“Tax Limitation Period” means the Tax Years for which the Applicant’s Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

“Tax Year” shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (*i.e.*, the calendar year).

“Taxable Value” shall have the meaning assigned to such term in Section 1.04(10) of the TEXAS TAX CODE.

Section 1.2 NEGOTIATED DEFINITIONS. Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller's Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

“Applicable School Finance Law” means Chapters 48 and 49 of the TEXAS EDUCATION CODE (previously Chapters 42 and 41, and other applicable provisions), the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE); Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District; and, the Constitution and general laws of the State applicable to the school districts of the State, including specifically, the applicable rules, regulations, and interpretations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future which impact or alter the calculation of the Applicant’s ad valorem tax obligation or the Revenue Protection Amount in Section 4.2 of this Agreement to the District, either with or without the limitation of property values made pursuant to this Agreement.

“Consultant” shall have the same meaning as assigned to such term in Section 4.4 of this Agreement.

“Revenue Protection Amount” means the revenue protection payment required as part of this Agreement as set out in TEXAS EDUCATION CODE Section 48.256(d) and shall have the meaning assigned to such term in Section 4.2 of this Agreement.

“Maintenance and Operations Revenue” or “M&O 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 the applicable provisions of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable, less (iii) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 49 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable.

“New M&O Revenue” shall have the same meaning as assigned to such term in Section 4.2.A.ii of this Agreement.

“Original M&O Revenue” shall have the same meaning as assigned to such term in Section 4.2.A.i of this Agreement.

ARTICLE II
AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY. This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE. In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant’s Qualified Property listed and assessed by the County Appraiser for the District’s maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is October 1, 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 May 13, 2020.

C. The Qualifying Time Period for this Agreement:

i. Starts on January 2, 2020; 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 date of the commencement of Commercial Operation; 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:

- A. the Market Value of the Applicant’s Qualified Property; or
- B. 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 THIRTY MILLION DOLLARS (\$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; and
- C. pay an average weekly wage of at least ONE THOUSAND FOUR DOLLARS (\$1,004.00) for all New Non-Qualifying Jobs created by the Applicant.

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

- A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. provide 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 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(1) of the TEXAS TAX CODE as a renewable energy electric generation facility.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the District shall, in accordance with the provisions of TEXAS TAX CODE § 313.027(f)(1), be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue as a result of, or on account of, the Parties' entering into this Agreement. Such compensation shall be independent of, and in addition to, all such other payments as are set forth in Article V and Article VI. Subject only to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the risk of any negative financial consequence to the District as a result of Applicant's location of Applicant's Qualified Investment and Applicant's Qualified Property in the District and the Parties' entering into this Agreement will be borne by the Applicant and not by the District and be paid by the Applicant to the District in addition to any and all payments due under Article V and Article VI.

The Parties expressly understand and agree that, for all Tax Years to which this Agreement may apply, the calculation of negative financial consequences will be defined for each applicable Tax Year in accordance with Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may periodically change in accordance with changes in Applicable School Finance Law. The Parties further agree that

printouts and projections produced during the negotiations and approval of this Agreement are: (i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party; (ii) based upon current Applicable School Finance Law which is subject to change by statute, by administrative regulation (or interpretation thereof), or by judicial decision at any time; and (iii) may change in future years to reflect changes in Applicable School Finance Law.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF MAINTENANCE AND OPERATIONS REVENUES BY THE DISTRICT. Subject only to the provisions of Sections 7.1, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement (the “Revenue Protection Amount”) shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

A. The Revenue Protection Amount owed by the Applicant to the District means the Original M&O Revenue minus the New M&O Revenue;

Where:

(i) “Original M&O Revenue” means the total State and local Maintenance & Operations 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 and/or the Applicant’s Qualified Investment been subject to the District’s adopted ad valorem Maintenance and Operations tax rate actually levied for the applicable year.

(ii) “New M&O Revenue” means the total State and local Maintenance and Operations Revenue that District would have received for such school year, calculated in accordance with TEXAS EDUCATION CODE Section 48.256(d), with the Limitation Amount specified in Section 2.4 applied to Applicant’s Qualified Property, and the tax collection rate for all tax accounts in the District presumed to be one hundred percent (100%).

B. In making the calculations required by this Section 4.2:

(i) The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.

(ii) For purposes of this calculation, the tax collection rate on the Applicant’s Qualified Property and/or the Applicant’s Qualified Investment 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 results in a negative number, the negative number will be considered to be zero.

(iv) For all calculations made for any year during the Tax Limitation Period under this Section 4.2, the New M&O Revenue will reflect the Tax Limitation Amount stated in Section 2.4 for such year.

(v) All calculations made under this Section 4.2 shall be made by a methodology which isolates the full M&O 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 any other factors not contained in this Agreement.

Section 4.3. COMPENSATION FOR LOSS OF OTHER REVENUES. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

A. All non-reimbursed costs incurred by the District for extraordinary education-related expenses, as set forth in Section 5.1 below; and

B. Any other cost to the District, including costs under Section 8.6(C) below (but subject to the limitation set forth in Section 4.4 below), which are directly and solely attributable to compliance with State-imposed requirements relating to this Agreement.

Section 4.4. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Article IV shall be made annually by an independent third party (the “Consultant”) selected each year by the District. Applicant shall be solely responsible for payment of the Consultant’s fees up to TWELVE THOUSAND DOLLARS (\$12,000.00) for each year of this Agreement.

Section 4.5. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant’s Qualified Investment and/or the Applicant’s Qualified Property by the Appraisal District in its annual certified tax rolls submitted to the District 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 Consultant selected under Section 4.4. 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 Consultant to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Consultant shall be adjusted from time to time by the Consultant to reflect actual amounts, subsequent adjustments by the Appraisal District to the District’s certified tax rolls or any other changes in student counts, tax collections, or other data.

Section 4.6. DELIVERY OF CALCULATIONS. On or before December 1 of each year for which this Agreement is effective, the Consultant appointed pursuant to Section 4.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Section 4.2, Section 4.3 and Article V of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Consultant shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Consultant’s offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Consultant 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 Consultant shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment.

Section 4.7. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy

for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Consultant 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 (subject to the limitation set forth in Section 4.4 above) for the preparation and filing of any financial reports, disclosures, or Tax Credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. For avoidance of doubt, the annual cap on reimbursable fees contained in Section 4.4 of the Agreement applies not only to the Consultant's fees but also to the fees described in this Section 4.7.

Section 4.8. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification prepared pursuant to Sections 4.2, 4.3, or Article V, the Applicant may appeal the findings, in writing, to the Consultant within thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Consultant will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District's Board of Trustees, in writing, within thirty (30) days of the final determination of certification containing the calculations.

Section 4.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Consultant selected under Section 4.4 makes its calculations under this Agreement, 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, the Consultant 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 appraisal appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Consultant 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 amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Consultant.

Section 4.10. EFFECT OF STATUTORY CHANGES. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1, 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 or another school district, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the Revenue Protection Amount limit set forth in Section 7.1, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the Revenue Protection Amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, shall also indemnify and reimburse the District for all non-reimbursable costs, certified by the District’s external auditor to have been incurred by the District for extraordinary education-related expenses 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 attributable to the project. Applicant shall have the right to contest the findings of the District’s external auditor pursuant to Section 4.8 herein.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS. In addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for supplemental payments (the “Supplemental Payments”) set forth in this Article VI.

A. Amounts Exclusive of Indemnity Amounts. It is the express intent of the Parties that the Applicant’s obligation to make Supplemental Payments under this Article VI is separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all payments under Articles IV and VI are subject to the limitations contained in Section 7.1.

B. Adherence to Statutory Limits on Supplemental Payments. It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article VI, shall not exceed the limit imposed by the provisions of TEXAS TAX CODE § 313.027(i), as such limit is allowed or required to be increased by the Legislature in a future year of this Agreement.

C. Explicit Identification of Payments to District. 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 made pursuant to Chapter 313, TEXAS TAX CODE, unless it is explicitly set forth in this Agreement.

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 (the “Annual Limit”) shall be greater of: (1) \$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 [ADA] for the preceding school year, rounded to the whole number; or (2) Fifty Thousand Dollars (\$50,000).

SECTION 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO ANNUAL LIMIT. Applicant shall make Supplemental Payments on or before January 31, 2021 (the payment due date for Tax Year 2020), and continuing thereafter on or before January 31 of each year for the maximum period permitted under Section 313.027(i) of the TEXAS TAX CODE, except that Applicant’s final Supplemental Payment shall be due on or before December 31, 2034 for tax year 2034. Each Supplemental Payment paid by Applicant to the District shall be in an amount equal to the Annual Limit.

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 the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment, the Applicant shall have the option, prior to the beginning of the Tax Limitation Period, to terminate this

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

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

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

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

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

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

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section

9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

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

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

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

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

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

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR. By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

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

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

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant’s Application; and the Applicant’s Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor’s Office, State of Texas or their authorized

representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

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

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

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

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

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

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

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

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

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

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

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

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

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

Section 9.3. DISPUTE RESOLUTION.

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

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

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

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.2 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within ninety (90) days after receipt of the notice of breach.

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

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

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

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with

the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

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

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make THIRTY MILLION DOLLARS (\$30,000,000) of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach

occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

ARTICLE X.
MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile or email transmission, with notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

B. Notices to the District shall be addressed to the District's Authorized Representative as follows:

Pearsall Independent School District
Attention: Superintendent of Schools
Address: 318 Berry Ranch Road
Pearsall, Texas 78061
Phone: (830) 334-8001
E-Mail: Nobert.Rodriguez@pearsallisd.org

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

Morrow Lake Solar, LLC
Attention: Heather Otten, Principal, SunChase Power, LLC
Address: 4300 Speedway #4617
Austin, TX 78765
Phone: (512) 963-6181
E-Mail: Heather@SunChasePower.com

With a copy to:

Attention: Will Furgeson, Vice President, SunChase Power, LLC
Address: 4300 Speedway #4617
Austin, TX 78765
Phone: (512) 963-6181
E-Mail: Will@SunChasePower.com

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

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

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

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

i. The Applicant shall submit to the District and the Comptroller:

a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;

b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;

c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;

ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and

iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

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

i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;

ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

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

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make

the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

Section 10.3. ASSIGNMENT.

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

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

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

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

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

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this **13th day of May 2020**.

MORROW LAKE SOLAR, LLC

**PEARSALL INDEPENDENT
SCHOOL DISTRICT**

By: 

By: 

Name: Heather Otten

Tommy Navarro, President
Board of Trustees

Title: Manager

ATTEST:



Sandra Waldrum, Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The legal description of the Reinvestment Zone is located entirely within Frio County and more particularly described below as the Legal Description of Reinvestment Zone and associated maps.

Parcel Number	Owner Name	Acreage
5833	Keystone Ranch	34.29
5813	Keystone Ranch	508.47
5827	Keystone Ranch	157.3
5828	Keystone Ranch	152.93
4337	Keystone Ranch	157.02
10894	Keystone Ranch	2.69
5818	Keystone Ranch	2
5817	Keystone Ranch	144.34
13421	Keystone Ranch	285.13
18034	Keystone Ranch	1.5
12205	Petty David R & Frankie	1
14815	Petty David R & Frankie	15.72
12378	Petty David R & Frankie	319.19
13448	Keystone Ranch	924.88
5816	Keystone Ranch	278.74
7179	Rodriguez Bros	421.8
1876	Melinda Burford	200
5815	Rollin & Dawn Mangold	540.07
21295	Rollin & Dawn Mangold	1

Parcel Number	Owner Name	Acreage
12031	Kube-Pearsall Ranch	56.444
23433	Kube-Pearsall Ranch	22.5
12792	Kube-Pearsall Ranch	0.5
12789	Kube-Pearsall Ranch	30.52
14041	Maria Medano	10
12409	Daniel Pawlik	0.5
13004	Petty David R & Frankie	219.66
14524	Merejildo Elizondo	6.468
227	Juan Maldonado	32.58

FRIO COUNTY COMMISSIONERS COURT ORDER APPROVING THE MORROW LAKE SOLAR RZ REINVESTMENT ZONE PURSUANT TO CHAPTER 312, TEXAS TAX CODE

WHEREAS, on December 9, 2020, the Frio County Commissioners Court adopted the Frio County Tax Abatement Policy (the "Policy") pursuant to Chapter 312, Texas Tax Code, the Property Redevelopment and Tax Abatement Act (the "Act"); and

WHEREAS, Section 312.401 of the Act provides that a county may designate an area as a tax abatement reinvestment zone; and

WHEREAS, on February 28, 2020, the County received an application from Morrow Lake Solar, LLC (the "Company") for the "Morrow Lake Solar RZ Reinvestment Zone" (the "Zone") for commercial-industrial tax abatement; and

WHEREAS, the proposed Zone includes the land as described in Exhibit A, attached hereto; and

WHEREAS, pursuant to the County's tax abatement policies and the Act, the County Judge reviewed the Company's application and notified the Commissioners Court and the presiding officers of the eligible jurisdictions that the application was found to be complete; and, the County Judge made his recommendation to pursue the proposed Zone; and

WHEREAS, the Commissioners hereby waive the thirty day project notice provision in the Policy;

WHEREAS, on April 6, 2020, the County held a public hearing on the proposed Zone where interested persons were invited to speak for or against the designation of the Zone (the "Hearing"); and

WHEREAS, notice of the Hearing was published in a newspaper having general circulation and was delivered in writing to the presiding officer of each of the eligible jurisdictions; and

WHEREAS, the Zone is not located within the jurisdiction of any municipality; and

WHEREAS, the County hereby finds that designating the Zone would contribute to the retention or expansion of primary employment in the County; and

WHEREAS; the County hereby finds that the designation of the Zone would attract major investment in the Zone that would contribute to the economic development of the County; and

WHEREAS, the County hereby finds that the improvements sought by the Company are feasible and practical and would provide a benefit to the Zone after the expiration of any tax abatement agreement between the Company and the County; and

WHEREAS, the Company has executed a development agreement for fees with the County (the “Development Agreement”, attached hereto as Exhibit B);

NOW THEREFORE, IT IS ORDERED BY THE COMMISSIONER’S COURT OF FRIO COUNTY, TEXAS:

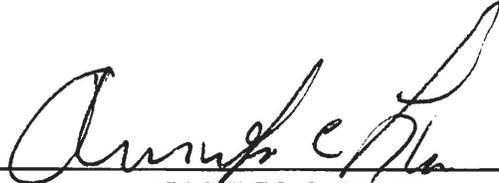
Section 1. Recitals. The recitals above are incorporated herein.

Section 2. Designation of Zone. The County hereby designates the Morrow Lake Solar RZ Reinvestment Zone for a period of five years.

Section 3. Renewal. The Zone may be renewed for periods not to exceed five years.

[remainder of page intentionally blank]

ADOPTED THIS 6th DAY OF APRIL, 2020 at a special meeting of the Frio County Commissioners Court.



ARNULFO C. LUNA
COUNTY JUDGE



VICKIE CAMACHO
PRECINCT 1 COMMISSIONER



RICHARD GRAF
PRECINCT 2 COMMISSIONER



RUBEN MALDONADO
PRECINCT 3 COMMISSIONER

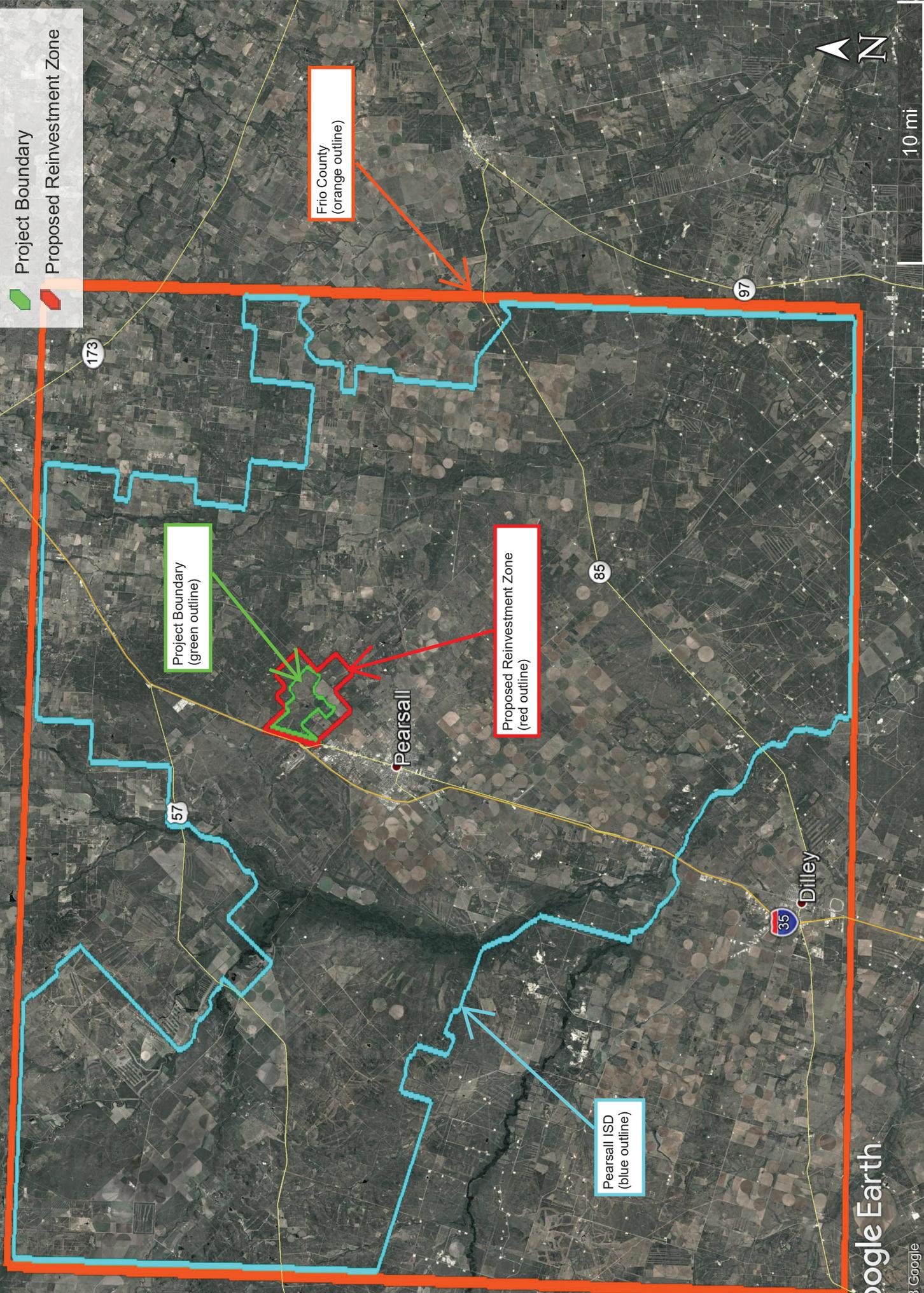
JOE ASUNCION
PRECINCT 4 COMMISSIONER

Morrow Lake Solar, LLC

Amendment One (8/30/2019)

Legend

- Frio County
- Pearsall ISD
- Project Boundary
- Proposed Reinvestment Zone



Frio County
(orange outline)

Project Boundary
(green outline)

Proposed Reinvestment Zone
(red outline)

Pearsall ISD
(blue outline)

Morrow Lake Solar, LLC

Amendment One [03/01/2018]

Legend

Project Boundary

Proposed Reinvestment Zone



Project Boundary
(green outline)

Proposed Reinvestment Zone
(red outline)

North Pearsall

35

2779

Google Earth

© 2018 Google



2 mi

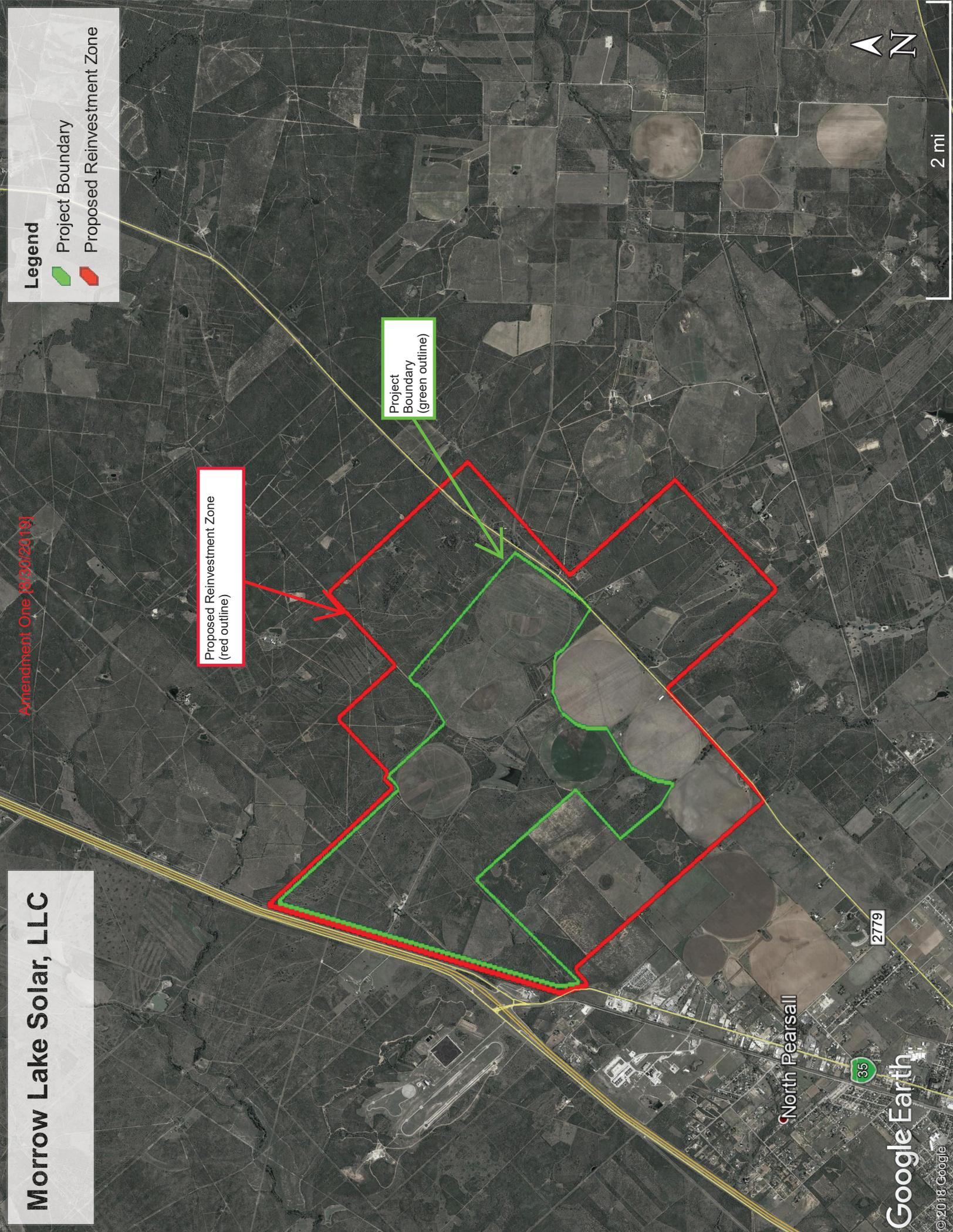


EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

All Qualified Property will be located within the Reinvestment Zone described in Exhibit 1, above.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Morrow Lake Solar, LLC is a proposed solar electric generating facility anticipated to be established in Frio County, Texas. The facility will be located in a reinvestment zone of approximately 4,600 acres located in the north-central portion of the county. Additionally, the entirety of the project will be within Pearsall ISD. Please find attached in Tab 11 maps that further define the location of the facility. Additionally, this application covers all qualified property in the reinvestment zone and project boundary within Pearsall ISD.

The facility itself is expected to have a total capacity of 200 MW-AC and will feature 697,728 photovoltaic panels, 68 central inverters, and a 72 MW-AC battery storage system. Construction is anticipated to commence in August 2020 and will be complete by July 2021, when the plant will also be fully operational.

Please note: the battery storage will only be used for the storage of energy generated directly from Morrow Lake Solar, LLC via the equipment associated with the project. The batteries will not be storing power pulled from the grid.

Morrow Lake Solar, LLC requests that this application includes but is not limited to the following components of this project:

- Solar Modules & Panels
- Inverter Boxes
- Meteorological Equipment
- Operation & Maintenance Building(s)
- Electrical Substations
- Associated Towers
- Battery Storage System
- Racking and Mounting Structures
- Combiner Boxes
- Foundations
- Roadways, Paving, & Fencing
- Generation Transmission Tie Line
- Interconnection Facilities

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Morrow Lake Solar, LLC is a proposed solar electric generating facility anticipated to be established in Frio County, Texas. The facility will be located in a reinvestment zone of approximately 4,600 acres located in the north-central portion of the county. Additionally, the entirety of the project will be within Pearsall ISD. Please find attached in Tab 11 maps that further define the location of the facility. Additionally, this application covers all qualified property in the reinvestment zone and project boundary within Pearsall ISD.

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- Roadways, Paving, & Fencing
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- Interconnection Facilities

EXHIBIT 5

AGREEMENT SCHEDULE

	Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary of Description
Limitation Pre-Year(s)	1	January 1, 2020	2020-21	2020	Limitation Pre-Year; QTP Begins January 2, 2020
	2	January 1, 2021	2021-22	2021	Limitation Pre-Year; full QTP year #1
Limitation Period (10 Years)	3	January 1, 2022	2022-23	2022	\$30 Million appraisal limitation; full QTP year #2; QTP Ends December 31, 2022
	4	January 1, 2023	2023-24	2023	\$30 Million appraisal limitation
	5	January 1, 2024	2024-25	2024	\$30 Million appraisal limitation
	6	January 1, 2025	2025-26	2025	\$30 Million appraisal limitation
	7	January 1, 2026	2026-27	2026	\$30 Million appraisal limitation
	8	January 1, 2027	2027-28	2027	\$30 Million appraisal limitation
	9	January 1, 2028	2028-29	2028	\$30 Million appraisal limitation
	10	January 1, 2029	2029-30	2029	\$30 Million appraisal limitation
	11	January 1, 2030	2030-31	2030	\$30 Million appraisal limitation
	12	January 1, 2031	2031-32	2031	\$30 Million appraisal limitation; Limitation Period Ends December 31, 2031
Maintain Viable Presence	13	January 1, 2032	2032-33	2032	No appraisal limitation; must maintain viable presence
	14	January 1, 2033	2033-34	2033	No appraisal limitation; must maintain viable presence
	15	January 1, 2034	2034-35	2034	No appraisal limitation; must maintain viable presence
	16	January 1, 2035	2035-36	2035	No appraisal limitation; must Maintain viable presence.
	17	January 1, 2036	2036-37	2036	No appraisal limitation; must maintain viable presence; Final Termination Date: December 31, 2036.

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between PEARSALL INDEPENDENT SCHOOL
DISTRICT and MORROW LAKE SOLAR, LLC

EXHIBIT E

Comptroller's Franchise Tax Account Status



Franchise Tax Account Status

As of : 05/12/2020 23:08:00

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

MORROW LAKE SOLAR, LLC	
Texas Taxpayer Number	32065325428
Mailing Address	3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306-2116
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	11/03/2017
Texas SOS File Number	0802853345
Registered Agent Name	CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701