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June 2, 2020

KEVIN O'HANLON

CERTIFIED, CIVIL APPELATE

CERTIFIED, CIVIL TRIAL

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

RE: Value Limitation Agreement between Columbia-Brazoria Independent School District
and TX Gulf Solar LLC 1 LLC (#1429)

To the Local Government Assistance & Economic Analysis Division:

Enclosed please find a final copy each of the materials submitted to, and approved by, the Columbia-Brazoria ISD Board of Trustees on May 12, 2020. The package contains a copy each of the Findings entered by the Board. A fully executed set of originals of these documents will be maintained in the Board's records. Attached to each of the Findings, please find 1) a copy of the Application; 2) a copy of the Comptroller's appraisal of the project; 3) a copy of the economic impact study; 4) a copy of the financial impact study; and, 5) the final participation agreement.

Please do not hesitate to call with any questions.

Sincerely,

William Eggleston

Legal Assistant to Kevin O'Hanlon

**FINDINGS OF THE COLUMBIA-BRAZORIA
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
TX GULF SOLAR 1 LLC (#1429)**



May 12, 2020

**FINDINGS OF THE
COLUMBIA-BRAZORIA INDEPENDENT SCHOOL
DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
TX GULF SOLAR 1 LLC (#1429)**

MAY 12, 2020

FINDINGS OF THE COLUMBIA-BRAZORIA
INDEPENDENT SCHOOL DISTRICT BOARD OF
TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
TX GULF SOLAR 1 LLC (#1429)

STATE OF TEXAS §

COUNTY OF BRAZORIA §

On the 12th day of May 2020, a public meeting of the Board of Trustees of the Columbia-Brazoria 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 of Trustees took up and considered the application of TX Gulf Solar 1 LLC (“Applicant”) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District’s administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On September 17, 2019, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts (“Comptroller”) received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Application was determined to be complete as of December 5, 2019. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32065449046), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

The Board of Trustees acknowledged receipt of the Application, along with the requisite application fee, established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Brazoria County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on February 4, 2020 in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project 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; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

The Board of Trustees has previously directed that a specific financial analysis be conducted concerning the impact of the proposed value limitation on the finances of District. A copy of the report prepared by Moak, Casey & Associates, Inc., is attached to these findings as **Attachment D**.

The Board of Trustees has confirmed that the taxable value of property in the District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in **Attachment E**.

The Texas Education Agency has evaluated the impact of the project on the District's facilities. TEA's determination is to be attached to these findings as **Attachment F**.

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's Certificate and economic analysis, and in consideration of its own studies the Board finds:

Board Finding Number 1.

The Board finds that the property described in the Application meets the requirements of Tex. Tax Code §313.024 for eligibility for a limitation on appraised value.

In support of Finding 1, the Application indicates that:

The Applicant, TX Gulf Solar 1 LLC, is requesting an appraised value limitation from Columbia-Brazoria ISD for a proposed solar energy project located in Brazoria County. The project proposes the design and construction of a solar energy facility, and associated infrastructure, with an approximate total generation capacity of 100 megawatts AC. The exact number of solar panels will vary depending on the panels and inverters selected, manufacturer's availability and pricing, ongoing engineering design optimization, and the final megawatt generating capacity of the Project when completed, however, the Project anticipates using 343,000 modules and 115 inverters. While exact equipment suppliers have not yet been chosen, the Project will utilize top-tier suppliers with proven track records and quality standards. The Project will include: solar modules/panels; racking, mounting, and tracking structures; inverter boxes; combiner boxes; meteorological equipment; piles and/or foundations; an equipment/storage shed; roadways, paving, and fencing; a collection system; electrical substations and switchyards; generation transmission tie line and associated towers; and interconnection facilities.

Property used for renewable energy electric generation is eligible for a limitation under §313.024(b)(5).

Board Finding Number 2.

The project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement (as detailed in Attachment B of the Comptroller's Certification).

Board Finding Number 3.

Based on the information certified by the Comptroller, the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state (as detailed in Attachment C of the Comptroller's Certification).

Board Finding Number 4.

The Board finds that the Application Fee received was reasonable and only in such an amount as was necessary to cover the District's costs of processing the Application under consideration.

In support of Finding 4, the Board reviewed the Application Fee payment included in the Application at Attachment A, the contract with the District's consultants and the internal costs for processing the application, if any.

Board Finding Number 5.

Based upon the Application and in the Comptroller's Economic Impact Evaluation and Certification, Attachment A, the Board finds that the number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Board further finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions and information related to job creation requirements, to wit: the provisions set forth in Subsections 9.1C&D of such Agreement.

In its Application, the Applicant has committed to creating two (2) new qualifying jobs. The average salary level of qualifying jobs must be at least \$68,100 per year. The review of the application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

- (A) requires at least 1,600 hours of work a year;
- (B) is not transferred from one area in this state to another area in this state;
- (C) is not created to replace a previous employee;
- (D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-

- only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and
- (E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Board Finding Number 6.

Based upon the information provided to the District with regard to the industry standard for staffing ratios of similar projects in the State of Texas, the District has determined that if the job creation requirement set forth in Texas Tax Code § 313.021(2)(A)(iv)(b) was applied, for the size and scope of the project described in the Application, the required number of jobs meets or exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

Board Finding Number 7.

The Applicant does not intend to create any non-qualifying jobs.

In its Application, Applicant has indicated that it does not intend to create any non-qualifying jobs. For any non-qualifying jobs the Applicant should create, the Applicant will be required to pay at least the county average wage of \$59,267 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

Board Finding Number 8.

The revenue gains that will be realized by the school district if the Application is approved will be significant in the long-term, with special reference to revenues used for supporting school district debt.

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$58.75 million to the tax base that would be available for debt service purposes at the peak investment level for the 2023-24 school year. Local taxpayers would receive a modest benefit from the addition of the Brazoria West Solar Project to the local I&S tax roll in the early years of the project. Without the project in place, the District's wealth per ADA already exceeds the level of support available from the state's facilities programs (Existing Debt Allotment (EDA) and Instructional Facilities

Allotment (IFA) programs). Any additional I&S tax base growth associated with the project provides a benefit to local taxpayers.

Board Finding Number 9.

The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District's facility needs, with current trends suggest little underlying enrollment growth based on the impact of the project.

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will be little to no impact on school facilities created by the new project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in the District as stated in **Attachment F**.

Board Finding Number 10.

The Board finds that with the adoption of District Policy CCGB (Local), implemented in conformance with both Comptroller and Texas Education Agency Rules governing Chapter 313 Agreements, it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.

Board Finding Number 11.

The Board of Trustees hired consultants to review and verify the information in the Application. Based upon the consultants' review, the Board has determined that the information provided by the Applicant is true and correct.

The Board has developed a written policy CCGB (Local) which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially

reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

As a part of its verification process the Board notes that the Chapter 313 Application for which these Findings are being made has been submitted by the Applicant under oath. Chapter 313 Applications are governmental records under Tex. Penal Code §37.01(2)(A); as a result, all statements contained therein are representations of fact within the meaning of Tex. Penal Code § 37.01(3). Since Board action upon the adoption of these Findings and the approval of the Chapter 313 Tax Limitation Agreement (**Attachment G**) is an "official proceeding," a false statement on a Chapter 313 application constitutes perjury under Tex. Penal Code § 37.03.

The Board finds that sworn statements are routinely used as an acceptable verification method for reliance by fact finders in each of the three separate branches of government, including trials.

The consultants have prepared signed statements that the consultants have reviewed and verified the contents of the Application and have determined that the current statements of fact contained in the Application are true and correct. (**Attachment H**) The Board finds that reliance by the Board and its consultants upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified is reasonable and within the intent of Chapter 313, Texas Tax Code.

Board Finding Number 12.

The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Thirty Million Dollars, which is consistent with the minimum values currently set out by Tax Code, Chapter 313.

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller's Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in

Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2018 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year (**Attachment E**), the total industrial value for the District is \$347.5 million. The District is categorized as Subchapter C, Category I district, which can offer a minimum value limitation of \$30 million.

Board Finding Number 13.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all necessary provisions and information related to establishing the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement.

The Board relies on the certifications of its consultants and the Comptroller's Approval of the Agreement form to make this Finding. (**Attachment I**)

Board Finding Number 14.

The Applicant (Taxpayer No. 32065449046) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32065449046), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 15.

The project will be located within an area that is designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code.

Board Finding Number 16.

The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District, and such provisions comply with the specific terms of Texas Tax Code, Chapter 313.

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the second year that the value limitation is in effect without the proposed Agreement under current law. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. The Agreement contains adequate revenue protection measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (**Attachment H**)

Board Finding Number 17.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.

Board Finding Number 18.

The Board finds that there are no conflicts of interest at the time of considering the agreement.

The Board finds that with the adoption of District Policies BBFA and BBFB, both (Legal) and (Local), set forth at <https://pol.tasb.org/Home/Index/221> that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

In addition, at the public hearing, the Board caused the statement set forth in **Attachment J** to be read into the public record and that only Board members audibly responding that no conflict of interest existed either deliberated or voted on the Tax Limitation Agreement, these Findings or any matter relating to the Application upon which these Findings have been premised.

The Board finds that with the adoption of District Policies DBD, DGA, DH, and BBFB, both (Legal) and (Local) that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 19.

The Board directs that a link on its Web site to the Comptroller's Office's Web site where appraisal limitation related documents are made available to the public.

Board Finding Number 20.

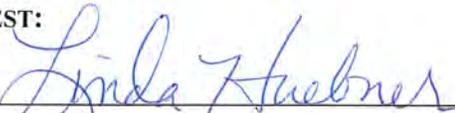
Considering the purpose and effect of the law and the terms of the Agreement, that it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the District.

Dated the 12th day of May 2020.

COLUMBIA-BRAZORIA INDEPENDENT SCHOOL DISTRICT

By: 
Jonathan Champagne
President, Board of Trustees

ATTEST:
By: 
Linda Huebner
Secretary, Board of Trustees

Attachment A
Application

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

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

September 20, 2019

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

RE: Application to the Columbia-Brazoria Independent School District from TX Gulf Solar I LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Columbia-Brazoria Independent School District is notifying TX Gulf Solar I LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. Please prepare the Economic Impact Report.

The Applicant submitted the Application to the school district on September 17, 2019. The Board voted to accept the application on September 17, 2019. The application has been determined complete as of September 20, 2019. The Applicant has provided the schedules in both electronic format and paper copies. The electronic copy is identical to the hard copy that will be hand delivered.

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

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Brazoria County Appraisal District
TX Gulf Solar I LLC

TX GULF SOLAR 1 LLC

**CHAPTER 313 APPLICATION
FOR APPRAISED VALUE LIMITATION
TO COLUMBIA-BRAZORIA ISD**

Comptroller

TAB 1

Pages 1 through 7 of 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

September 17, 2019
Date Application Received by District

Steven
First Name

Galloway
Last Name

Superintendent
Title

Columbia-Brazoria ISD
School District Name

520 S. 16th Street
Street Address

West Columbia
Mailing Address
City

TX 77486
State ZIP

979-345-5147
Phone Number

Fax Number
Email Address

Mobile Number (optional)

steven.galloway@cbisd.com

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)

<u>Dan</u> First Name	<u>Casey</u> Last Name
<u>Partner</u> Title	
<u>Moak Casey and Associates LLP</u> Firm Name	
<u>512-485-7878</u> Phone Number	<u>512-485-7888</u> Fax Number
	<u>dcasey@moakcasey.com</u> Email Address
<u>Mobile Number (optional)</u>	

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

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

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

<u>Andrew</u> First Name	<u>Murray</u> Last Name
<u>Authorized Signatory</u> Title	<u>TX Gulf Solar 1 LLC</u> Organization
<u>1088 Sansome Street</u> Street Address	
<u>1088 Sansome Street</u> Mailing Address	
<u>San Francisco</u> City	<u>CA</u> State
<u>415-283-4000</u> Phone Number	<u>94111</u> ZIP
	<u>415-362-7900</u> Fax Number
	<u>generalcounsel@patternenergy.com</u> Business Email Address
<u>Mobile Number (optional)</u>	

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.

<u>Kevin</u> First Name	<u>Wetzel</u> Last Name
<u>Senior Manager, Project Development</u> Title	<u>Pattern Energy Group 2 LP</u> Organization
<u>1088 Sansome St</u> Street Address	
<u>1088 Sansome St</u> Mailing Address	
<u>San Francisco</u> City	<u>CA</u> State
<u>415-670-5227</u> Phone Number	<u>94111</u> ZIP
	<u>Kevin.wetzel@patternenergy.com</u> Business Email Address
<u>Mobile Number (optional)</u>	

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)

Steven Van Dyck
First Name Last Name
Consultant
Title
Cummings Westlake LLC
Firm Name
713-266-4456 713-266-2333
Phone Number Fax Number
svandyck@cwlp.net
Business Email Address

SECTION 3: Fees and Payments

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

SECTION 4: Business Applicant Information

- 1. What is the legal name of the applicant under which this application is made? TX Gulf Solar 1 LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32065449046
3. List the NAICS code 221114
4. Is the applicant a party to any other pending or active Chapter 313 agreements? [] Yes [checked] No
4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

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

[Empty box for explanation of tax delinquencies or litigation]

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 February 2020
- 2. Commencement of construction Q2 2021
- 3. Beginning of qualifying time period June 1, 2021
- 4. First year of limitation January 1, 2023
- 5. Begin hiring new employees December 2022
- 6. Commencement of commercial operations December 2022
- 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? Yes No
Note: Improvements made before that time may not be considered qualified property.
- 8. When do you anticipate the new buildings or improvements will be placed in service? December 2022

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Brazoria County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Brazoria 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: Brazoria County; 100%; .367914 City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: N/A Water District: W Brazoria Ct Drainage Dist; 100%; .0200
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): See Tab 6 Other (describe): See Tab 6
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
- 5. Is the project located entirely within the ISD listed in Section 1? Yes No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
- 6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000.00
- 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 [X] 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 [X] 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?

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 1,138.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 2,465.38
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,309.61

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? 68,100.00

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 68,100.00

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

12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).

13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

TAB 2

Proof of Payment of Application Fee

Please find on the attached page, a copy of the check for the \$75,000 application fee paid to Columbia-Brazoria ISD.

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

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

TAB 3

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

Not Applicable

TAB 4

Detailed Description of the Project

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

Pattern Energy Group 2 LP is requesting an appraised value limitation from Columbia-Brazoria Independent School District (ISD) for TX Solar Gulf 1 LLC's solar project (the "Project") a proposed solar powered electric generating facility in Brazoria County. The proposed Columbia-Brazoria ISD Project (this application) will be constructed within a Brazoria County Solar Reinvestment Zone that will be established by Brazoria County Commissioners Court in September 2019. A map showing the location of the project is included in TAB 11.

The proposed Project is anticipated to have a total capacity of 100 MWac located in Brazoria County. Solar equipment selection is ongoing at this time and has not been finalized. The exact number of solar panels will vary depending upon the panels and inverters selected, manufacturer's availability and prices, ongoing engineering design optimization, and the final megawatt generating capacity of the Project when completed. While exact equipment suppliers have not yet been chosen, the project will utilize top tier suppliers with proven track records and quality standards. The proposed project will include, but is not limited to, the following types of equipment, as is standard with utility scale solar projects:

- Solar modules/panels;
- Racking, mounting, and tracking structures;
- Inverters boxes;
- Combiner boxes;
- Meteorological equipment;
- Piles and/or foundations;
- Equipment/storage shed;
- Roadways, paving and fencing;
- Collection system;
- Electrical substations and switchyards;
- Generation transmission tie line and associated towers, and interconnection facilities.

TAB 5

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

Pattern Energy Group 2 LP (Pattern Development) is a leading U.S.-based independent renewable energy developer with nearly 8,900MW of generating capacity pipeline across United States, Canada, Mexico, and Japan. Pattern Development's highly-experienced team has brought more than 5,500 MW of wind power to market, with 360 MW additional operational capacity being added in 2018

Pattern Development's affiliate company, Pattern Energy Group Inc. (PEG), (NASDAQ: PEGI and TSX: PEG) is an independent power company with 20 renewable energy facilities with an operating fleet capacity of +3,500 MW.

PEG produces all of its electricity from clean and renewable sources, including wind and solar. PEG has a strong commitment to delivering the highest value for its partners and the communities where we work while promoting environmental stewardship and corporate responsibility. PEG has a long-term commitment to both wind and solar with an outlook to significantly expand its fleet of clean energy generating capacity.

Pattern Development is keen to develop and build the proposed for TX Solar Gulf 1 LLC's solar farm project (the "Project") as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar solar projects.

Pattern Development is active in states throughout the central and southwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to its customers and making its investment more viable and marketable. Pattern Development has over 50 wind and solar sites in development throughout the country and is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Pattern Development currently has ongoing project developments in many states, including but not limited to, New Mexico, Illinois, Ohio, Montana, Texas, Colorado, Georgia, California, Arizona, Pennsylvania and South Dakota.

Due to the extremely competitive power market in ERCOT most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A

competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Applicant has not entered into any agreements, contracts, or letters of intent related to the proposed project except that Applicant has entered into an option to lease the proposed project site from the current landowner.

Applicant submitted an application to ERCOT for the project and received a GINR number of 20INR0248 and was received in February of 2019.

TAB 6

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

<u>JURISDICTION</u>	<u>2018 TAX RATE</u>	<u>DISTRICT %</u>
1) Brazoria County	\$.367914	100%
2) Columbia-Brazoria ISD	\$1.258059	100%
3) West Brazoria Cty Drainage Dist. #11	\$.020000	100%
4) Brazoria County Emergency #1	\$.079114	100%
5) Brazoria County Emergency #2	\$.084704	100%
6) Port Freeport	\$.040000	100%
7) Road and Bridge Fund	\$.060000	100%

TAB 7

Description of Qualified Investment

TX Gulf Solar 1 LLC plans to construct a 100 MW solar farm in Brazoria County.

This application covers all qualified property within Columbia-Brazoria ISD necessary for the commercial operations of the proposed solar farm described in Tab 4. All panels will be located in Columbia-Brazoria ISD. Panel placement is subject to change but for purposes of this application, the Project anticipates using 343,000 modules and 115 inverters.

This application covers all qualified investment and qualified property necessary for the commercial operations of the solar farm.

Qualified Investment and qualified property include, but is not limited to, collection systems, transmission lines, electrical interconnections, roads, control systems necessary for commercial generation of electricity, solar modules/panels, foundations, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, roadways, Equipment/storage shed, paving, fencing, electrical substations, generation transmission tie line and associated towers, and interconnection facilities and control systems necessary for commercial generation of electricity.

TAB 8

Description of Qualified Property

TX Gulf Solar 1 LLC plans to construct a 100 MW solar farm in Brazoria County.

This application covers all qualified property within Columbia-Brazoria ISD necessary for the commercial operations of the proposed solar farm described in Tab 4. All panels will be located in Columbia-Brazoria ISD. Panel placement is subject to change but for purposes of this application, the Project anticipates using 343,000 modules and 115 inverters.

This application covers all qualified investment and qualified property necessary for the commercial operations of the solar farm.

Qualified Investment and qualified property include, but is not limited to, collection systems, transmission lines, electrical interconnections, roads, control systems necessary for commercial generation of electricity, solar modules/panels, foundations, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, roadways, Equipment/storage shed, paving, fencing, electrical substations, generation transmission tie line and associated towers, and interconnection facilities and control systems necessary for commercial generation of electricity.

TAB 9

Description of Land

Not Applicable

TAB 10

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

Not Applicable

TAB 11

Maps that clearly show:

- a) Project vicinity
- b) Qualified investment including location of new building or new improvements
- c) Qualified property including location of new building or new improvements
- d) Existing property
- e) Land location within vicinity map
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size

Second Division Solar

BRAZORIA COUNTY,
TEXAS

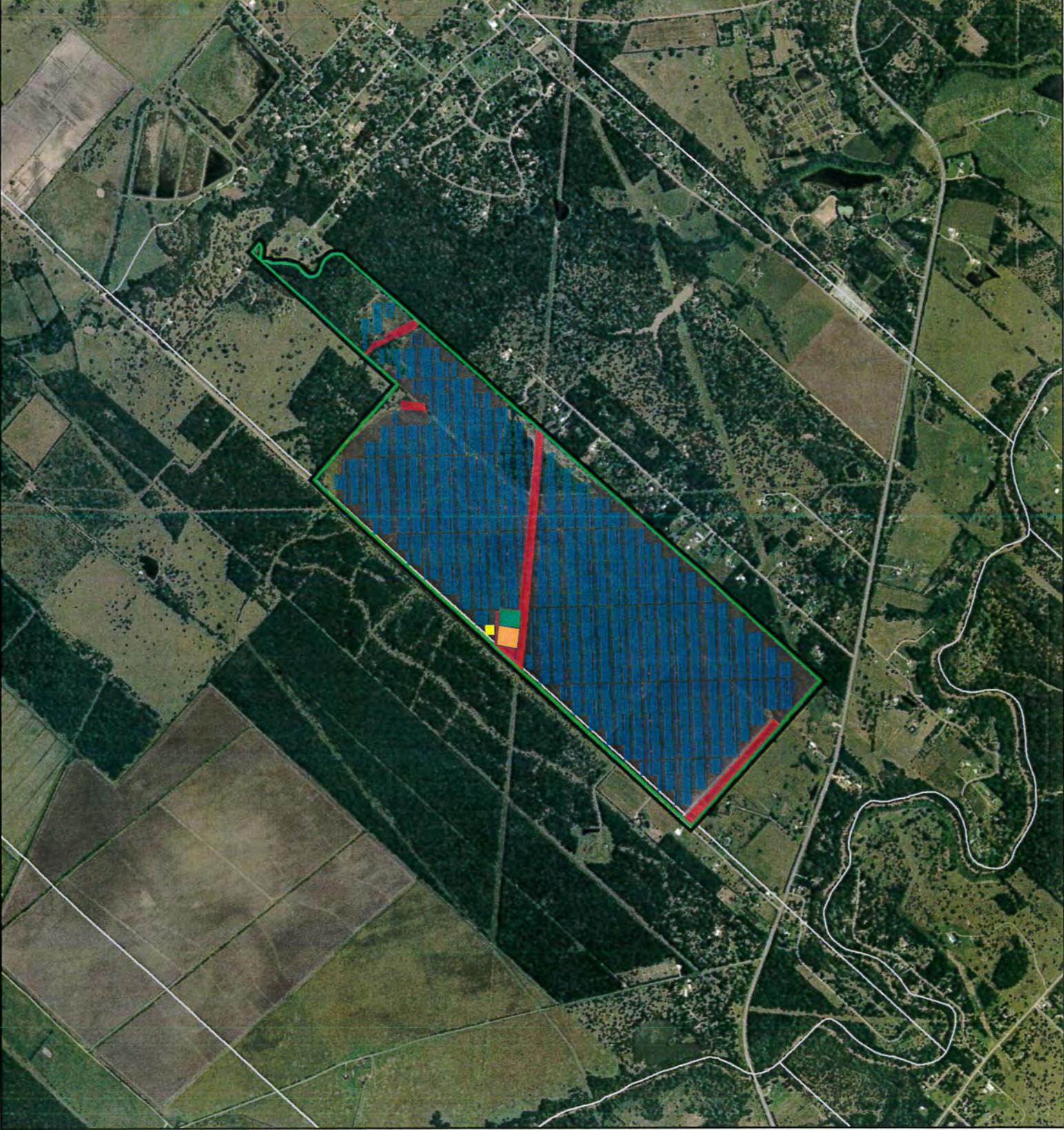
PROJECT LAYOUT

HORAK,
DUSTIN T., RODNEY J., & KEVIN J.
APPROX. 700 ACRES

- Storage Shed
- Project Boundary
- Switchyard 2.7 AC.
- Substation 2.4 AC.
- XFMRS
- Exclusion Zones 37.5 AC
- Racks & Panels
- Texas Land Survey
- Proposed Reinvestment Zone Boundary



Date: 8/27/2019

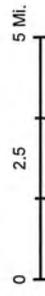


Second Division Solar

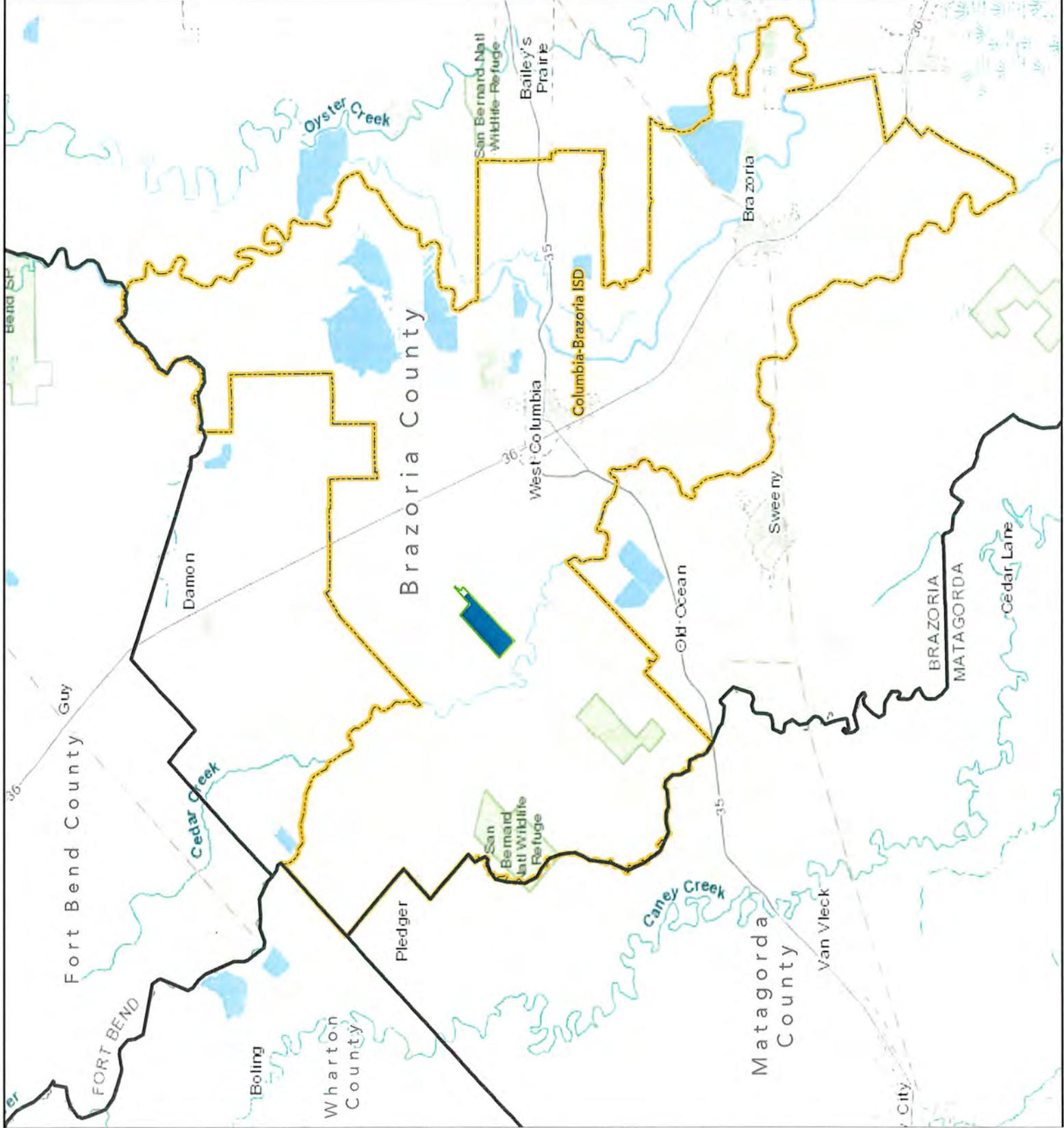
BRAZORIA COUNTY,
TEXAS

VICINITY MAP

- PROJECT AREA & REINVESTMENT ZONE
- COUNTY BOUNDARY
- SCHOOL DISTRICT BOUNDARY



Date: 8/27/2019



TAB 12

Request for Waiver of Job Creation Requirement and supporting information (if applicable)

See Attached



CUMINGS WESTLAKE
PROPERTY TAX ADVISORS

August 2, 2019

Ms. Steven Galloway
Columbia-Brazoria Independent School District
520 S. 16th Street
West Columbia, Tx 77486

Re: Chapter 313 Job Waiver Request

Dear Mr. Galloway,

TX Gulf Solar 1 LLC requests that the Columbia-Brazoria Independent School District of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the 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 of the property owner that is described in the application.

TX Gulf Solar 1 LLC requests that the Columbia-Brazoria Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, TX Gulf Solar 1 LLC has committed to create 2 total jobs for the project which will be in Columbia-Brazoria Independent School District.

Solar projects create a large number of full and part-time, but temporary jobs during the construction phase of the project, but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The number of jobs committed to in this application is in line with the industry standards for a project this size. This is evidenced by previously filed limitation agreement applications by solar developers who also requested a waiver of job requirements. In addition, there are educational materials and other documentation that also suggest that TX Gulf Solar 1 LLC has the appropriate number of jobs for this project at one permanent job per 75MW – 100MW of installed capacity. The permanent employees of a solar project maintain, and service solar panels, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,

Steven Van Dyck
Consultant

12837 Louetta Road, Suite 201 | Cypress, Texas 77429-5611

P: 713.266.4456 W: cwlp.net

TAB 13

Calculation of three possible wage requirements with TWC documentation

- Brazoria County average weekly wage for all jobs (all industries)
- Brazoria County average weekly wage for all jobs (manufacturing)
- See attached Council of Governments Regional Wage Calculation and Documentation

**TX GULF SOLAR 1 LLC
TAB 13 TO CHAPTER 313 APPLICATION**

**BRAZORIA COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2019	\$ 1,211	\$ 62,972
SECOND	2018	\$ 1,097	\$ 57,044
THIRD	2018	\$ 1,100	\$ 57,200
FOURTH	2018	\$ 1,147	\$ 59,644
AVERAGE		\$ 1,138.75	\$ 59,215

**BRAZORIA COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2019	\$ 2,666	\$ 138,632
SECOND	2018	\$ 2,108	\$ 109,616
THIRD	2018	\$ 2,077	\$ 108,004
FOURTH	2018	\$ 2,114	\$ 109,928
AVERAGE		\$ 2,241	\$ 116,545
		X 110%	110%
		\$ 2,465.38	\$ 128,199.50

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
HOUSTON-GALVESTON	2018	\$ 1,191	\$ 61,909
		X 110%	110%
		\$ 1,309.61	\$ 68,100

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	02	Brazoria	Private	31-33	Manufacturing	2,108
2018	03	Brazoria	Private	31-33	Manufacturing	2,077
2018	04	Brazoria	Private	31-33	Manufacturing	2,114
2019	01	Brazoria	Private	31-33	Manufacturing	2,666

Quarterly Employment and Wages (QCEW)

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	02	Brazoria	Total All	10	Total, All Industries	1,097
2018	03	Brazoria	Total All	10	Total, All Industries	1,100
2018	04	Brazoria	Total All	10	Total, All Industries	1,147
2019	01	Brazoria	Total All	10	Total, All Industries	1,211

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

COG	COG Number	Wages	
		Hourly	Annual
Texas		\$27.04	\$56,240
Alamo Area Council of Governments	18	\$22.80	\$47,428
Ark-Tex Council of Governments	5	\$18.73	\$38,962
Brazos Valley Council of Governments	13	\$18.16	\$37,783
Capital Area Council of Governments	12	\$32.36	\$67,318
Central Texas Council of Governments	23	\$19.60	\$40,771
Coastal Bend Council of Governments	20	\$28.52	\$59,318
Concho Valley Council of Governments	10	\$21.09	\$43,874
Deep East Texas Council of Governments	14	\$18.28	\$38,021
East Texas Council of Governments	6	\$21.45	\$44,616
Golden Crescent Regional Planning Commission	17	\$28.56	\$59,412
Heart of Texas Council of Governments	11	\$22.71	\$47,245
Houston-Galveston Area Council	16	\$29.76	\$61,909
Lower Rio Grande Valley Development Council	21	\$17.21	\$35,804
Middle Rio Grande Development Council	24	\$20.48	\$42,604
NORTEX Regional Planning Commission	3	\$25.14	\$52,284
North Central Texas Council of Governments	4	\$27.93	\$58,094
Panhandle Regional Planning Commission	1	\$24.19	\$50,314
Permian Basin Regional Planning Commission	9	\$25.90	\$53,882
Rio Grande Council of Governments	8	\$18.51	\$38,493
South East Texas Regional Planning Commission	15	\$36.26	\$75,430
South Plains Association of Governments	2	\$20.04	\$41,691
South Texas Development Council	19	\$17.83	\$37,088
Texoma Council of Governments	22	\$21.73	\$45,198
West Central Texas Council of Governments	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, A2, B, C and D completed and signed Economic Impact (if applicable)

See attached Schedules A1, A2, B, C and D

PROPERTY INVESTMENT AMOUNTS
(Estimated investment in each year. Do not put cumulative totals.)

Year	School Year (YYYY-YYYY)	Tax Year (YYYY-YYYY) (Fill in actual tax year below)	Column A	Column B	Column C	Column D	Column E
			New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	-		Not eligible to become Qualified Property				0
Investment made after filing complete application with district, but before final board approval of application		2020	0	0	0	0	0
Investment made after final board approval of application with district, but before final board approval of application			0	0	0	0	0
Investment made after final board approval of application with district, but before final board approval of application	Deferral	2021	60,000,000	0	0	0	60,000,000
Complete tax years of qualifying time period		2022	25,000,000	100,000	0	0	30,000,000
		2023	0	0	0	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]			89,000,000	100,000	0	0	90,000,000
Total Qualified Investment (sum of green cells)			90,000,000	Enter amounts from TOTAL row above in Schedule A2			

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

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

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

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAG 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.

PROPERTY INVESTMENT AMOUNTS (Estimated investment in each year. Do not put cumulative totals.)										
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A			Column B		Column C	Column D	Column E
			New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will not become Qualified Property (SEE NOTE)	Other investment made during this year that will become Qualified Property (SEE NOTE)	Total Investment (A+B+C+D)			
Total Investment from Schedule A1*			89,900,000	100,000	0	0	0	90,000,000		
Each year prior to start of value limitation period** <small>(Insert in many rows as necessary)</small>			0	0	0	0	0	0	0	
Value limitation period***			0	0	0	0	0	0	0	
Additional years for 25 year economic impact as required by 315.026(c)(1)			0	0	0	0	0	0	0	
Total Investment made through limitation			89,900,000	100,000	0	0	0	90,000,000		
Continue to maintain viable presence			0	0	0	0	0	0	0	
Additional years for 25 year economic impact as required by 315.026(c)(1)			0	0	0	0	0	0	0	

* All investments made through the qualifying time period are captured and totaled on Schedule A1 (blue box) and incorporated into this schedule in the first row.
 ** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "Year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.
 *** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were not captured on Schedule A1.
 For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.
 Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
 Column B: Only tangible personal property that is specifically described in the application can become qualified property.
 Column C: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.
 Column D: Dollar value of other investment that will not become qualified property include investment meeting the definition of 315.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.
 Column E: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Qualified Property		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	Estimated Taxable Value	
				Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of new buildings or other new improvements			Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
0	2022-2023	2022		0	0	30,000,000	30,000,000	30,000,000	30,000,000
1	2023-2024	2023	0	100,000	0	58,653,000	58,753,000	58,753,000	30,000,000
2	2024-2025	2024	0	97,500	0	53,953,200	54,050,700	54,050,700	30,000,000
3	2025-2026	2025	0	95,100	0	48,881,700	48,976,800	48,976,800	30,000,000
4	2026-2027	2026	0	92,700	0	43,400,700	43,493,400	43,493,400	30,000,000
5	2027-2028	2027	0	90,400	0	37,485,000	37,575,400	37,575,400	30,000,000
6	2028-2029	2028	0	88,100	0	31,096,800	31,184,900	31,184,900	30,000,000
7	2029-2030	2029	0	85,900	0	24,198,300	24,284,200	24,284,200	24,284,200
8	2030-2031	2030	0	83,800	0	16,745,400	16,829,200	16,829,200	16,829,200
9	2031-2032	2031	0	81,700	0	12,600,000	12,681,700	12,681,700	12,681,700
10	2032-2033	2032	0	79,700	0	12,600,000	12,679,700	12,679,700	12,679,700
11	2033-2034	2033	0	77,700	0	12,600,000	12,677,700	12,677,700	12,677,700
12	2034-2035	2034	0	75,800	0	12,600,000	12,675,800	12,675,800	12,675,800
13	2035-2036	2035	0	73,900	0	12,600,000	12,673,900	12,673,900	12,673,900
14	2036-2037	2036	0	72,100	0	12,600,000	12,672,100	12,672,100	12,672,100
15	2037-2038	2037	0	70,300	0	12,600,000	12,670,300	12,670,300	12,670,300
16	2038-2039	2038	0	68,500	0	12,600,000	12,668,500	12,668,500	12,668,500
17	2039-2040	2039	0	66,800	0	12,600,000	12,666,800	12,666,800	12,666,800
18	2040-2041	2040	0	65,100	0	12,600,000	12,665,100	12,665,100	12,665,100
19	2041-2042	2041	0	63,500	0	12,600,000	12,663,500	12,663,500	12,663,500
20	2042-2043	2042	0	61,900	0	12,600,000	12,661,900	12,661,900	12,661,900
21	2043-2044	2043	0	60,400	0	11,970,000	12,030,400	12,030,400	12,030,400
22	2044-2045	2044	0	58,900	0	11,970,000	12,028,900	12,028,900	12,028,900
23	2045-2046	2045	0	57,400	0	11,970,000	12,027,400	12,027,400	12,027,400
24	2046-2047	2046	0	56,000	0	11,970,000	12,026,000	12,026,000	12,026,000
25	2047-2048	2047	0	54,600	0	11,970,000	12,024,600	12,024,600	12,024,600

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.

Date 9/17/2019

Applicant Name TX GULF SOLAR 1 LLC
 ISD Name COLUMBIA-BRAZORIA ISD

Schedule C: Employment Information

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B		Column C	Column D
				Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021	125 FTE	65,000	0	0	0
	0	2022-2023	2022	125 FTE	65,000	0	0	0
	1	2023-2024	2023	N/A	N/A	0	2	68,100
	2	2024-2025	2024	N/A	N/A	0	2	68,100
	3	2025-2026	2025	N/A	N/A	0	2	68,100
	4	2026-2027	2026	N/A	N/A	0	2	68,100
	5	2027-2028	2027	N/A	N/A	0	2	68,100
	6	2028-2029	2028	N/A	N/A	0	2	68,100
	7	2029-2030	2029	N/A	N/A	0	2	68,100
	8	2030-2031	2030	N/A	N/A	0	2	68,100
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	9	2031-2032	2031	N/A	N/A	0	2	68,100
	10	2032-2033	2032	N/A	N/A	0	2	68,100
	11 through 25	2033-2048	2033-2047	N/A	N/A	0	2	68,100

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

C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
 If yes, answer the following two questions:

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

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

Yes No

Yes No

Yes No

Schedule D: Other Incentives (Estimated)

Date: 9/17/2019
 Applicant Name: TX GULF SOLAR 1 LLC
 ISD Name: COLUMBIA-BRAZORIA 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: N/A City: N/A Other: N/A	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: N/A City: N/A Other: N/A	N/A	N/A	N/A	N/A	N/A
Local Government Code Chapters 380/381	County: Brazoria City: N/A Other: N/A	2023	7	ANNUAL AVG - \$156,793	SEE BELOW	ANNUAL AVG - \$30,166
Freepport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A	N/A	N/A	N/A
Texas Enterprise Fund	N/A	N/A	N/A	N/A	N/A	N/A
Employee Recruitment	N/A	N/A	N/A	N/A	N/A	N/A
Skills Development Fund	N/A	N/A	N/A	N/A	N/A	N/A
Training Facility Space and Equipment	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure Incentives	N/A	N/A	N/A	N/A	N/A	N/A
Permitting Assistance	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL				\$ 156,693		\$ 30,166

Additional information on incentives for this project:

Brazoria County Terms: TX Gulf Solar 1 LLC has applied for a 381 agreement the terms are 100% for years 1/2/3 75% for year 4 and 50% for years 5/6/7

TAB 15

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

None

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

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

16a) Not Applicable

16b) See Attached

16c) To be established by Brazoria County Commissioners Court at a later date

16d) Brazoria County Guidelines and Criteria attached

Exhibit A

Legal Description of the Property

Tract 1: 433.9764 Acres

433.9764 acres of land out of a called 968.36 acre tract in the Jessie Thompson League, Abstract No. 132, said 968.36 acre tract being recorded in Volume 426, Page 332, of the Deed Records of Brazoria County, Texas, described by metes and bounds as follows:

BEGINNING at an iron rod on the southerly right-of-way line of County Road No. 5, said iron rod also being located N 47 degrees 00' 34.4" W 1020.22 ft., N 45 degrees 03' 05.8" W 2120.93 ft. and S 44 degrees 16' 21.7" W 3787.43 ft. from an iron pipe on the easterly corner of a called 300.00 acre tract, as recorded in Volume 620, Page 514, of the Deed Records of Brazoria County, Texas;

THENCE S 44 degrees 26' 13" W along the southerly right-of-way line of County Road No. 5 for a distance of 8089.21 ft. to an iron rod for a corner;

THENCE S 45 degrees 49' 53.9" E for a distance of 2284.39 ft. to an iron rod for a corner;

THENCE N 43 degrees 40' 50.7" E for a distance of 8421.19 ft. to an iron rod for a corner;

THENCE N 37 degrees 43' 47" W for a distance of 1438.50 ft. to an iron rod for a corner;

THENCE N 01 degrees 17' 03.1" W for a distance of 921.51 ft. to the place of beginning containing 433.9764 acres of land, more or less.

Tract 2 259.357 Acres

FIELD NOTES FOR A 259.3570 ACRE TRACT OF LAND IN THE JESSE THOMPSON LEAGUE, ABSTRACT 132, BRAZORIA COUNTY, TEXAS, SAID 259.3570 ACRE TRACT BEING A PART OF A CALLED 300 ACRE TRACT BEING IN DEED TO MYRVIN GIFFORD AND DENNIS RAY GIFFORD BY VIRTUE OF HEIRSHIP AFFIDAVIT RECORDED IN VOLUME 698, PAGE 387, OFFICIAL RECORDS, BRAZORIA COUNTY, TEXAS. THE BASE BEARING FOR THE HEREIN DESCRIBED TRACT IS THE NORTHWEST LINE OF AN ADJOINING CALLED 110.7350 ACRE TRACT IN DEED TO LETITIA C. WOODWARD, RECORDED UNDER COUNTY CLERK'S FILE NO. 00-014008, OFFICE OF THE COUNTY CLERK, BRAZORIA COUNTY, TEXAS, SAID BEARING BEING NORTH 43 DEGREES 19 MINUTES 40 SECONDS EAST, SAME BEING A SOUTHEAST LINE OF THE HEREIN DESCRIBED 259.3570 ACRE TRACT;

COMMENCING at a 3/4 inch iron pipe found on the northerly right-of-way line of F.M. Highway 1301 being on the original southeast line of the aforementioned called 300 acre tract and being a west corner of an adjoining called 5.9152 acre tract in deed to Janis Faye Rhodes Maxey, recorded in Volume (85)316, Page 922, Official Records, Brazoria County, Texas, and also along the northwest line of an adjoining residue of a called 10.00 acre tract in deed to William Burl Jacob, recorded in Volume (85)175, Page 606, Official Records, Brazoria County, Texas;

THENCE North 43 degrees 17 minutes 54 seconds East along said line for a distance of 515.52 feet to a 1/2 inch iron pipe with cap marked "Kalkomey Surveying" set on said line for the south corner and Place of Beginning of the herein described 259.3570 acre tract of land;

THENCE North 43 degrees 17 minutes 54 seconds East along the southeast line of the herein described 259.3570 acre tract, being a northwest line of the adjoining William Burl Jacobs residue of a called 10.00 acre tract, recorded in Volume (85)175, Page 606, Official Records, Brazoria County, Texas, the northwest line of the Kenneth Higginbotham, et ux, called 5.00 acre tract, recorded in Volume (91) 961, Page 876, Official Records, Brazoria County, Texas, the northwest line of the Donna Bryington called 2.50 acre tract, recorded in Volume 1765, Page 424, Deed Records, Brazoria County, Texas, the northwest line of the Lamar Jordan residue of a called 5.0 acre tract, recorded in Volume 1500, Page 220, Deed Records, Brazoria County, Texas, the northwest line of the Tim O'Neil, et ux, called 5.00 acre tract, recorded under County Clerk's File No. 97-009717, Office of the County Clerk, Brazoria County, Texas, the northwest line of the Marvin Lee Williams called 2.50 acre tract, recorded under County Clerk's File No. 98-003913, Office of the County Clerk, Brazoria County, Texas, the northwest line of the Sandra Lynn Bullard called 2.50 acre tract, recorded under Volume 1416, Page 801, Deed Records, Brazoria County, Texas, the northwest line of the Chester Allen Johnson called 5.00 acre tract, recorded under County Clerk's File No. 98-018242, Office of the County Clerk, Brazoria County, Texas, for a distance of 2,333.02 feet to a 3/4 inch iron pipe found on said line for an angle point, being the north corner of the aforementioned Chester A. Johnson called 5.00 acre tract and being the west corner of the adjoining Charles E. Tielke, et ux, called 5.00 acre tract, recorded in Volume 1287, Page 176, Deed Records, Brazoria County, Texas;

THENCE North 43 degrees 21 minutes 40 seconds East along the southeast line of the herein described tract being the northwest line of the aforementioned adjoining Dennis E. Tielke called 5.00 acre tract, the northwest line of the

FIELD NOTES 259.3570 ACRE TRACT (CONT'D.)**PAGE 2**

Denis A. Kieft, et ux, called 5.0012 acre tract, recorded under County Clerk's File No. 96-000439, Office of the County Clerk, Brazoria County, Texas, the northwest line of the DeNey's Inc., called 4.98 acre tract, recorded under County Clerk's File No. 96-000250, Office of the County Clerk, Brazoria County, Texas, the northwest line of the William B. Grant, et ux, called 5.000 acre tract, recorded under County Clerk's File No. 00-013833, Office of the County Clerk, Brazoria County, Texas, the northwest line of the Larry L. Linscombe called 2.50 acre tract (2nd Tract), recorded in Volume 1334, Page 618, Deed Records, Brazoria County, Texas, the northwest line of the Joseph E. Mecho called 2.50 acre tract (1st Tract), recorded in Volume 1334, Page 618, Deed Records, Brazoria County, Texas, the northwest line of the Carl David Gates, Jr., et ux, called 5.00 acre tract (Tract 1), recorded under County Clerk's File No. 94-031726, Office of the County Clerk, Brazoria County, Texas, the northwest line of the Carl David Gates, Jr., et ux, called 5.00 acre tract (Tract 2), recorded under County Clerk's File No. 94-031726, Office of the County Clerk, Brazoria County, Texas, for a total distance of 2,357.61 feet to a ½ inch iron pipe found on said line at the north corner of said called 5.00 acre tract for an angle point, same being the west corner of the adjoining Horace Addison Dudley, et ux, called 10.00 acre tract, recorded in Volume 1558, Page 14, Deed Records, Brazoria County, Texas;

THENCE North 43 degrees 14 minutes 31 seconds East along the southeast line of the herein described tract, being the northwest line of the aforementioned adjoining Horace Addison Dudley called 10.00 acre tract, the northwest line of the Albert B. Burks, Jr., called 3.00 acre tract, recorded in Volume (88) 564, Page 799, Official Records, Brazoria County, Texas, the northwest line of the B.R. Gable, et ux, called 3.00 acre tract, recorded in Volume (85) 217, Page 463, Official Records, Brazoria County, Texas, the northwest line of the Michael L. Heinen called 3.00 acre tract, recorded under County Clerk's File No. 96-038886, Office of the County Clerk, Brazoria County, Texas, the northwest line of the Richard L. Palat, et ux, called 3.000 acre tract, recorded under County Clerk's File No. 97-002549, Office of the County Clerk, Brazoria County, Texas, and the northwest line of the Keith Joseph Davidson, et ux, called 3.00 acre tract, recorded under County Clerk's File No. 95-033207, Office of the County Clerk, Brazoria County, Texas, for a total distance of 1,633.12 feet to a ½ inch iron pipe with cap marked "Kalkomey Surveying" found at the north corner of said called 3.00 acre tract, same being the west corner of the adjoining G. Steven Dawson called 50.00 acre tract, recorded under County Clerk's File No. 99-006764, Office of the County Clerk, Brazoria County, Texas;

THENCE North 43 degrees 21 minutes 01 seconds East along the southeast line of the herein described tract, being the northwest line of the aforementioned adjoining G. Steven Dawson called 50.00 acre tract, for a distance of 1,726.15 feet to a ½ inch iron pipe found at the north corner of said 50.00 acre tract for an angle point, same being the upper west corner of the adjoining Letitia C. Woodward called 110.7350 acre tract, recorded under County Clerk's File No. 00-014008, Office of the County Clerk, Brazoria County, Texas;

THENCE North 43 degrees 19 minutes 40 seconds East along the northwest line of said called 110.7350 acre tract, being the southeast line of the herein described 259.3570 acre tract, at 2,694.34 feet pass a ½ inch iron pipe found on said line at the upper bank of Mound Creek and continuing for a total distance of 2,740.94 feet to a point in the centerline of Mound Creek for the most easterly corner of the herein described 259.3570 acre tract, same being the north corner of the aforementioned adjoining 110.7350 acre tract, said point also being the south corner of an adjoining 16.780 acre tract, recorded in Volume 1136, Page 482, Deed Records, Brazoria County, Texas, said 16.780 being part of the aforementioned original called 300 acre tract;

THENCE upstream with the centerline meanders of Mound Creek:

North 05 degrees 28 minutes 25 seconds West, 140.68 feet;

FIELD NOTES 259.3570 ACRE TRACT (CONT'D.)**PAGE 3**

North 15 degrees 42 minutes 23 seconds East, 73.72 feet;
 North 18 degrees 48 minutes 43 second West, 33.78 feet;
 North 38 degrees 47 minutes 53 seconds West, 37.32 feet;
 North 58 degrees 41 minutes 14 seconds West, 68.74 feet;
 North 67 degrees 42 minutes 14 seconds West, 144.43 feet;
 North 59 degrees 51 minutes 12 seconds West, 117.85 feet;
 North 36 degrees 07 minutes 22 seconds West, 59.11 feet;
 North 07 degrees 29 minutes 48 seconds West, 27.87 feet;
 North 21 degrees 42 minutes 25 seconds East, 46.64 feet;
 North 43 degrees 34 minutes 03 seconds East, 33.01 feet;
 South 85 degrees 55 minutes 53 seconds East, 31.10 feet;
 North 49 degrees 03 minutes 51 seconds East, 105.25 feet;
 North 28 degrees 30 minutes 21 seconds East, 34.32 feet;
 North 01 degrees 35 minutes 13 seconds East, 129.96 feet;
 North 41 degrees 30 minutes 46 seconds East, 88.41 feet;
 North 17 degrees 39 minutes 14 seconds East, 66.51 feet;
 North 17 degrees 20 minutes 17 seconds West, 67.24 feet;
 North 04 degrees 39 minutes 32 seconds East, 17.29 feet;
 North 09 degrees 46 minutes 57 seconds West, 137.51 feet;
 North 18 degrees 38 minutes 55 seconds East, 249.53 feet;
 North 55 degrees 21 minutes 52 seconds East, 34.01 feet;
 North 77 degrees 09 minutes 12 seconds East, 29.12 feet;
 South 79 degrees 55 minutes 51 seconds East, 79.65 feet;

South 68 degrees 46 minutes 28 seconds East, 74.86 feet to a point in the centerline of Mound Creek for corner, said point being at the intersecting point of the centerline of Mound Creek with the original northeast line of the aforementioned called 300 acre tract, said point being also in the southwest line of a called 54.5546 acre tract in deed to Louis John Horak, et ux, recorded in Volume (90) 757, Page 266, Official Records, Brazoria County, Texas;

THENCE North 46 degrees 00 minutes 10 seconds West along the original northeast line of said called 300 acre tract, and the southwest line of the aforementioned Louis John Horak, et ux, called 54.5546 acre tract, 174.25 feet to a 1/8 inch iron pipe with cap marked "Kalkomey Surveying" set on said line for the north most corner of the herein described 259.3570 acre tract of land;

THENCE South 43 degrees 21 minutes 17 seconds West along the northwest line of the aforementioned called 300 acre tract, and along the southeast line of a called 167.8214 acre tract in deed to Charles F. Gless, recorded in Volume (90) 748, Page 111, Official Records, Brazoria County, Texas, at 3,427.22 feet pass the south corner of said Gless tract, same being the east corner of a called 433.0764 acre tract in deed to Ernest W. Speed, Jr., recorded in Volume (88) 583, Page 807, Official Records, Brazoria County, Texas, and continuing along the northwest line of the said called 300 acre tract and along the southeast line of the aforementioned called 433.0764 acre Speed tract, 11,870.95 feet to a 1/2 inch iron rod found on said line for the west most corner of the herein described 259.3570 acre tract of land, the south corner of the called 433.0764 acre Speed tract, and the east corner of a called 40.763 acre tract in deed to Dorothy M. Kaiser, recorded in Volume 1616, Page 845, Deed Records, Brazoria County, Texas;

THENCE South 46 degrees 38 minutes 43 seconds East crossing said called 300 acre tract, 1,018.46 feet to the Place of Beginning and containing 259.3570 acres of land, more or less.

30-FOOT EASEMENT

FIELD NOTES FOR A 0.7931 ACRE PARCEL OF LAND IN THE JESSE THOMPSON LEAGUE, ABSTRACT 132, BRAZORIA COUNTY, TEXAS, SAID 0.7931 ACRE TRACT BEING A PART OF A CALLED 300 ACRE TRACT BEING IN DEED TO MYRVIN GIFFORD AND DENNIS RAY GIFFORD BY VIRTUE OF HEIRSHIP AFFIDAVIT, RECORDED IN VOLUME 698, PAGE 387, OFFICIAL RECORDS, BRAZORIA COUNTY, TEXAS. THE BEARING BEARING FOR THE HEREIN DESCRIBED TRACT IS A PORTION OF THE SOUTHEAST LINE OF SAID 300 ACRE TRACT BEING THE NORTHWEST LINE OF THE LETICIA C. WOODWARD CALLED 110.7350 ACRE TRACT, RECORDED UNDER COUNTY CLERK'S FILE NO. 00-104008, OFFICE OF THE COUNTY CLERK, BRAZORIA COUNTY, TEXAS, SAID BEARING BEING NORTH 43 DEGREES 19 MINUTES 40 SECONDS EAST;

BEGINNING at a 1/2 inch iron rod found on the northwest line of the aforementioned called 300 acre tract, being south corner of the Ernest W. Speed, Jr., called 433.0764 acre tract, recorded in Volume (88) 583, Page 807, Official Records, Brazoria County, Texas, and an east corner of the adjoining Dorothy M. Kaiser called 40.763 acre tract, recorded in Volume 1616, Page 845, Deed Records, Brazoria County, Texas;

THENCE South 43 degrees 13 minutes 38 seconds West along the northwest line of the aforementioned called 300 acre tract being a southeast line of the aforementioned adjoining Dorothy M. Kaiser called 40.763 acre tract, 701.07 feet to a 5/8 inch iron rod found on said line for corner, said point being the north corner of an adjoining 1.00 acre tract, being of record in Volume 1124, Page 482, Deed Records, Brazoria County, Texas;

THENCE South 47 degrees 10 minutes 33 seconds East along the northeast line of said 1.00 acre tract, 99.40 feet to a 5/8 inch iron rod found at its east corner for a re-entry corner to the herein described 0.7931 acre tract;

THENCE South 42 degrees 54 minutes 12 seconds West along the southeast line of the aforementioned adjoining 1.00 acre tract, 351.21 feet to a point on the easterly right-of-way line of F.M. Highway 1301 for the west corner of the herein described 0.7931 acre parcel of land;

THENCE South 47 degrees 05 minutes 48 seconds East along the northerly right-of-way line of F.M. Highway 1301, 30.00 feet to a point on said line for corner;

THENCE North 42 degrees 54 minutes 12 seconds East along a line 30-foot from and parallel to the southeast line of the aforementioned 1.00 acre tract, 381.25 feet to a point for corner;

THENCE North 47 degrees 10 minutes 33 seconds West along a line 30-foot from and parallel to the northeast line of the aforementioned called 1.00 acre tract, 99.23 feet to a point for a re-entry corner to the herein described 0.7931 acre parcel of land;

THENCE North 43 degrees 13 minutes 38 seconds East along a line 30-foot from and parallel to the southeast line of the aforementioned Dorothy M. Kaiser called 40.763 acre tract, recorded in Volume 1616, Page 845, Deed Records, Brazoria County, Texas, 670.86 feet to a point for the east corner of the herein described 30-foot wide easement, same being on the southwest line of an adjoining 259.3570 acre tract (surveyed this date) being a part of the aforementioned called 300 acre tract;

THENCE North 46 degrees 46 minutes 22 seconds West along the southwest line of the aforementioned 259.3570 acre tract, 30.00 feet to the Place of Beginning and containing an area of 0.7931 acres of land, more or less.

**GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT
IN A REINVESTMENT ZONE CREATED IN BRAZORIA COUNTY**

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

WHEREAS, the purpose of tax abatement is to provide an incentive offered by the tax-payers, i.e. citizens of Brazoria County, to attract investments, that lead to better quality of life and better services. The wealth created by these enterprises leads to more service and retail businesses, which in addition to improving quality of life, increases the tax base. In summary, by giving incentive in terms of tax abatement, the citizens agree to give up short term tax benefits, for long term benefits; and

WHEREAS, new jobs, investment and industrial diversification will benefit the area economy, provide needed opportunities, strengthen the real estate market and generate tax revenue to support local services; and

WHEREAS, the communities within Brazoria County must compete with other localities across the nation currently offering tax inducements to attract new plant and modernization projects; and

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

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

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

Now, therefore, be it resolved that Brazoria County does hereby adopt these Guidelines and Criteria for granting tax abatement in reinvestment zones in Brazoria County.

DEFINITIONS Section 1

- (a) "Abatement" means the full or partial exemption from ad valorem taxes on certain property in a reinvestment zone designated by Brazoria County for economic development purposes.
- (b) "Abatement Period" means the period during which all or a portion of the value of real property or tangible personal property that is the subject of a tax abatement agreement is exempt from taxation.
- (c) "Abated Facility Site" (or "proposed abated facility site") means the tract(s) or area of land underlying the proposed improvements to be abated.
- (d) "Agreement" means a contractual agreement between a property owner and/or lessee and Brazoria County for the purpose of tax abatement.

- (e) "Base year value" means the assessed value of eligible property January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the agreement.
- (f) "Brazoria County Vendor and Services" means a company that employs Brazoria County residents and pays Brazoria County taxes.
- (g) "Deferred maintenance" means the improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (h) "Distribution Center Facility" means buildings and structures, including machinery and equipment, used or to be used primarily to receive, store, service, or distribute goods or materials owned by the facility operator where seventy percent (70%) of the goods or services are distributed outside of Brazoria County.
- (i) "Economic Development" means participation in or support of an organized program or entity which for the purpose of its mission, engages in activities designed to encourage employment opportunities development/commercial and manufacturing business/industry to locate and/or expand in Brazoria County, thus expanding and diversifying the tax base as well as increasing the economic strength and stability of Brazoria County.
- (j) "Eligible jurisdiction" means Brazoria County and any municipality or other local taxing jurisdictions eligible to abate taxes according to Texas law, the majority of which is located in Brazoria County that levies ad valorem taxes upon and provides services to reinvestment zone designated by Brazoria County.
- (k) "Employee" for the purposes of the economic qualifications of Section 2(h)(2) of these Guidelines and Criteria shall include all persons directly employed by the owner of the planned improvement at the abated facility site/reinvestment zone together with any independent contractor or employee of independent contractors employed on a full-time (40 hours per week equivalent) basis at the facility site/reinvestment zone continuously for the duration of the abatement agreement.
- (l) "Existing facility" is the facility described in Section 2 (a) that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2 (h) (2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 10 employees or 50% of the employees of the existing facility, whichever is greater). For example, if an existing facility has 100 employees, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized "existing facility" in order for the facility improvements to qualify for abatement.
- (m) "Expansion" means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- (n) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.

- (o) "Manufacturing Facility" means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (p) "Modernization" means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, or repairing.
- (q) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (r) "Other Basic Industry" means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which serve a market primarily outside Brazoria County.
- (s) "Productive Life" means the number of years a property improvement is expected to be in service. After a cessation of production, the productive life of property improvements may be deemed to end, at County's election, on the date of cessation of production either upon (1) a determination by the County that it is unlikely the improvement(s) will be reactivated as an integral part of a producing facility, and/or (2) the expiration of eighteen (18) continuous or non-consecutive months of non-production in any twenty-four (24) month period following the date the property improvement(s) cease to be in active service as part of a facility operating in a producing capacity. Upon cessation of production and for calculation of the recapture amount of taxes, the "productive life" will be determined to begin on the effective date of the tax abatement as set forth in the Agreement.
- (t) "Qualified Vendors and Services" means those vendors and services that meet the company's individual stated requirements, which can include but are not limited to: safety, financial condition, environmental record, quality or ability to perform.
- (u) "Regional Entertainment Facility" means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the general public where seventy percent (70%) of users reside at least 50 miles from its location in Brazoria County.
- (v) "Research Facility" means buildings and structures, including machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- (w) "Regional Service Facility" means buildings and structures, including machinery and equipment, used or to be used to service goods where seventy percent (70%) of the goods being serviced originate outside of Brazoria County.
- (x) "Tangible personal property" means tangible personal property classified as such under state law, but excludes inventory and/or supplies, ineligible property as defined herein, and tangible personal property that was located in the reinvestment zone at any time before the period covered by the agreement with the County.

ABATEMENT AUTHORIZED Section 2

- (a) **Authorized Facility.** A facility may be eligible for abatement if it is a: Manufacturing Facility, Research Facility, Distribution Center or Regional Service Facility, Regional Entertainment Facility, Other Basic Industry, or a facility that Commissioners Court determines would enhance job creation and the economic future of Brazoria County.
- (b) **Creation of New Value.** Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Brazoria County and the real property owner, tangible personal property owner, leasehold interest, and/or lessee, subject to such limitations as Brazoria County may require.
- (c) **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (d) **Eligible Property.** Abatement may be extended to the value of buildings, structures, tangible personal property as defined in the Tax Code including fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.

Tangible Personal Property: Abatement may be granted with the owner of tangible personal property located on real property in a reinvestment zone to exempt from taxation (1) all or a portion of the value of the real property, (2) all or a portion of the value of the tangible personal property located on the real property, or (3) all or a portion of the value of both.

An abatement may be granted with the owner of tangible personal property or an improvement located on tax-exempt real property that is located in a designated reinvestment zone to exempt all or a portion of the value of the tangible personal property or improvement located on the real property.

- (e) **Ineligible Property.** The following type of property shall be fully taxable and ineligible for tax abatement: land, existing improvements, tangible personal property that the Brazoria County Appraisal District classifies as inventory or supplies, tools, furnishings, and other forms of movable personal property; vehicles, watercraft, aircraft, housing, convalescent homes, assisted living homes/centers, hotel accommodations, retail facilities, deferred maintenance investments, property to be rented or leased except as provided in Section 2(f), tangible personal property located in the reinvestment zone prior to the effective date of the tax abatement agreement, property already subject to real or personal property tax(es) moved from one location in Brazoria County to the reinvestment zone, real property with a productive life of less than 10 years, property owned or used by the State of Texas or its political subdivisions or by any organizations owned, operated or directed by a political subdivision of the State of Texas, or any other property for which abatement is not allowed by State law.
- (f) **Leased Facilities. Leasehold Interest:** Abatement may be granted with the owner of a leasehold interest in tax-exempt real property located in a reinvestment zone designated to exempt all or a portion of the value of the leasehold interest in the real property.

Lessee Interest: Abatement may be granted with a lessee of taxable real property located in a reinvestment zone to exempt from taxation (1) all or a portion of the value of the fixtures, improvements, or other real property owned by the lessee and located on the property that is subject to

the lease, (2) all or a portion of the value of tangible personal property owned by the lessee and located on the real property that is the subject of the lease, or (3) all or a portion of the value of both the fixtures, improvements, or other real property and the tangible personal property defined herein.

Leasehold Interest/Lessee shall be required to submit with its application a copy of the executed lease agreement between lessor/lessee demonstrating a minimum lease term double the abatement term granted.

- (g) Value and Term of Abatement. Abatement shall be granted effective with the January 1 valuation date immediately following the date of the Commissioners Court Order granting the abatement and approving the abatement application. Commissioners Court shall consider the percent of value and the term of the abatement based upon the overall value of the project and the number of new jobs being created. The term of abatement may be up to 10 years or one-half (1/2) of the productive life of the improvement, whichever is less. The "productive life" will be calculated from the effective date of the tax abatement and the date the equipment ceased to be in service. The abatement may be extended through an initial agreement and a subsequent agreement may be required to comply with state law regarding the term of the reinvestment zone.

If it is determined that the abatement period would better benefit the County and the Applicant by deferring the commencement date beyond the January 1 following the Commissioners Court Order granting the abatement and approving the abatement application, the County may defer the commencement date of the abatement period to a future date certain. The deferral of the commencement date will not allow the duration of the abatement period to extend beyond ten (10) years. However, in no event shall the abatement begin later than the January 1 following the commencement of construction.

If a modernization project includes facility replacement, the abated value shall be the value of the new unit(s) less the value of the old unit(s).

New eligible properties must be in active service and operation as part of a facility operating in a producing capacity for a period equal to double the abatement period (*i.e.* seven year abatement, then in producing capacity for 14 years) in order to receive the full term of the abatement granted and not be subject to the term reduction and recapture/payment obligation provisions.

- (h) Economic Qualification. In order to be eligible for designation as a reinvestment zone and to qualify for tax abatement the planned improvement:
- (1) must be reasonably expected to increase and must actually increase the value of the property in the amount of \$1 million or more;
 - (2) must create employment for at least 10 people on a full-time (40 hours per week equivalent) basis in Brazoria County for the duration of the abatement period at the abated facility site described in the tax abatement application; or alternatively, must retain and prevent the loss of employment of 10 employees or fifty percent (50%) of the existing number of employees, at the time of application, employed at or in connection with the existing facility containing the abated facility site described in the tax abatement application, whichever is greater, for the duration of the abatement period. The following is applicable to the employment retention/preventing loss of employment requirement:

a. "Existing facility" is the facility described in Section 2 (a) that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2(h)(2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 10 employees or 50% of the employees of the existing facility, whichever is greater). For example, if a large plant complex has a sub-unit that produces chlorine and 100 employees are employed at or in connection with that unit, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized "existing facility" in order for the facility improvements to qualify for abatement.

b. Employees of a larger plant unit transferred or assigned to and employed at or in connection with a new sub-unit containing the planned improvements, constructed on undeveloped land constituting the proposed abated facility site/reinvestment zone shall be considered "created" employment for purposes of this sub-section.

The proposed number of employees to be employed at the abated facility as stated in the abatement application for the property that is the subject of the tax abatement agreement (including the projected creation or retention of employment) must be maintained for the duration of the abatement period at the abated facility site. For purposes of this sub-section, in order for a planned improvement to be considered as preventing the loss of employment or retaining employment, the abated facility/project must be necessary in order to retain or keep employment at levels as indicated in the application and in order to retain the proposed number of employees at the abated facility as indicated in the application. The owner/Applicant seeking to qualify on the basis of retention or preventing loss of employment must provide a detailed statement as an attachment to its application affirmatively representing compliance with this sub-section and explaining the necessity of this project to prevent loss of employment. Any variance from the requirements of this sub-section is subject to approval of Commissioners Court in accordance with the variance section of these Guidelines & Criteria.

- (3) must be not expected to solely or primarily have the effect of transferring employment from one part of the county to another part of the county. A variance may be requested relative to this provision which approval shall be at the sole discretion of the County.
- (4) must be necessary because capacity cannot be provided efficiently utilizing existing improved property;

Additionally, the owner of the project:

- (5) must provide for and pay, at the time of filing an application for tax abatement, a non-refundable application fee of \$1,000. A part of the application fee will be dedicated by Brazoria County to economic development programs authorized by Local Government Code, Section 381.004.
- (6) must file a plan statement with application demonstrating willingness and planned efforts to use qualified Brazoria County union and/or nonunion vendors and services where applicable in the

construction and operations of the facility. Brazoria County vendors and services must be competitive with non-county union and/or nonunion vendors and services regarding price, quality, safety, availability and ability to perform. It is preferred that applicant seek qualified workers who are United States citizens and veterans and also legal residents prior to seeking workers from other countries.

- (7) will annually, for the term of the abatement, contribute .000207 of the value reported in "Part IV Section F" of the abatement application (estimated value of abated improvements at the conclusion of the abatement period). Air carriers receiving abatement will contribute an amount equal to .000207 of the estimated value of the personal property of the air carrier indicated in its Application. Each project will contribute no more than \$25,000 for projects \$500 million or less in capital investment and no more than \$50,000 for project greater than \$500 million in capital investment nor less than \$2,000 annually to be used specifically to fund economic development in Brazoria County as authorized by Local Government Code, Section 381.004. The annual contribution shall be paid to Brazoria County through the County Auditor's Office on or before January 1 of each year of the tax abatement contract term.
- (8) must not file with the Brazoria County Appraisal District a valuation or taxpayer protest or notice of protest pursuant to the Texas Property Tax Code during the abatement period legally protesting the valuation of the abated improvements of a manufacturing facility pursuant to an appraisal method that produces a valuation of improvements based on each improvement's value as a separate item of personal property rather than the improvements' value as integral fixtures of a producing manufacturing facility. An owner's legal protest of the improvements' value pursuant to the Texas Property Tax Code must be based on and use accepted appraisal methods and techniques allowed by law (Texas Property Tax Code) and uniform standards of professional appraisal practice. The filing of a valuation protest or notice of protest contrary to this standard shall cause the tax abatement agreement to be subject to termination and recapture of all previously abated taxes.
- (9) must not be a defendant in any litigation by the County seeking recovery or recapture of previously abated taxes.
- (10) Will be wholly responsible for all County roads and right-of-way (including bridges, culverts, ditches, etc.) and damages caused thereto as a result of the construction of an on-going maintenance and operations of the Abated Facility Site as well as associated facilities to the Abated Facility Site, including but not limited to, the following:
 - Cost to maintain the roads, if needed, utilized for construction of the Abated Facility Site in an effort to keep the road safe for the traveling public will be tracked by the County and invoiced on a regular basis to the Abatee.
 - Cost to reconstruct the roadway, if needed, will be actual cost to repair the County roads and right-of way incurred by the County and invoiced to the Abatee. These costs will include all construction costs as well as all related professional services for the repair work.
 - Abatee shall coordinate with the County Engineering Department regarding any and all use of County roads and right-of-way for construction, maintenance and operation of Abated Facility Site in accordance with County regulations in place for use of County facilities.

- (i) Taxability. From the execution of the abatement contract to the end of the agreement period, taxes shall be payable as follows:
 - (1) The value of ineligible property as provided in Section 2(e) shall be fully taxable;
 - (2) the base year value of existing eligible property as determined each year shall be fully taxable; and
 - (3) the additional value of new eligible property shall be taxable in the manner described in Section 2(g).

APPLICATION Section 3

- (a) The Application for tax abatement may be obtained from the County Judge's Office or on the Brazoria County website at www.brazoria-county.com. Applicant may contact the Judge's Office at (979) 864-1200 or (281) 756-1200.
- (b) Any present or potential owner of taxable property in Brazoria County may request the creation of a reinvestment zone and tax abatement by filing a tax abatement application with Brazoria County. The application shall be filed with the County Judge by providing twelve (12) copies or an electronic version and five (5) copies. The additional copies provided will be furnished to each member of Commissioners Court and the Tax Abatement Review Committee (TARC). After filing the application, the Applicant shall provide an economic impact analysis report, in a format comparable to the Texas Governor's economic impact analysis report, to the County Judge's Office prior to the TARC meeting on the Applicant's tax abatement application.
- (c) The application shall consist of a completed application form accompanied by: a general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements which will be a part of the facility; a map and property description; a time schedule for undertaking and completing the planned improvements. In the case of modernizing, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form shall require such financial and other information as Brazoria County deems appropriate for evaluating the financial capacity and other factors of the Applicant. Applicant should not submit confidential information as part of the application. If doing so cannot be avoided, a general description in non-confidential terms should be included on the application, along with a sealed document containing the confidential information as an attachment and clearly marked "CONFIDENTIAL".
- (d) Upon receipt of a completed application, the County Judge shall notify in writing the presiding officer of the governing body of each eligible jurisdiction. Before acting upon the application, Brazoria County Commissioners' Court shall hold a public hearing at which interested parties shall be entitled to speak and present written materials for or against the approval of the tax abatement. The public hearing shall also afford the Applicant and the designated representative of any eligible jurisdiction opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on a Brazoria County notice to be posted at least 30 days prior to the hearing.

- (e) After receipt of an application for creation of a reinvestment zone and application for abatement, the Tax Abatement Review Committee (TARC) shall prepare a feasibility study setting out the impact of the proposed reinvestment zone and tax abatement. The feasibility study shall include, but not be limited to, an estimate of the economic effect of the creation of the zone and the abatement of taxes and the benefit to the eligible jurisdiction and the property to be included in the zone. The economic impact analysis report provided by the Applicant shall be attached to the feasibility study and included as part of the feasibility study report.
- (f) If upon written request for a legal opinion or interpretation from the Commissioners' Court or its members, the legal counsel for Brazoria County determines that the application does not appear to comply with the written language of the Guidelines and Criteria, a public hearing on said application if already set, shall be postponed for a period of at least thirty days from the scheduled date of public hearing to allow time for further review by the Commissioners' Court or any duly appointed review committee, or if an initial setting has not been made, the hearing on such application shall be set on the Commissioners' Court agenda no sooner than sixty (60) days from the time the Court enters an order to set the public hearing date.

The Applicant shall file a supplement or addendum to its application to show cause why the application should be approved and shall present reasons at the public hearing on the same.

Provided that any final decision or interpretation as to the intent and meaning or policy of any provision or its written language; any final decision as to whether or not an application complies or does not comply with the guidelines and criteria; and any final decision as to whether to grant or deny tax abatement shall be made by the Commissioners' Court at its sole discretion.

- (g) Brazoria County shall not establish a reinvestment zone for the purpose of abatement if it finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility.
- (h) Variance. Requests for variance from the provisions of Subsections (a) (b) (e) (g), (h) (1), (h) (2) and/or (h) (3) of Section 2 may be made in written form to the County Judge with a copy forwarded to the TARC. Such requests shall include a complete description of the circumstances explaining why the Applicant should be granted a variance. Approval of a request requires a four-fifths (4/5) vote of the Commissioners Court.
- (i) Special Variance: Air Carriers. A special variance from all applicable provisions of these guidelines and criteria, with the exception of Section 2 (h) (5) and (h) (7) may be granted allowing abatement or partial abatement of ad valorem taxes on the personal property of a certificated or non-certificated air carrier that owns or leases taxable real property in Brazoria County provided that the personal property has a value of at least \$10,000,000. Approval of a request for this variance requires a three-fourth (3/4) vote of the Commissioners Court.

APPROVAL - Section 4

- (a) Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:
 - (1) there would be a substantial adverse effect on the provision of government service or tax base;

- (2) the Applicant has insufficient financial capacity;
- (3) planned or potential use of the property would constitute hazard to public safety, health or morals; or,
- (4) violation of other codes or laws.

AGREEMENT Section 5

- (a) After approval, Brazoria County Commissioners' Court shall formally pass a resolution and execute an agreement with the Applicant as required which shall include:
 - (1) estimated value to be abated and the base year value;
 - (2) percent of value to be abated each year as provided in Section 2(g);
 - (3) the commencement date and the termination date of abatement;
 - (4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provided in Application, Sections II and III;
 - (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections 2(a), 2(f), 2(g), 2(h) 6, 7, and 8;
 - (6) size of investment and average number of jobs involved for the period of abatement; and
 - (7) provision that Applicant shall annually furnish information necessary for Brazoria County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria (in the form of an annual report/statement of compliance), together with an additional provision that Brazoria County may, at its election, request and obtain information from Applicant as is necessary for the County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria. See Attachment A.
 - (8) provision that, upon expiration of the tax abatement agreement, Applicant shall begin annually reporting the status of the abated improvements regarding active service and operation as part of a facility operating in a producing capacity. Reporting will be for the same amount of years as the tax abatement period (*e.g.* seven year abatement, then follow-up reporting for seven more years). See Attachment B.
- (b) Such agreement shall be executed within sixty (60) days after the Applicant has forwarded all necessary information and documentation to Brazoria County.

RECAPTURE Section 6

- (a) In the event the facility contemplated herein is completed and begins producing product or service, but the company fails to maintain the level of employment (including the projected creation or retention of employment) stated in the abatement application for the property that is the subject of the abatement agreement, the county may elect to: (1) Declare a default and terminate the abatement agreement without recapturing prior years' abated taxes; (2) Declare a default, terminate the agreement and order a recapture of all or part of the previous years' abated taxes; or (3) Set specific terms and conditions for the continuation of the abatement exemption for the duration of the term of the agreement under its present terms or alter the amount of the abatement for the remaining term of the agreement.
- (b) Should Brazoria County determine that the company or individual is in default according to the terms and conditions of its agreement, Brazoria County shall notify the company or individual in writing at the address stated in the agreement and if such is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement may be terminated.
- (c) In the event that the company or individual (1) allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the Cure Period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.
- (d) Failure to provide any requested statement or information pursuant to the provisions described in Section 5(a)(7) without just cause within sixty (60) days of the request for the information or the presentation of any false or misleading statement may, at the County's option, be construed as a default by the company or individual and cause for immediate termination of the tax abatement agreement and recapture of all previously abated taxes, if after written notice of default, the company or individual has not cured such default prior to the expiration of thirty (30) days from such written notice. The Cure Period provisions of sub-sections (b) and (c) above are not applicable to a default and termination under this paragraph.

ADMINISTRATION Section 7

- (a) The Chief Appraiser of the County shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify the eligible jurisdictions which levy taxes on the amount of the assessment.
- (b) The agreement shall stipulate that TARC of Brazoria County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with their safety standards.

(c) Tax Abatement Review Committee:

The Commissioners' Court shall appoint a standing Tax Abatement Review Committee (TARC) for purposes of (i) reviewing the tax abatement application and preparing the feasibility study report required by Section 3(d) of these guidelines; (ii) conducting annual inspections and/or evaluations of the abated facilities to insure compliance with the terms/conditions of the tax abatement agreement.

- (d) The Tax Abatement Review Committee shall be comprised of, but not limited to, a representative appointed by each Commissioners' Court member. The County Auditor, County Treasurer, District Attorney representative, and County Tax Assessor Collector shall serve as ex-officio members of the Committee to advise on abatement qualifications and procedures. The County Judge and the Commissioner of the Precinct in which a proposed abated facility will be located will serve on the Committee during the period when the Committee is preparing the feasibility study report and conducting the annual inspection and/or evaluation of the facility.
- (e) Upon commencement of construction, the owner of an abated facility must submit a written report/statement of compliance annually during the life of the abatement to the Brazoria County Commissioners' Court and the Tax Abatement Review Committee clearly detailing the status of the facility and how it is complying with the abatement guidelines. The Committee shall annually evaluate each abated facility and report possible violations to the contract and agreement to the Brazoria County Commissioners' Court. A form of annual report that may be used by the owner is attached as Attachment A to these Guidelines & Criteria, and the owner's annual report shall, at a minimum, contain the information shown in the Attachment A form.
- (f) Upon expiration of the Tax Abatement term, the owner of the abated improvements must submit a written report/statement of compliance annually, beginning January 1 after the expiration of the tax abatement term, documenting that the abated improvements remain in active service and operation as part of a facility operating in a producing capacity for an additional period equal to the abatement period granted and completed (*e.g.* seven year abatement, then in producing capacity for an additional 7 years after expiration of the tax abatement agreement) in order to receive the full term of the abatement granted and not be subject to the term reduction and recapture/payment obligation provisions. The Report shall be delivered to the County Judge. The Committee shall annually evaluate each abated facility and report possible violations to the contract and agreement to the Brazoria County Commissioners' Court. A form of annual report that may be used by the owner is attached as Attachment B to these Guidelines & Criteria, and the owner's annual report shall, at a minimum, contain the information shown in the Attachment B form.
- (g) The County shall timely file with the Texas Department of Commerce and the Property Tax Division of the State Comptroller's office all information required by the Tax Code.

ASSIGNMENT Section 8

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

PROVISIONS REGARDING CITY-INITIATED ABATEMENTS Section 9

- (a) This section is applicable to tax abatement applications for property located in a reinvestment zone designated by a city and applications by Applicants who have previously entered into a tax abatement agreement with a city regarding that property.
- (b) All provisions of these Guidelines & Criteria are applicable to city-initiated reinvestment zones and abated areas within a city's territorial limits unless otherwise stated herein or provided by law.
- (c) An Applicant shall file a tax abatement application on the County's application form together with all attachments and statements described in the application instructions and in subsection (d) herein below.
- (d) Upon receipt of a tax abatement application applicable to property within a city-designated reinvestment zone subject to a city's tax abatement agreement, the application shall be reviewed for approval as to (a) correct application form, (b) represented compliance with economic value estimates and employment criteria of Section 2(h) of the Guidelines & Criteria, (c) legal description requirements, (d) attachment of a correct copy of the city's ordinance designating the area as a reinvestment zone and granting abatement and (e) attachment of a correct copy of the fully executed tax abatement agreement between the city and the Applicant.
- (e) After review (and subject to approval of the matters in (d) above) and meeting of the TARC, the application will be placed on the next Commissioners Court meeting for consideration. If there are any compliance problems with the application (including any problems to be resolved or amendments to the application to be made), the County Judge and Precinct Commissioners shall be advised of these compliance problems/matters to be resolved in a memo from the Civil Division-District Attorney's Office. No Application shall be placed on the Agenda if the application fails to attach both the ordinance designating reinvestment zone and the copy of the fully executed tax abatement agreement between the city and the Applicant, or which is deficient as to application form or legal description. In such case the Applicant shall be informed of the necessity of attaching those documents or making necessary corrections, and there will be no further processing of the application until the same are received.
- (f) The notice provisions of Section 3(d) are not applicable to an application under this section.
- (g) The percentage of property value abated and the term of abatement shall be the same as that stated in the city's tax abatement agreement unless otherwise specifically ordered in the Commissioners Court order granting abatement.

SUNSET PROVISION Section 10

- (a) These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by Brazoria County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria will be modified, renewed or eliminated, provided that such actions shall not affect existing contracts or applications for tax abatement filed prior to the

expiration of said Guidelines and Criteria. Applications for abatement filed prior to the expiration of the Guidelines and Criteria shall be governed by the provisions of these Guidelines and Criteria regardless of any subsequent modification or amendment.

- (b) This policy is mutually exclusive of existing Industrial District Contracts and owners of real property in areas deserving of special attention as agreed by the eligible jurisdictions.
- (c) These guidelines and policies for Tax Abatement shall be effective May 31, 2018, and shall remain in force until May 31, 2020, unless amended or superseded, modified, renewed, or eliminated by Commissioners Court prior to that date.

ATTACHMENT A

(TO THE BRAZORIA COUNTY GUIDELINES & CRITERIA FOR GRANTING TAX
ABATEMENT)

(This form is located at www.brazoria-county.com)

ANNUAL REPORT FORM

ANNUAL REPORT
PURSUANT TO SECTION 5(a)(7) AND 7(e) OF
THE BRAZORIA COUNTY GUIDELINES &
CRITERIA ON TAX ABATEMENT

RE: TAX ABATEMENT AGREEMENT

_____ (Company/Owner Name)

REINVESTMENT ZONE (RZ) NO. _____ (Number of RZ, if applicable)

1. Commencement and/or completion date of the contemplated improvements described in the tax abatement agreement.

Date of commencement of construction: _____

Date of completion all contemplated improvements: _____

2. Number of permanent employees, contract employees and temporary contract employees currently employed by you at the tax abated facility location or construction site as of the date of this Report. (See definitions below).

Permanent Employees: _____

*Permanent Contract Employees

(* List contract employees employed on a full-time, 40 hours per week equivalency basis and who are expected to be employed on a full-time basis for the duration of the abatement period. Do not include temporary contract employees.)

**Temporary Contract Employees

(**List temporary contract employees who are employed for a temporary period ending prior to expiration of the tax abatement term)

3. Status of construction of the contemplated improvements, percentage of construction completed and Owner's estimate of taxable value of constructed improvements on the date of the Report.

Percentage of construction completed: _____

Estimated value of Improvements: _____

As of _____

4. Status of production of the completed facility and the productive service capacity of the improvements. *(only applicable to a completed facility that has previously commenced production)*

Is the abated facility currently producing the product or similar product described in the tax abatement agreement?

Check One
() Yes or () No

If the answer to the above question is "No", please state the date or time period when production ceased and attach a narrative explanation of the reason for cessation of production as Attachment B.

If production at this abated facility is shut down, please state the expected date or time period, if any, at which/during which you expect the facility to resume production operations. If you do not expect to resume production at this abated facility, please state "plant closed" in the blank space.

State your estimate of the expected productive life of the abated facility and its improvements as measured from the beginning date of production until the expected permanent cessation of production *(or in other words, the total number of years, if any, that you expect the abated facility improvements to be in service as part of the operations of a producing facility, including in your total any previous years of production prior to the date of this report.)*

5. Include a narrative of your use of Brazoria County vendors and services and attach the same as Attachment A to this Report.

Is the narrative on use of Brazoria County vendors and Services attached?

Check One
() Yes or () No

To the best of my knowledge, the above information and estimates are true and correct.

Owner: _____

By: _____

Printed Name: _____

Title/Position _____

Date: _____

ATTACHMENT B

(TO THE BRAZORIA COUNTY GUIDELINES & CRITERIA FOR GRANTING TAX
ABATEMENT)

(This form is located at www.brazoria-county.com)

REPORT FORM
After the initial term of the
Tax Abatement Agreement

PRODUCTIVE LIFE REPORT
TAX ABATEMENT TERM COMPLETED
PURSUANT TO SECTION 5(a)(8) AND 7(f) OF
THE BRAZORIA COUNTY GUIDELINES &
CRITERIA ON TAX ABATEMENT

RE: TAX ABATEMENT AGREEMENT

_____ (Company/Owner Name)

REINVESTMENT ZONE (RZ) NO. _____ (Number of RZ, if applicable)

Effective Date of Tax Abatement: _____

1. Status of production of the completed facility and the productive service capacity of the improvements.

Is the abated facility currently producing the product or similar product described in the tax abatement agreement? **Check One**
() Yes or () No

If the answer to the above question is "No", please state the date or time period when production ceased and attach a narrative explanation of the reason for cessation of production as Attachment A. _____

If production at this abated facility is shut down, please state the expected date or time period, if any, at which/during which you expect the facility to resume production operations. If you do not expect to resume production at this abated facility, please state "plant closed" in the blank space. _____

State your estimate of the expected productive life of the abated facility and its improvements as measured from the beginning date of production until the expected permanent cessation of production (*or in other words*, the total number of years, if any, that you expect the abated facility improvements to be in service as part of the operations of a producing facility, including in your total any previous years of production prior to the date of this report.) _____

To the best of my knowledge, the above information and estimates are true and correct.

Owner: _____

By: _____

Printed Name: _____

Title/Position _____

Date: _____

TAB 17

Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

See Attached

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 ➔ Steven Galloway _____ Superintendent
Print Name (Authorized School District Representative) Title

sign here ➔  _____ Date
Signature (Authorized School District Representative) 9/17/19

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.

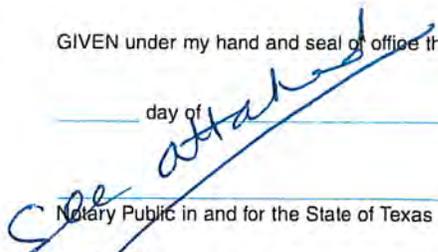
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here ➔ Andrew Murray _____ Authorized Signatory
Print Name (Authorized Company Representative (Applicant)) Title

sign here ➔  _____ Date
Signature (Authorized Company Representative (Applicant)) September 16, 2019

GIVEN under my hand and seal of office this, the

_____ day of _____,

 _____
 Notary Public in and for the State of Texas

My Commission expires: _____

(Notary Seal)

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.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of San Francisco }

On September 16, 2019, before me, Harmandeep Kaur Ratia, Notary Public, personally appeared Andrew Murray who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of State of California that the foregoing paragraph is true and correct.



PLACE NOTARY SEAL ABOVE

WITNESS my hand and official seal.

SIGNATURE 

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

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

December 3, 2019

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

RE: Amendment001 to the Columbia-Brazoria Independent School District from TX Gulf Solar I LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed. Please find Amendment001 to the Columbia-Brazoria ISD from TX Gulf Solar I LLC. The following changes have been made:

1. Section 8, Q7: you checked Yes. Tab 5 – List other locations not in Texas for this proposed project. You only listed ongoing projects in other states. Maybe reword. **Language has been added to reflect other states**
2. Tab 4, 7 and 8 (and all other tabs): We no longer accept the phrase “but is not limited to” and “associated equipment” to describe qualified property. You may list all the equipment at this time, amend the application in the future, if necessary, to add equipment not already included in the application or replace the phrase with “eligible ancillary and necessary equipment.” **This has been updated**
3. Tab 4, 7 and 8: Please remove wording “Equipment/storage shed” or explain equipment and storage shed. **It has been changed to “storage shed”**
4. Tab 5: Fourth paragraph, 1st sentence: “build the proposed for TX Solar Gulf 1, LLC” – please correct company name. **This has been updated**
5. Maps: Why does the title say “Second Division Solar?” I don’t find that name mentioned anywhere else in the application. **This has been updated to TX Gulf Solar LLC**

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

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Brazoria County Appraisal District
TX Gulf Solar I LLC

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 1,138.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 2,448.33
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,309.61
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? 68,100.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 68,100.00
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 5*Documentation to assist in determining if limitation is a determining factor.*

Pattern Energy Group 2 LP (Pattern Development) is a leading U.S.-based independent renewable energy developer with nearly 8,900MW of generating capacity pipeline across United States, Canada, Mexico, and Japan. Pattern Development's highly-experienced team has brought more than 5,500 MW of wind power to market, with 360 MW additional operational capacity being added in 2018

Pattern Development's affiliate company, Pattern Energy Group Inc. (PEG), (NASDAQ: PEGI and TSX: PEG) is an independent power company with 20 renewable energy facilities with an operating fleet capacity of +3,500 MW.

PEG produces all of its electricity from clean and renewable sources, including wind and solar. PEG has a strong commitment to delivering the highest value for its partners and the communities where we work while promoting environmental stewardship and corporate responsibility. PEG has a long-term commitment to both wind and solar with an outlook to significantly expand its fleet of clean energy generating capacity.

Pattern Development is keen to develop and build the proposed for TX Gulf Solar 1 LLC's solar farm project (the "Project") as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar solar projects. Currently the investment in Texas is being evaluated against projects in Ohio and Pennsylvania. Pattern Development is active in states throughout the central and southwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to its customers and making its investment more viable and marketable. Pattern Development has over 50 wind and solar sites in development throughout the country and is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Pattern Development currently has ongoing project developments in many states, including but not limited to, New Mexico, Illinois, Ohio, Montana, Texas, Colorado, Georgia, California, Arizona, Pennsylvania and South Dakota.

Due to the extremely competitive power market in ERCOT most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Applicant has not entered into any agreements, contracts, or letters of intent related to the proposed project except that Applicant has entered into an option to lease the proposed project site from the current landowner.

Applicant submitted an application to ERCOT for the project and received a GINR number of 201NR0248 and was received in February of 2019.

TAB 4

Detailed Description of the Project

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

Pattern Energy Group 2 LP is requesting an appraised value limitation from Columbia-Brazoria Independent School District (ISD) for TX Solar Gulf 1 LLC's solar project (the "Project") a proposed solar powered electric generating facility in Brazoria County. The proposed Columbia-Brazoria ISD Project (this application) will be constructed within a Brazoria County Solar Reinvestment Zone that will be established by Brazoria County Commissioners Court in September 2019. A map showing the location of the project is included in TAB 11.

The proposed Project is anticipated to have a total capacity of 100 MWac located in Brazoria County. Solar equipment selection is ongoing at this time and has not been finalized. The exact number of solar panels will vary depending upon the panels and inverters selected, manufacturer's availability and prices, ongoing engineering design optimization, and the final megawatt generating capacity of the Project when completed. While exact equipment suppliers have not yet been chosen, the project will utilize top tier suppliers with proven track records and quality standards. The proposed project intends to include the following types of equipment, as is standard with utility scale solar projects:

- Solar modules/panels;
- Racking, mounting, and tracking structures;
- Inverters;
- Combiner boxes;
- Meteorological equipment;
- Supervisory Control and Data Acquisition (SCADA) System
- Transformers;
- Piles and/or foundations;
- Storage shed and/or possibly an O&M building;
- Roadways, paving and fencing;
- Collection system;
- Electrical substations and switchyards;
- Generation transmission tie line and associated towers, and interconnection facilities.
- and all eligible ancillary and necessary equipment

TAB 7

Description of Qualified Investment

TX Gulf Solar 1 LLC plans to construct a 100 MW solar farm in Brazoria County.

This application covers all qualified property within Columbia-Brazoria ISD necessary for the commercial operations of the proposed solar farm described in Tab 4. All panels will be located in Columbia-Brazoria ISD. Panel placement is subject to change but for purposes of this application, the Project anticipates using 343,000 modules and 115 inverters.

This application covers all qualified investment and qualified property necessary for the commercial operations of the solar farm.

Qualified Investment and qualified property include collection systems, transmission lines, electrical interconnections, roads, control systems necessary for commercial generation of electricity, solar modules/panels, foundations, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, roadways, storage shed, paving, fencing, electrical substations, generation transmission tie line and associated towers, and interconnection facilities and control systems necessary for commercial generation of electricity, and all eligible ancillary and necessary equipment.

TAB 8

Description of Qualified Property

TX Gulf Solar 1 LLC plans to construct a 100 MW solar farm in Brazoria County.

This application covers all qualified property within Columbia-Brazoria ISD necessary for the commercial operations of the proposed solar farm described in Tab 4. All panels will be located in Columbia-Brazoria ISD. Panel placement is subject to change but for purposes of this application, the Project anticipates using 343,000 modules and 115 inverters.

This application covers all qualified investment and qualified property necessary for the commercial operations of the solar farm.

Qualified Investment and qualified property include collection systems, transmission lines, electrical interconnections, roads, control systems necessary for commercial generation of electricity, solar modules/panels, foundations, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, roadways, storage shed, paving, fencing, electrical substations, generation transmission tie line and associated towers, and interconnection facilities and control systems necessary for commercial generation of electricity, and all eligible ancillary and necessary equipment.

TX Gulf Solar 1 LLC

BRAZORIA COUNTY,
TEXAS

PROJECT LAYOUT

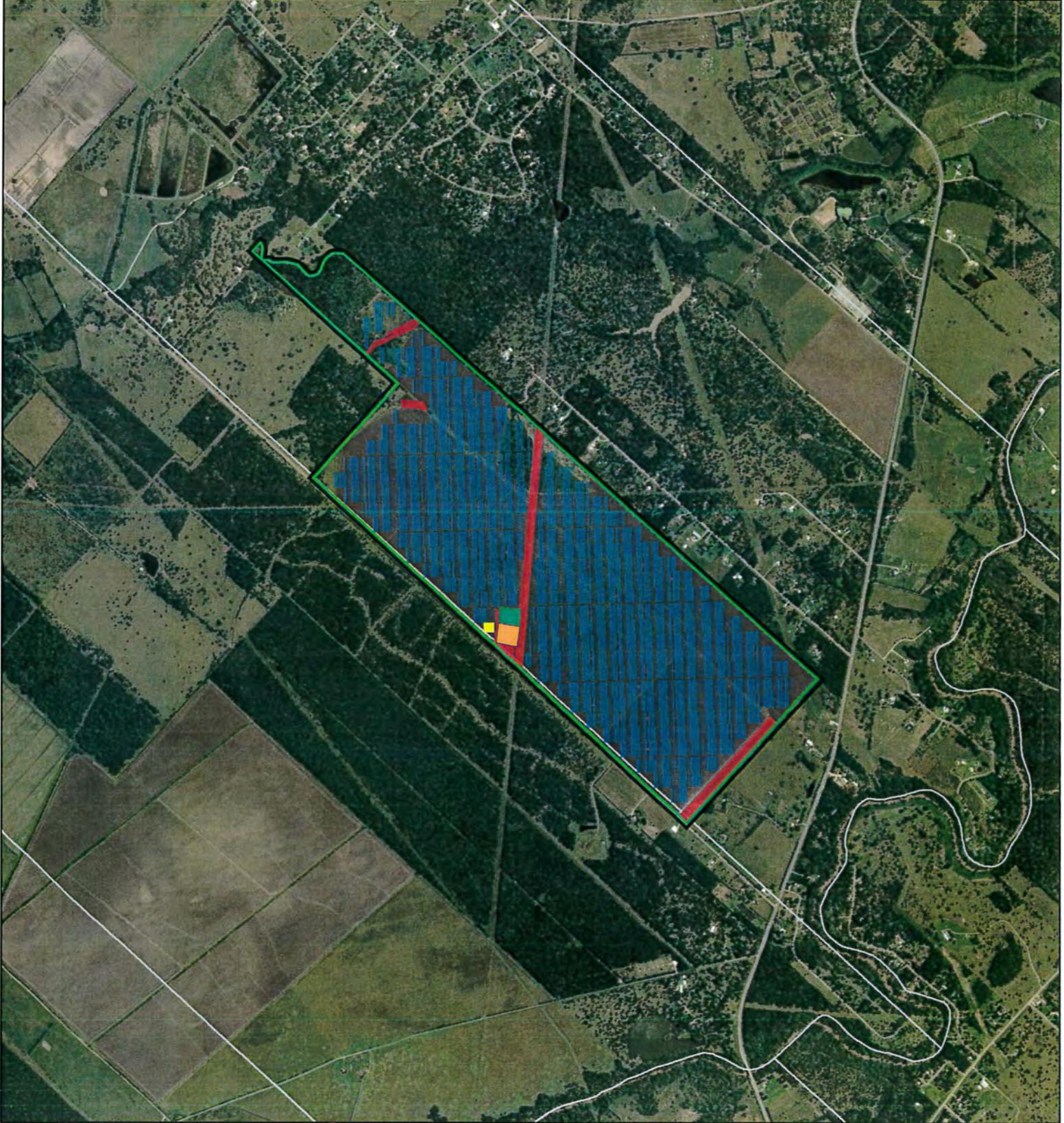
HORAK,
DUSTIN T., RODNEY J., & KEVIN J.
APPROX. 700 ACRES

-  Storage Shed
-  Project BOUNDARY
-  SWITCHYARD 2.7 AC.
-  SUBSTATION 2.4 AC.
-  XFMRs
-  EXCLUSION ZONES 37.5 AC
-  RACKS & PANELS
-  TEXAS LAND SURVEY
-  Proposed Reinvestment Zone Boundary

0.25 0.125 0 0.25 MI.



Date: 8/27/2019

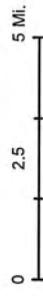


TX Gulf Solar 1 LLC

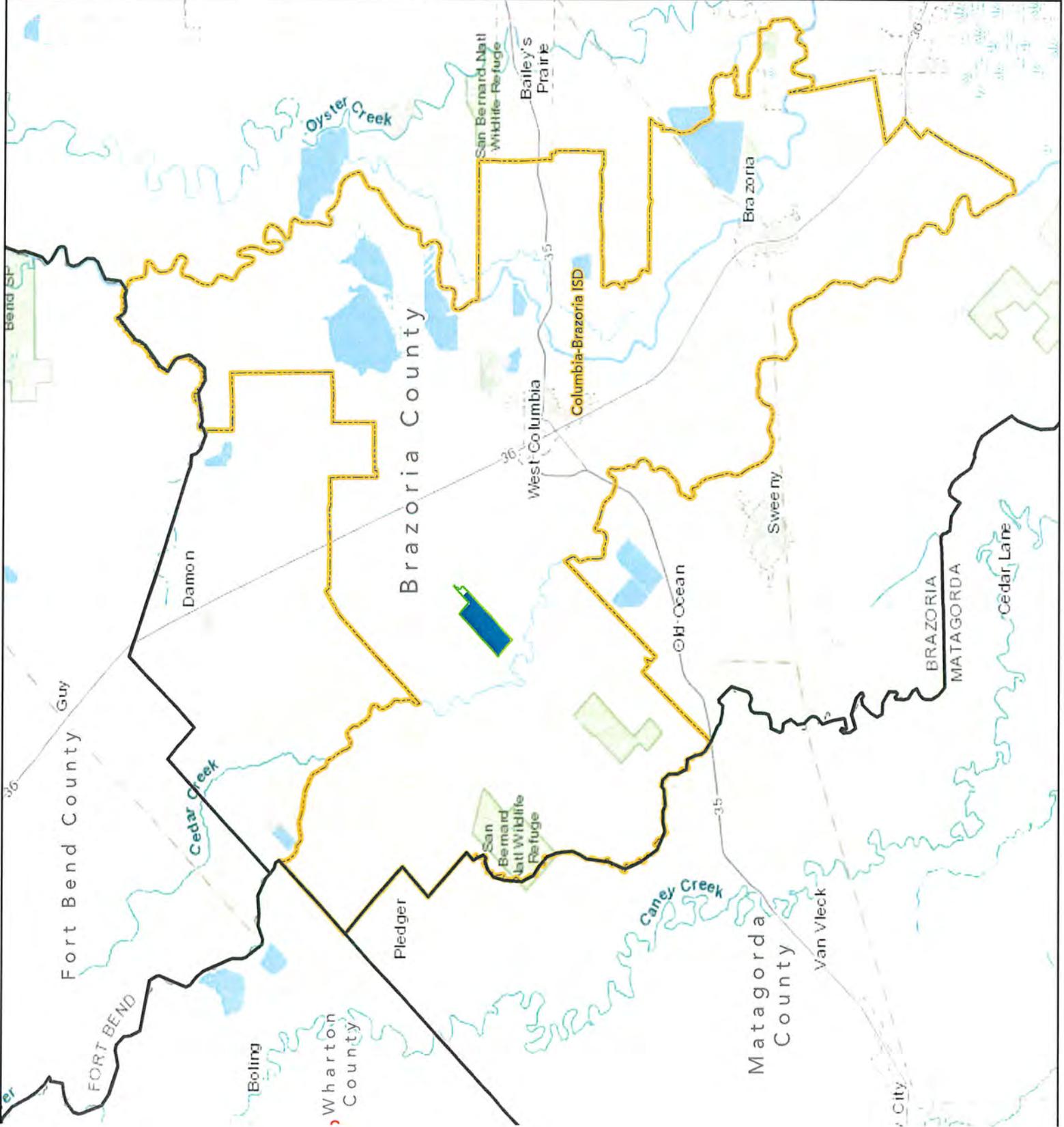
BRAZORIA COUNTY,
TEXAS

VICINITY MAP

- PROJECT AREA & REINVESTMENT ZONE
- COUNTY BOUNDARY
- SCHOOL DISTRICT BOUNDARY



Date: 8/27/2019



Quarterly Employment and Wages (QCEW)

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2019	02	Brazoria	Total All	10	Total, All Industries	1,098
2018	03	Brazoria	Total All	10	Total, All Industries	1,100
2018	04	Brazoria	Total All	10	Total, All Industries	1,147
2019	01	Brazoria	Total All	10	Total, All Industries	1,210

Quarterly Employment and Wages (QCEW)

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2019	02	Brazoria	Private	31-33	Manufacturing	2,046
2018	03	Brazoria	Private	31-33	Manufacturing	2,077
2018	04	Brazoria	Private	31-33	Manufacturing	2,114
2019	01	Brazoria	Private	31-33	Manufacturing	2,666

**TX GULF SOLAR 1 LLC
TAB 13 TO CHAPTER 313 APPLICATION**

**BRAZORIA COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2019	\$ 1,210	\$ 62,920
SECOND	2019	\$ 1,098	\$ 57,096
THIRD	2018	\$ 1,100	\$ 57,200
FOURTH	2018	\$ 1,147	\$ 59,644
AVERAGE		\$ 1,138.75	\$ 59,215

**BRAZORIA COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2019	\$ 2,666	\$ 138,632
SECOND	2019	\$ 2,046	\$ 106,392
THIRD	2018	\$ 2,077	\$ 108,004
FOURTH	2018	\$ 2,114	\$ 109,928
AVERAGE		\$ 2,226	\$ 115,739
X		110%	110%
		\$ 2,448.33	\$ 127,312.90

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
HOUSTON-GALVESTON	2018	\$ 1,191	\$ 61,909
X		110%	110%
		\$ 1,309.61	\$ 68,100

* SEE ATTACHED TWC DOCUMENTATION

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 Steven Galloway
Print Name (Authorized School District Representative)

Superintendent
Title

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

12/2/19
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 Dyann Blaine
Print Name (Authorized Company Representative (Applicant))

Authorized Signatory
Title

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

11/25/2019
Date

GIVEN under my hand and seal of office this, the

See Attached

day of

Notary Public in and for the State of Texas

(Notary Seal)

My Commission expires:

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.

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Francisco)

On November 26, 2019 before me, Yea Rin Kim, Notary Public
(insert name and title of the officer)

personally appeared Dyann Blaine
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

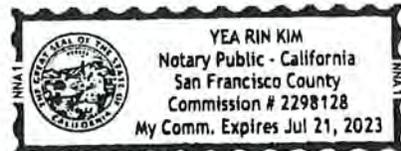
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of : 04/21/2020 12:22:06

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

TX GULF SOLAR 1 LLC	
Texas Taxpayer Number	32065449046
Mailing Address	1999 BRYAN ST STE 900 DALLAS, TX 75201-3140
 Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	11/17/2017
Texas SOS File Number	0802863436
Registered Agent Name	CT CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN STREET SUITE 900 DALLAS, TX 75201

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

February 4, 2020

Steven Galloway
Superintendent
Columbia-Brazoria Independent School District
520 S. 16th Street
West Columbia, Texas 77486

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Columbia-Brazoria Independent School District and TX Gulf Solar I, LLC, Application 1429

Dear Superintendent Galloway:

On December 5, 2019, the Comptroller issued written notice that TX Gulf Solar I, LLC (applicant) submitted a completed application (Application 1429) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on September 17, 2019, to the Columbia-Brazoria 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 1429.

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 December 5, 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 cursive script that reads "Lisa Craven".

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of TX Gulf Solar I, LLC (project) applying to Columbia-Brazoria 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 TX Gulf Solar I, LLC.

Applicant	TX Gulf Solar I, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Columbia-Brazoria ISD
2018-2019 Average Daily Attendance	2,808
County	Brazoria
Proposed Total Investment in District	\$90,000,000
Proposed Qualified Investment	\$90,000,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2022-2023
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	\$1,310
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,310
Minimum annual wage committed to by applicant for qualified jobs	\$68,100
Minimum weekly wage required for non-qualifying jobs	\$1,140
Minimum annual wage required for non-qualifying jobs	\$59,267
Investment per Qualifying Job	\$45,000,000
Estimated M&O levy without any limit (15 years)	\$4,555,727
Estimated M&O levy with Limitation (15 years)	\$3,568,368
Estimated gross M&O tax benefit (15 years)	\$987,359

* 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 TX Gulf Solar I, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	125	167	292	\$8,125,000	\$15,185,000	\$23,310,000
2022	125	174	299	\$8,125,000	\$17,955,000	\$26,080,000
2023	2	21	23	\$136,200	\$4,353,800	\$4,490,000
2024	2	7	9	\$136,200	\$2,593,800	\$2,730,000
2025	2	(5)	-3	\$136,200	\$1,163,800	\$1,300,000
2026	2	(10)	-8	\$136,200	\$323,800	\$460,000
2027	2	(11)	-9	\$136,200	-\$86,200	\$50,000
2028	2	(9)	-7	\$136,200	-\$196,200	-\$60,000
2029	2	(6)	-4	\$136,200	-\$116,200	\$20,000
2030	2	(3)	-1	\$136,200	\$73,800	\$210,000
2031	2	(1)	1	\$136,200	\$313,800	\$450,000
2032	2	2	4	\$136,200	\$543,800	\$680,000
2033	2	4	6	\$136,200	\$753,800	\$890,000
2034	2	5	7	\$136,200	\$933,800	\$1,070,000
2035	2	6	8	\$136,200	\$1,073,800	\$1,210,000
2036	2	6	8	\$136,200	\$1,153,800	\$1,290,000
2037	2	6	8	\$136,200	\$1,193,800	\$1,330,000

Source: CPA REMI, TX Gulf Solar I, 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*	Columbia-Brazoria ISD I&S Tax Levy	Columbia-Brazoria ISD M&O Tax Levy	Columbia-Brazoria M&O and I&S Tax Levies	Brazoria County Tax Levy	West Brazoria Cty Drainage Dist #11 Tax Levy	Brazoria County Emergency #1 Tax Levy	Brazoria County Emergency #2 Tax Levy	Port Freeport Tax Levy	Road and Bridge Fund Tax Levy	Estimated Total Property Taxes
2022	\$30,000,000	\$30,000,000		\$65,418	\$315,000	\$380,418	\$110,374	\$60,000	\$237,342	\$254,112	\$12,000	\$18,000	\$1,072,246
2023	\$58,753,000	\$58,753,000		\$128,116	\$616,907	\$745,023	\$216,161	\$117,506	\$464,818	\$497,661	\$23,501	\$35,252	\$2,099,922
2024	\$54,050,700	\$54,050,700		\$117,862	\$567,532	\$685,395	\$198,860	\$108,101	\$427,617	\$457,831	\$21,620	\$32,430	\$1,931,855
2025	\$48,976,800	\$48,976,800		\$106,798	\$514,256	\$621,055	\$180,193	\$97,954	\$387,475	\$414,853	\$19,591	\$29,386	\$1,750,506
2026	\$43,493,400	\$43,493,400		\$94,841	\$456,681	\$551,522	\$160,018	\$86,987	\$344,094	\$368,406	\$17,397	\$26,096	\$1,554,521
2027	\$37,575,400	\$37,575,400		\$81,937	\$394,542	\$476,478	\$138,245	\$75,151	\$297,274	\$318,279	\$15,030	\$22,545	\$1,343,002
2028	\$31,184,900	\$31,184,900		\$68,001	\$327,441	\$395,443	\$114,734	\$62,370	\$246,716	\$264,149	\$12,474	\$18,711	\$1,114,596
2029	\$24,284,200	\$24,284,200		\$52,954	\$254,984	\$307,938	\$89,345	\$48,568	\$192,122	\$205,697	\$9,714	\$14,571	\$867,954
2030	\$16,829,200	\$16,829,200		\$36,698	\$176,707	\$213,404	\$61,917	\$33,658	\$133,143	\$142,550	\$6,732	\$10,098	\$601,501
2031	\$12,681,700	\$12,681,700		\$27,654	\$133,158	\$160,811	\$46,658	\$25,363	\$100,330	\$107,419	\$5,073	\$7,609	\$453,263
2032	\$12,679,700	\$12,679,700		\$27,649	\$133,137	\$160,786	\$46,650	\$25,359	\$100,314	\$107,402	\$5,072	\$7,608	\$453,192
2033	\$12,677,700	\$12,677,700		\$27,645	\$133,116	\$160,761	\$46,643	\$25,355	\$100,298	\$107,385	\$5,071	\$7,607	\$453,120
2034	\$12,675,800	\$12,675,800		\$27,641	\$133,096	\$160,737	\$46,636	\$25,352	\$100,283	\$107,369	\$5,070	\$7,605	\$453,052
2035	\$12,673,900	\$12,673,900		\$27,637	\$133,076	\$160,713	\$46,629	\$25,348	\$100,268	\$107,353	\$5,070	\$7,604	\$452,985
2036	\$12,672,100	\$12,672,100		\$27,633	\$133,057	\$160,690	\$46,622	\$25,344	\$100,254	\$107,338	\$5,069	\$7,603	\$452,920
2037	\$12,670,300	\$12,670,300		\$27,629	\$133,038	\$160,667	\$46,616	\$25,341	\$100,240	\$107,323	\$5,068	\$7,602	\$452,856
			Total	\$946,112	\$4,555,727	\$5,501,839	\$1,596,301	\$867,758	\$3,432,589	\$3,675,127	\$173,552	\$260,327	\$15,507,492

Source: CPA, TX Gulf Solar I, LLC

*Tax Rate per \$100 Valuation

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

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Columbia-Brazoria ISD I&S Tax Levy	Columbia-Brazoria ISD M&O Tax Levy	Columbia-Brazoria M&O and I&S Tax Levies	Brazoria County Tax Levy	West Brazoria City Drainage Dist #11 Tax Levy	Brazoria County Emergency #1 Tax Levy	Brazoria County Emergency #2 Tax Levy	Port Freeport Tax Levy	Road and Bridge Fund Tax Levy	Estimated Total Property Taxes
2022	\$30,000,000	\$30,000,000		\$65,418	\$315,000	\$380,418	\$110,374	\$60,000	\$237,342	\$254,112	\$12,000	\$18,000	\$1,072,246
2023	\$58,753,000	\$30,000,000		\$128,116	\$315,000	\$443,116	\$216,161	\$117,506	\$464,818	\$497,661	\$23,501	\$35,252	\$1,798,016
2024	\$54,050,700	\$30,000,000		\$117,862	\$315,000	\$432,862	\$198,860	\$108,101	\$427,617	\$457,831	\$21,620	\$32,430	\$1,679,322
2025	\$48,976,800	\$30,000,000		\$106,798	\$315,000	\$421,798	\$180,193	\$97,954	\$387,475	\$414,853	\$19,591	\$29,386	\$1,551,249
2026	\$43,493,400	\$30,000,000		\$94,841	\$315,000	\$409,841	\$160,018	\$86,987	\$344,094	\$368,406	\$17,397	\$26,096	\$1,412,840
2027	\$37,575,400	\$30,000,000		\$81,937	\$315,000	\$396,937	\$138,245	\$75,151	\$297,274	\$318,279	\$15,030	\$22,545	\$1,263,461
2028	\$31,184,900	\$30,000,000		\$68,001	\$315,000	\$383,001	\$114,734	\$62,370	\$246,716	\$264,149	\$12,474	\$18,711	\$1,102,155
2029	\$24,284,200	\$24,284,200		\$52,954	\$254,984	\$307,938	\$89,345	\$48,568	\$192,122	\$205,697	\$9,714	\$14,571	\$867,954
2030	\$16,829,200	\$16,829,200		\$36,698	\$176,707	\$213,404	\$61,917	\$33,658	\$133,143	\$142,550	\$6,732	\$10,098	\$601,501
2031	\$12,681,700	\$12,681,700		\$27,654	\$133,158	\$160,811	\$46,658	\$25,363	\$100,330	\$107,419	\$5,073	\$7,609	\$453,263
2032	\$12,679,700	\$12,679,700		\$27,649	\$133,137	\$160,786	\$46,650	\$25,359	\$100,314	\$107,402	\$5,072	\$7,608	\$453,192
2033	\$12,677,700	\$12,677,700		\$27,645	\$133,116	\$160,761	\$46,643	\$25,355	\$100,298	\$107,385	\$5,071	\$7,607	\$453,120
2034	\$12,675,800	\$12,675,800		\$27,641	\$133,096	\$160,737	\$46,636	\$25,352	\$100,283	\$107,369	\$5,070	\$7,605	\$453,052
2035	\$12,673,900	\$12,673,900		\$27,637	\$133,076	\$160,713	\$46,629	\$25,348	\$100,268	\$107,353	\$5,070	\$7,604	\$452,985
2036	\$12,672,100	\$12,672,100		\$27,633	\$133,057	\$160,690	\$46,622	\$25,344	\$100,254	\$107,338	\$5,069	\$7,603	\$452,920
2037	\$12,670,300	\$12,670,300		\$27,629	\$133,038	\$160,667	\$46,616	\$25,341	\$100,240	\$107,323	\$5,068	\$7,602	\$452,856
			Total	\$946,112	\$3,568,368	\$4,514,480	\$1,596,301	\$867,758	\$3,432,509	\$3,675,127	\$173,552	\$260,327	\$14,520,133
			Diff	\$0	\$987,359	\$987,359	\$0	\$0	\$0	\$0	\$0	\$0	\$987,359

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, TX Gulf Solar I, 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 TX GULF SOLAR I, 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	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
	2022	\$315,000	\$315,000	\$0	\$0
Limitation Period (10 Years)	2023	\$315,000	\$630,000	\$301,907	\$301,907
	2024	\$315,000	\$945,000	\$252,532	\$554,439
	2025	\$315,000	\$1,260,000	\$199,256	\$753,695
	2026	\$315,000	\$1,575,000	\$141,681	\$895,376
	2027	\$315,000	\$1,890,000	\$79,542	\$974,918
	2028	\$315,000	\$2,205,000	\$12,441	\$987,359
	2029	\$254,984	\$2,459,984	\$0	\$987,359
	2030	\$176,707	\$2,636,691	\$0	\$987,359
	2031	\$133,158	\$2,769,849	\$0	\$987,359
	2032	\$133,137	\$2,902,985	\$0	\$987,359
Maintain Viable Presence (5 Years)	2033	\$133,116	\$3,036,101	\$0	\$987,359
	2034	\$133,096	\$3,169,197	\$0	\$987,359
	2035	\$133,076	\$3,302,273	\$0	\$987,359
	2036	\$133,057	\$3,435,330	\$0	\$987,359
	2037	\$133,038	\$3,568,368	\$0	\$987,359
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	\$133,019	\$3,701,388	\$0	\$987,359
	2039	\$133,001	\$3,834,389	\$0	\$987,359
	2040	\$132,984	\$3,967,373	\$0	\$987,359
	2041	\$132,967	\$4,100,339	\$0	\$987,359
	2042	\$132,950	\$4,233,289	\$0	\$987,359
	2043	\$126,319	\$4,359,608	\$0	\$987,359
	2044	\$126,303	\$4,485,912	\$0	\$987,359
	2045	\$126,288	\$4,612,200	\$0	\$987,359
	2046	\$126,273	\$4,738,473	\$0	\$987,359
	2047	\$126,258	\$4,864,731	\$0	\$987,359

\$4,864,731

is greater than

\$987,359

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, TX Gulf Solar I, 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 TX GULF SOLAR I,'s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- “Pattern Energy Group 2 LP (Pattern Development) is a leading U.S.-based independent renewable energy developer with nearly 8,900MW of generating capacity pipeline across United States, Canada, Mexico, and Japan.”
- “Pattern Development's affiliate company, Pattern Energy Group Inc. (PEG), (NASDAQ: PEGI and TSX: PEG) is an independent power company with 20 renewable energy facilities with an operating fleet capacity of +3,500 MW.”
- Per PEG, in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Pattern Development is keen to develop and build the proposed for TX Gulf Solar 1 LLC's solar farm project (the “Project”) as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar solar projects. Currently the investment in Texas is being evaluated against projects in Ohio and Pennsylvania. Pattern Development is active in states throughout the central and southwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to its customers and making its investment more viable and marketable.”
 - B. “Due to the extremely competitive power market in ERCOT most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the

Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.”

- C. Applicant submitted an application to ERCOT for the project and received a GINR number of 20INR0248 and was received in February of 2019.

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

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

TX Gulf Solar 1 LLC

Chapter 313 Application to Columbia-Brazoria ISD

Cummings Westlake, LLC

TAB 5**Documentation to assist in determining if limitation is a determining factor.**

Pattern Energy Group 2 LP (Pattern Development) is a leading U.S.-based independent renewable energy developer with nearly 8,900MW of generating capacity pipeline across United States, Canada, Mexico, and Japan. Pattern Development's highly-experienced team has brought more than 5,500 MW of wind power to market, with 360 MW additional operational capacity being added in 2018

Pattern Development's affiliate company, Pattern Energy Group Inc. (PEG), (NASDAQ: PEGI and TSX: PEG) is an independent power company with 20 renewable energy facilities with an operating fleet capacity of +3,500 MW.

PEG produces all of its electricity from clean and renewable sources, including wind and solar. PEG has a strong commitment to delivering the highest value for its partners and the communities where we work while promoting environmental stewardship and corporate responsibility. PEG has a long-term commitment to both wind and solar with an outlook to significantly expand its fleet of clean energy generating capacity.

Pattern Development is keen to develop and build the proposed for TX Gulf Solar 1 LLC's solar farm project (the "Project") as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar solar projects. Currently the investment in Texas is being evaluated against projects in Ohio and Pennsylvania. Pattern Development is active in states throughout the central and southwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to its customers and making its investment more viable and marketable. Pattern Development has over 50 wind and solar sites in development throughout the country and is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Pattern Development currently has ongoing project developments in many states, including but not limited to, New Mexico, Illinois, Ohio, Montana, Texas, Colorado, Georgia, California, Arizona, Pennsylvania and South Dakota.

TX Gulf Solar 1 LLC

Chapter 313 Application to Columbia-Brazoria ISD

Cummings Westlake, LLC

Due to the extremely competitive power market in ERCOT most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Applicant has not entered into any agreements, contracts, or letters of intent related to the proposed project except that Applicant has entered into an option to lease the proposed project site from the current landowner.

Applicant submitted an application to ERCOT for the project and received a GINR number of 20INR0248 and was received in February of 2019.

Attachment D

Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED TX GULF SOLAR
1 LLC PROJECT IN THE COLUMBIA-BRAZORIA
INDEPENDENT SCHOOL DISTRICT
(PROJECT # 1429)**

PREPARED BY



JANUARY 10, 2020

Executive Summary

TX Gulf Solar 1 LLC (Company) has requested that the Columbia-Brazoria Independent School District (CBISD) 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 CBISD on September 17, 2019, the Company plans to invest \$58.8 million in new taxable value to construct a solar 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 TX Gulf Solar 1 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, CBISD 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 or a lower project 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 CBISD	\$296,626
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$602,809

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. The Completeness Letter for this project was issued on December 5, 2019.

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, O'Hanlon, Demerath & Castillo 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, O'Hanlon, Demerath & Castillo 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 CBISD, 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:	2,862
Local M&O Tax Base	\$1.3264 billion
2019-20 M&O Tax Rate:	\$0.9700 per \$100 of Taxable Value
2020-21 Projected M&O Tax Rate:	\$0.9565 per \$100 of Taxable Value
I&S Tax Rate:	\$0.2181 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 TX Gulf Solar I 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
QTP0	2020-21	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,314,410,513	\$1,314,410,513	\$348,711	\$348,711
QTP1	2021-22	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,314,410,513	\$1,314,410,513	\$348,711	\$348,711
QTP2	2022-23	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,314,410,513	\$1,314,410,513	\$348,711	\$348,711
VL1	2023-24	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,314,410,513	\$1,314,410,513	\$348,711	\$348,711
VL2	2024-25	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,373,163,513	\$1,344,410,513	\$364,298	\$356,670
VL3	2025-26	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,368,461,213	\$1,344,410,513	\$363,051	\$356,670
VL4	2026-27	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,363,387,313	\$1,344,410,513	\$361,705	\$356,670
VL5	2027-28	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,357,903,913	\$1,344,410,513	\$360,250	\$356,670
VL6	2028-29	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,351,985,913	\$1,344,410,513	\$358,680	\$356,670
VL7	2029-30	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,345,595,413	\$1,344,410,513	\$356,984	\$356,670
VL8	2030-31	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,338,694,713	\$1,338,694,713	\$355,154	\$355,154
VL9	2031-32	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,331,239,713	\$1,331,239,713	\$353,176	\$353,176
VL10	2032-33	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,327,092,213	\$1,327,092,213	\$352,075	\$352,075
VP1	2033-34	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,327,090,213	\$1,327,090,213	\$352,075	\$352,075
VP2	2034-35	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,327,088,213	\$1,327,088,213	\$352,074	\$352,074
VP3	2035-36	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,327,086,313	\$1,327,086,313	\$352,074	\$352,074
VP4	2036-37	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,327,084,413	\$1,327,084,413	\$352,073	\$352,073
VP5	2037-38	2,861.72	3,769.34	\$0.9565	\$0.2181	\$1,327,082,613	\$1,327,082,613	\$352,073	\$352,073

*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 TX Gulf Solar 1 Project on CBISD

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 \$296,626 over the course of the Agreement, with all the loss reflected in the first limitation year (2023-24) under current law.

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
QTP0	2020-21	\$11,785,343	\$11,925,617	\$0	\$514,364	\$938,654	\$0	\$0	\$25,163,978
QTP1	2021-22	\$11,785,343	\$11,925,617	\$0	\$514,364	\$938,654	\$0	\$0	\$25,163,978
QTP2	2022-23	\$11,785,343	\$11,925,617	\$0	\$514,364	\$938,654	\$0	\$0	\$25,163,978
VL1	2023-24	\$12,318,314	\$11,925,617	\$0	\$537,625	\$981,866	\$0	\$0	\$25,763,422
VL2	2024-25	\$12,275,218	\$11,387,147	\$0	\$535,744	\$913,340	\$0	\$0	\$25,111,449
VL3	2025-26	\$12,228,716	\$11,430,243	\$0	\$533,715	\$915,174	\$0	\$0	\$25,107,848
VL4	2026-27	\$12,178,460	\$11,476,746	\$0	\$531,521	\$917,153	\$0	\$0	\$25,103,880
VL5	2027-28	\$12,124,222	\$11,527,001	\$0	\$529,154	\$919,291	\$0	\$0	\$25,099,668
VL6	2028-29	\$12,065,653	\$11,581,239	\$0	\$526,598	\$919,236	\$0	\$0	\$25,092,726
VL7	2029-30	\$12,003,456	\$11,639,808	\$0	\$523,883	\$921,722	\$0	\$0	\$25,088,869
VL8	2030-31	\$11,936,498	\$11,703,053	\$0	\$520,961	\$924,407	\$0	\$0	\$25,084,919
VL9	2031-32	\$11,899,246	\$11,771,378	\$0	\$519,335	\$929,691	\$0	\$0	\$25,119,650
VL10	2032-33	\$11,899,228	\$11,809,389	\$0	\$519,334	\$933,696	\$0	\$0	\$25,161,647
VP1	2033-34	\$11,899,210	\$11,809,408	\$0	\$519,334	\$933,697	\$0	\$0	\$25,161,649
VP2	2034-35	\$11,899,193	\$11,809,426	\$0	\$519,333	\$933,698	\$0	\$0	\$25,161,650
VP3	2035-36	\$11,899,176	\$11,809,444	\$0	\$519,332	\$933,698	\$0	\$0	\$25,161,650
VP4	2036-37	\$11,899,160	\$11,809,461	\$0	\$519,331	\$933,699	\$0	\$0	\$25,161,651
VP5	2037-38	\$11,899,144	\$11,809,477	\$0	\$519,331	\$933,700	\$0	\$0	\$25,161,652

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 \$899,435 over the life of the agreement. The CBISD revenue losses are expected to total approximately \$296,626. The total potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$602,809, prior to any negotiations with TX Gulf Solar I 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 2023-24 school year. Under the standard agreement, these calculations are based on whatever school finance and property tax laws are in effect each year.

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
QTP0	2020-21	\$11,785,343	\$11,925,617	\$0	\$514,364	\$938,654	\$0	\$0	\$25,163,978
QTP1	2021-22	\$11,785,343	\$11,925,617	\$0	\$514,364	\$938,654	\$0	\$0	\$25,163,978
QTP2	2022-23	\$11,785,343	\$11,925,617	\$0	\$514,364	\$938,654	\$0	\$0	\$25,163,978
VL1	2023-24	\$12,054,794	\$11,925,617	\$0	\$526,124	\$960,261	\$0	\$0	\$25,466,796
VL2	2024-25	\$12,054,794	\$11,650,668	\$0	\$526,124	\$926,924	\$0	\$0	\$25,158,510
VL3	2025-26	\$12,054,794	\$11,650,668	\$0	\$526,124	\$926,924	\$0	\$0	\$25,158,510
VL4	2026-27	\$12,054,794	\$11,650,668	\$0	\$526,124	\$926,924	\$0	\$0	\$25,158,510
VL5	2027-28	\$12,054,794	\$11,650,668	\$0	\$526,124	\$926,924	\$0	\$0	\$25,158,510
VL6	2028-29	\$12,054,794	\$11,650,668	\$0	\$526,124	\$926,924	\$0	\$0	\$25,158,510
VL7	2029-30	\$12,003,456	\$11,650,668	\$0	\$523,883	\$924,554	\$0	\$0	\$25,102,561
VL8	2030-31	\$11,936,498	\$11,703,053	\$0	\$520,961	\$924,407	\$0	\$0	\$25,084,919
VL9	2031-32	\$11,899,246	\$11,771,378	\$0	\$519,335	\$929,691	\$0	\$0	\$25,119,650
VL10	2032-33	\$11,899,228	\$11,809,389	\$0	\$519,334	\$933,696	\$0	\$0	\$25,161,647
VP1	2033-34	\$11,899,210	\$11,809,408	\$0	\$519,334	\$933,697	\$0	\$0	\$25,161,649
VP2	2034-35	\$11,899,193	\$11,809,426	\$0	\$519,333	\$933,698	\$0	\$0	\$25,161,650
VP3	2035-36	\$11,899,176	\$11,809,444	\$0	\$519,332	\$933,698	\$0	\$0	\$25,161,650
VP4	2036-37	\$11,899,160	\$11,809,461	\$0	\$519,331	\$933,699	\$0	\$0	\$25,161,651
VP5	2037-38	\$11,899,144	\$11,809,477	\$0	\$519,331	\$933,700	\$0	\$0	\$25,161,652

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
QTP0	2020-21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2021-22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2	2022-23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VL1	2023-24	-\$263,520	\$0	\$0	-\$11,501	-\$21,605	\$0	\$0	-\$296,626
VL2	2024-25	-\$220,424	\$263,521	\$0	-\$9,620	\$13,584	\$0	\$0	\$47,061
VL3	2025-26	-\$173,922	\$220,425	\$0	-\$7,591	\$11,750	\$0	\$0	\$50,662
VL4	2026-27	-\$123,666	\$173,922	\$0	-\$5,397	\$9,771	\$0	\$0	\$54,630
VL5	2027-28	-\$69,428	\$123,667	\$0	-\$3,030	\$7,633	\$0	\$0	\$58,842
VL6	2028-29	-\$10,859	\$69,429	\$0	-\$474	\$7,688	\$0	\$0	\$65,784
VL7	2029-30	\$0	\$10,860	\$0	\$0	\$2,832	\$0	\$0	\$13,692
VL8	2030-31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VL9	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VL10	2032-33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP1	2033-34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP2	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2035-36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2036-37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2037-38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

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 5 - Estimated Financial Impact of the TX Gulf Solar I Project Property Value Limitation Request Submitted to CBISD at \$0.95650 per \$100 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
QTP0	2020-21	\$0	\$0	\$0.95650	\$0	\$0	\$0
QTP1	2021-22	\$0	\$0	\$0.95650	\$0	\$0	\$0
QTP2	2022-23	\$30,000,000	\$30,000,000	\$0.95650	\$0	\$0	\$0
VL1	2023-24	\$58,753,000	\$30,000,000	\$0.95650	\$275,022	-\$296,626	-\$21,604
VL2	2024-25	\$54,050,700	\$30,000,000	\$0.95650	\$230,045	\$0	\$230,045
VL3	2025-26	\$48,976,800	\$30,000,000	\$0.95650	\$181,513	\$0	\$181,513
VL4	2026-27	\$43,493,400	\$30,000,000	\$0.95650	\$129,064	\$0	\$129,064
VL5	2027-28	\$37,575,400	\$30,000,000	\$0.95650	\$72,459	\$0	\$72,459
VL6	2028-29	\$31,184,900	\$30,000,000	\$0.95650	\$11,334	\$0	\$11,334
VL7	2029-30	\$24,284,200	\$24,284,200	\$0.95650	\$0	\$0	\$0
VL8	2030-31	\$16,829,200	\$16,829,200	\$0.95650	\$0	\$0	\$0
VL9	2031-32	\$12,681,700	\$12,681,700	\$0.95650	\$0	\$0	\$0
VL10	2032-33	\$12,679,700	\$12,679,700	\$0.95650	\$0	\$0	\$0
VP1	2033-34	\$12,677,700	\$12,677,700	\$0.95650	\$0	\$0	\$0
VP2	2034-35	\$12,675,800	\$12,675,800	\$0.95650	\$0	\$0	\$0
VP3	2035-36	\$12,673,900	\$12,673,900	\$0.95650	\$0	\$0	\$0
VP4	2036-37	\$12,672,100	\$12,672,100	\$0.95650	\$0	\$0	\$0
VP5	2037-38	\$12,670,300	\$12,670,300	\$0.95650	\$0	\$0	\$0
					\$899,435	-\$296,626	\$602,809

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 CBISD currently levying a \$0.2181 per \$100 I&S rate. As shown in the Table 6 below, local taxpayers could receive a modest benefit from the addition of the TX Gulf Solar I project to the local I&S tax roll.

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 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 TX Gulf Solar I Project Property Value Limitation Request on CBISD 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
QTP0	2020-21	\$0.2181	\$1,326,439,648	\$2,892,421	\$0	\$0.218059	\$0.0000
QTP1	2021-22	\$0.2181	\$1,326,439,648	\$2,892,421	\$0	\$0.218059	\$0.0000
QTP2	2022-23	\$0.2181	\$1,326,439,648	\$2,892,421	\$30,000,000	\$0.213236	-\$0.0048
VL1	2023-24	\$0.2181	\$1,326,439,648	\$2,892,421	\$58,753,000	\$0.208810	-\$0.0092
VL2	2024-25	\$0.2181	\$1,326,439,648	\$2,892,421	\$54,050,700	\$0.209521	-\$0.0085
VL3	2025-26	\$0.2181	\$1,326,439,648	\$2,892,421	\$48,976,800	\$0.210294	-\$0.0078
VL4	2026-27	\$0.2181	\$1,326,439,648	\$2,892,421	\$43,493,400	\$0.211136	-\$0.0069
VL5	2027-28	\$0.2181	\$1,326,439,648	\$2,892,421	\$37,575,400	\$0.212052	-\$0.0060
VL6	2028-29	\$0.2181	\$1,326,439,648	\$2,892,421	\$31,184,900	\$0.213050	-\$0.0050
VL7	2029-30	\$0.2181	\$1,326,439,648	\$2,892,421	\$24,284,200	\$0.214139	-\$0.0039
VL8	2030-31	\$0.2181	\$1,326,439,648	\$2,892,421	\$16,829,200	\$0.215327	-\$0.0027
VL9	2031-32	\$0.2181	\$1,326,439,648	\$2,892,421	\$12,681,700	\$0.215994	-\$0.0021
VL10	2032-33	\$0.2181	\$1,326,439,648	\$2,892,421	\$12,679,700	\$0.215994	-\$0.0021
VP1	2033-34	\$0.2181	\$1,326,439,648	\$2,892,421	\$12,677,700	\$0.215995	-\$0.0021
VP2	2034-35	\$0.2181	\$1,326,439,648	\$2,892,421	\$12,675,800	\$0.215995	-\$0.0021
VP3	2035-36	\$0.2181	\$1,326,439,648	\$2,892,421	\$12,673,900	\$0.215995	-\$0.0021
VP4	2036-37	\$0.2181	\$1,326,439,648	\$2,892,421	\$12,672,100	\$0.215995	-\$0.0021
VP5	2037-38	\$0.2181	\$1,326,439,648	\$2,892,421	\$12,670,300	\$0.215996	-\$0.0021

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, although CBISD appears to be too wealthy in terms of taxable value per ADA to be eligible for state facilities funding.

Attachment E

Taxable Value of Property

020-Brazoria

020-907/Columbia-Brazoria ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Estimate	2018 Value Assigned
A. SINGLE-FAMILY RESIDENCES	817,828,364	0.9623	849,868,403	817,828,364
B. MULTIFAMILY RESIDENCES	13,532,661	N/A	13,532,661	13,532,661
C1. VACANT LOTS	46,733,123	N/A	46,733,123	46,733,123
C2. COLONIA LOTS	0	N/A	0	0
D1. QUALIFIED AG LAND	8,262,698	1.1088	7,451,736	8,262,698
D2. REAL PROP:FARM & RANCH	2,431,761	N/A	2,431,761	2,431,761
E. REAL PROP NONQUAL ACREAGE	110,915,857	0.9547	116,178,755	110,915,857
F1. COMMERCIAL REAL	93,064,833	0.8943	104,064,445	93,064,833
F2. INDUSTRIAL REAL	253,731,020	N/A	253,731,020	253,731,020
G. OIL,GAS,MINERALS	5,211,520	N/A	5,211,520	5,211,520
J. UTILITIES	134,304,940	0.9762	137,579,328	134,304,940
L1. COMMERCIAL PERSONAL	27,645,680	N/A	27,645,680	27,645,680
L2. INDUSTRIAL PERSONAL	93,780,670	N/A	93,780,670	93,780,670
M. MOBILE HOMES	9,565,180	N/A	9,565,180	9,565,180
N. INTANGIBLE PERSONAL PROP	0	N/A	0	0
O. RESIDENTIAL INVENTORY	6,039,230	N/A	6,039,230	6,039,230
S. SPECIAL INVENTORY	867,770	N/A	867,770	867,770
Subtotal	1,623,915,307	0	1,674,681,282	1,623,915,307
Less Total Deductions	309,504,794	0	319,636,937	309,504,794

Total Taxable Value	1,314,410,513	0	1,355,044,345	1,314,410,513
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The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M & O Purposes

T1	T2	T3	T4
1,360,299,152	1,314,410,513	1,327,231,796	1,281,343,157

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
45,888,639	33,067,356

T1 = School district taxable value for M & O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I & S Purposes

T7	T8	T9	T10
1,360,299,152	1,314,410,513	1,327,231,796	1,281,343,157

T7 = School district taxable value for I & S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

020-907-02/Columbia-Brazoria ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Estimate	2018 Value Assigned
A. SINGLE-FAMILY RESIDENCES	817,828,364	0.9623	849,868,403	817,828,364
B. MULTIFAMILY RESIDENCES	13,532,661	N/A	13,532,661	13,532,661
C1. VACANT LOTS	46,733,123	N/A	46,733,123	46,733,123
C2. COLONIA LOTS	0	N/A	0	0
D1. QUALIFIED AG LAND	8,262,698	1.1088	7,451,736	8,262,698
D2. REAL PROP:FARM & RANCH	2,431,761	N/A	2,431,761	2,431,761
E. REAL PROP NONQUAL ACREAGE	110,915,857	0.9547	116,178,755	110,915,857
F1. COMMERCIAL REAL	93,064,833	0.8943	104,064,445	93,064,833
F2. INDUSTRIAL REAL	253,731,020	N/A	253,731,020	253,731,020
G. OIL,GAS,MINERALS	5,211,520	N/A	5,211,520	5,211,520
J. UTILITIES	134,304,940	0.9762	137,579,328	134,304,940
L1. COMMERCIAL PERSONAL	27,645,680	N/A	27,645,680	27,645,680
L2. INDUSTRIAL PERSONAL	93,780,670	N/A	93,780,670	93,780,670
M. MOBILE HOMES	9,565,180	N/A	9,565,180	9,565,180
N. INTANGIBLE PERSONAL PROP	0	N/A	0	0
O. RESIDENTIAL INVENTORY	6,039,230	N/A	6,039,230	6,039,230
S. SPECIAL INVENTORY	867,770	N/A	867,770	867,770
Subtotal	1,623,915,307		1,674,681,282	1,623,915,307
Less Total Deductions	309,504,794		319,636,937	309,504,794
Total Taxable Value	1,314,410,513		1,355,044,345	1,314,410,513

The taxable values shown here will not match the values reported by your appraisal district
 See the ISD DEDUCTION Report for a breakdown of deduction values

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T1	T2	T3	T4
1,360,299,152	1,314,410,513	1,327,231,796	1,281,343,157

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T1 = School district taxable value for M & O purposes before the loss to the additional \$10, 000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50 % of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50 % of the loss to the local optional percentage homestead exemption

Value Taxable For I & S Purposes

T7	T8	T9	T10
1,360,299,152	1,314,410,513	1,327,231,796	1,281,343,157

T7 = School district taxable value for I & S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

Attachment F

TEA's Facilities Value

Attachment G
Participation Agreement

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

by and between

COLUMBIA-BRAZORIA INDEPENDENT SCHOOL DISTRICT

and

TX GULF SOLAR 1 LLC

(Texas Taxpayer ID #32065449046)

Comptroller Application #1429

Dated

May 12, 2020

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

STATE OF TEXAS §

COUNTY OF BRAZORIA §

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 **Columbia-Brazoria 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 **TX Gulf solar 1 LLC**, Texas Taxpayer Identification Number 32065449046 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 September 17, 2019, the Superintendent of Schools of the Columbia-Brazoria 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 September 17, 2019, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

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

WHEREAS, the District and the Texas Comptroller's Office have determined that the Application is complete and December 5, 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 Brazoria County Appraisal District established in Brazoria County, Texas (the "Brazoria 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 February 4, 2020, 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, ratified the Superintendent's Extension Letter, dated March 18th, 2020, extending the statutory deadline by which the District must consider the Application until 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 12th, 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 12th, 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 12th, 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 May 12th, 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 12th, 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 and 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.

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 TX Gulf Solar 1 LLC, (Texas Taxpayer ID #32065449046), 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 September 17, 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 Brazoria County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Columbia-Brazoria Independent School District.

“Commercial Operation” means the date on which the project becomes commercially operational, has installed or constructed Qualified Property on the Land, and is able to generate electricity and is connected to the grid with an interconnection agreement.

“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 Brazoria County, Texas.

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

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

“Force Majeure” means acts of God, war, fires, explosions, hurricanes, floods, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each Party must inform the other in writing with proof of receipt within 60 business days of the existence of such Force Majeure or otherwise waive this right as a defense.

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

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

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

TEXAS TAX CODE.

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

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

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

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

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

“State” means the State of Texas.

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

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

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

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

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

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

"Aggregate Limit" means, for any Tax Year during the term of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and for all previous Tax Years during the term of this Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article VI.

"Annual Limit" means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District's average daily attendance in the amount of 2,807 for the 2018-2019 school year, as calculated pursuant to Texas Education Code §42.005, times the greater of \$100, or any larger amount allowed by Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall be the larger of the result of such calculation or \$50,000. The Annual Limit shall first be computed for Tax Year 2021, the first year of the Qualifying Time Period.

"Applicable School Finance Law" means Chapters 41, 42, 48 and 49 of the TEXAS EDUCATION CODE, 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 for each and every year of this Agreement, including specifically, the applicable rules and regulations 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 includes any and all amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant's ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement. For each year of this Agreement, the "Applicable School Finance Law" shall be interpreted to include all provisions made applicable for any calculations made for the specific year for which calculations are being made.

"Maintenance and Operations Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace the District's Maintenance and Operations Revenue lost as a result of such similar agreements, minus (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE, in each case, as any of the items in clauses (i), (ii), and (iv) above may be amended by Applicable School Finance Law from time to time, and plus or minus, as applicable, any other revenues, payments or amounts received or required to be reimbursed by the District from State and local funding for maintenance and operations purposes under Applicable School Finance Law, such

that Maintenance and Operations Revenue shall be the net amount of all such revenues, payments or other amounts which the District is entitled to receive and retain from State and local funding for maintenance and operations purposes under Applicable School Finance Law.

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

“New M&O Revenue” means, for any Tax Year, the total State and local Maintenance and Operations Revenue that District would have actually received for such school year if calculated using prior year taxable values.

“Option to Terminate” means Applicant’s written notice to the District which: (i) in the event that Applicant determines that it will not commence or complete construction of the Applicant’s Qualified Investment prior to the beginning of the Tax Limitation Period notifies the District of Applicant’s unilateral determination to terminate this Agreement; or, (ii) with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, where 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 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 Applicant may exercise the Subsection (ii) 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 where the payment otherwise due exceeded the amount of taxes that Applicant would have paid had it not entered into the Agreement. Any termination of this Agreement under Subsection (ii) of this provision shall be effective immediately prior to the second Tax Year next following the Tax Year in which notice is given.

“Original M&O Revenue” means, for any Tax Year, the total State and local Maintenance and Operations Revenue that District would have received for the Tax Year, under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant’s Qualified Property been subject to the ad valorem maintenance & operations tax at the rate applicable for such Tax Year. For purposes of this calculation, the Third Party will base its calculations upon actual local taxable values for the prior school year as certified by the County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property subject to this Agreement, plus the total appraised value of the Qualified Property for the prior school year subject to this Agreement. In this calculation, the total appraised value of the Qualified Property subject to this Agreement will be used for the Qualified Property in lieu of the property’s M&O taxable value. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on

Applicant's Qualified Property will be used for the Qualified Property in lieu of the property's M&O taxable value.)

"Revenue Protection Amount" means the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date as set forth in Section 4.2 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 December 5, 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 12, 2020.

C. The Qualifying Time Period for this Agreement:

i. Starts on June 1, 2021, a date not later than i. January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by §313.027(h) of the TEXAS TAX CODE; and

ii. Ends on December 31, 2023, 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, 2023, first complete tax year that begins after the date of the commencement of Commercial Operation; and
- ii. Ends on December 31, 2032.

E. The Final Termination Date for this Agreement is December 31, 2037.

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) based on Section 313.054 of the TEXAS TAX CODE.

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.

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

- A. have completed the Applicant's Qualified Investment in the amount of \$30,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$1,140 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)(5) property used for renewable energy electric generation.

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was a sole and direct cause, all as calculated in Section 4.2 below. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement.

The Parties hereto expressly understand and agree that, for all years to which this Agreement may apply, the calculation of losses that District actually incurs in its Maintenance and Operations Revenue will be defined for each applicable Tax Year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may well periodically change in accordance with changes made from time to time in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: (i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement; (ii) are based upon current Applicable School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and (iii) may change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT

A. Calculation of the Revenue Protection Amount.

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 (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:

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

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

i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for each year for which the calculation is made.

ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).

iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.

iv. For all calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, Subsection ii of this subsection will reflect the Tax Limitation Amount for such year.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") mutually acceptable to Applicant and the District. To the extent not inconsistent with a statutory change to Applicable School Finance Law, all calculations made by the Third Party under this Agreement shall be made using a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

Section 4.4. 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 roll submitted to the District for each Tax Year pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.5. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Article IV, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.6, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable

times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.6. PAYMENT BY APPLICANT. Subject to Section 4.7, the Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective; provided, however, that the District and the Applicant may mutually agree in writing to extend the date of payment. By such date, the Applicant shall also pay any amount billed by the Third Party, plus any reasonable and necessary out-of-pocket third party legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Fifteen Thousand Dollars (\$15,000.00). Except that, for any Tax Year outside of the Tax Limitation Period, Applicant shall not be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Eight Thousand Dollars (\$8,000.00).

Section 4.7 RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records and other information for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days after receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days after the final determination of certification containing the calculations, and shall be without limitation of or prejudice to any other rights and remedies available to Applicant hereunder, at law, or in equity.

Section 4.8. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.3 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/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Property by the Appraisal District.

If as a result of an 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 Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.9. STATUTORY CHANGES AFFECTING MAINTENANCE AND OPERATIONS REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, as a sole and direct cause of its participation in this Agreement, Applicant shall make payments to District, up to the limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a sole and direct cause of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

Section 4.10. REVENUE PROTECTION PAYMENT FOR FIRST YEAR OF LIMITATION.

The parties agree that the Revenue Protection Amount calculated by the Third Party for the first year of the Tax Limitation Period will be paid to the school district in four equal installments. Each installment payment is due on or before the January 31 next following the tax levy for each of the first four years of the Tax Limitation Period. All payments made by the Applicant to the District under this Section 4.10 will be independent of, and in addition to any payments due in the future from the Applicant to the District under the Tax Limitation Agreement.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following: all non-reimbursed costs, certified by District's external auditor to have been incurred by 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 during any project construction year.

ARTICLE VI

SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

A. Amounts Exclusive of Indemnity Amounts. In addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the supplemental payments set forth in this Article VI, (the "Supplemental Payments"). The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. 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, V, and VI are subject to the limitations contained in Section 7.1, and that all payments under this Article IV are subject to the separate limitations contained in Section 6.2.

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 to be increased by the legislature for any future year of 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; and

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's 2018-2019 Average Daily Attendance of 2808.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT – SUBJECT TO AGGREGATE LIMIT

Subject to the Supplemental Payment limitation set forth in Section 6.2 of this Agreement, during the term of this Agreement, the amount of each annual Supplement Payment owed by Applicant to the District shall be equal to the *lesser* of:

- (a) the “Applicant’s Stipulated Supplemental Payment Amount,” which is hereby defined as fifty percent (50%) of the Applicant’s “Net Tax Benefit,” as such term is defined in Section 1.2, above; or
- (b) the “Aggregate Limit,” as such term is defined in Section 1.2, above.

Section 6.4. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS.

- A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.3, above.
- B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6, above.
- C. The payment of each annual Supplemental Payment due under this Article shall be made shall be paid on or before the January 31 of the next following Tax Year.

Section 6.5. DISTRICT’S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the District’s Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant’s payment obligations under Article VI of this agreement be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District’s Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District’s Board of Trustees at any time.

Any designation of a successor beneficiary under this Section shall not alter the amount of the annual Supplemental Payments calculated as described in Section 6.3, above.

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate, this Agreement shall terminate and be of no further force or effect; provided, however, that:

- A. the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which

such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

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

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

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

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

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

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

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

A. All inspections will be made at a mutually agreeable time after the giving of not less than ninety-six (96) hours prior written notice, and will be conducted in such a manner so as not

to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

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

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

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

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

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

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

Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

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

rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

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

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

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

B. agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and 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 sixty (60) 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 sixty (60) 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 Brazoria 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 Brazoria 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 60 days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial

proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

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

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.1 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the sixty (60) 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 \$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:

Steven Galloway
Superintendent
Columbia-Brazoria Independent School District
520 S. 16th Street
West Columbia, TX 77486
Phone: (979) 345-5147
Email: steven.galloway@cbisd.com

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

TX Gulf Solar 1 LLC
1088 Sansome Street
San Francisco, California 94111
Attention: General Counsel
Telephone: (415) 283-4014
Email: generalcounsel@patternenergy.com

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

D. A copy of any notice delivered to the Applicant shall also be delivered to any lender

for which the Applicant has provided the District notice of collateral assignment information pursuant to Section 10.3.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 Brazoria 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 I.1; and
- iii. This Agreement and its Attachments including the Application as incorporated by reference.

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

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

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

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

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

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District and Comptroller's office in writing of any actual or anticipated change in the

control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

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

Section 10.14. CONFLICTS OF INTEREST.

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

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

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

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION. Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

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

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile

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

B. Delivery is deemed complete as follows:

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

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 12th day of May, 2020.

TX Gulf Solar 1 LLC

**COLUMBIA-BRAZORIA
INDEPENDENT SCHOOL DISTRICT**

By: *Dyann Blair*
AUTHORIZED SIGNATORY

By: *[Signature]*
**PRESIDENT,
BOARD OF TRUSTEES**

ATTEST:

Linda Huebner
**SECRETARY,
BOARD OF TRUSTEES**

IN THE EVENT OF CONFLICT

By: _____
**VICE PRESIDENT,
BOARD OF TRUSTEES**

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

On May 12th, 2020, pursuant to Chapter 312 of the Texas Tax Code, the District designated the below tracts of land as TX Gulf Solar 1 LLC Reinvestment Zone. A map of this contiguous Reinvestment Zone is attached as the last page of this **EXHIBIT 1** following the legal description of the zone. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of this Reinvestment Zone.

COLUMBIA-BRAZORIA INDEPENDENT SCHOOL DISTRICT

RESOLUTION CREATING TX GULF SOLAR REINVESTMENT ZONE

WHEREAS, Section 312.0025 of the Texas Tax Code permits a school district to designate a reinvestment zone if that designation is reasonably likely to contribute to the expansion of primary employment in the reinvestment zone, or attract major investment in the reinvestment zone that would be a benefit to property in the reinvestment zone and to the school district and contribute to the economic development of the region of this state in which the school district is located; and,

WHEREAS, the Columbia-Brazoria Independent School District (the "District") desires to encourage the development of primary employment and to attract major investment in the District and contribute to the economic development of the region in which the school district is located; and,

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

WHEREAS, the District published notice of a public hearing regarding the possible designation of the area described in the attached **Exhibit A** as a reinvestment zone for the purposes of Chapter 313 of the Texas Tax Code; and,

WHEREAS, the District wishes to create a reinvestment zone within the boundaries of the school district in Jefferson County, Texas as shown on the map attached as **Exhibit B**; and,

WHEREAS, the District has given written notice of the proposed action and the Public Hearing to all political subdivisions and taxing authorities having jurisdiction over the property proposed to be designated as the reinvestment zone, described in the attached **Exhibits A & B**; and,

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE COLUMBIA-BRAZORIA INDEPENDENT SCHOOL DISTRICT:

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

SECTION 2. That the Board of Trustees of the Columbia-Brazoria Independent School District, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on the adoption of *TX GULF SOLAR REINVESTMENT ZONE* has been called, held and conducted, and that notices of such hearing have been published and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,
- (b) That the boundaries of *TX GULF SOLAR REINVESTMENT ZONE* be and, by the adoption of this Resolution, are declared and certified to be the area as described in the description attached hereto as “**Exhibit A**”; and,
- (c) That the map attached hereto as “**Exhibit B**” is declared to be and, by the adoption of this Resolution, is certified to accurately depict and show the boundaries of *TX GULF SOLAR REINVESTMENT ZONE* which is described in **Exhibit A**; and further certifies that the property described in **Exhibit A** is inside the boundaries shown on **Exhibit B**; and,
- (d) That creation of *TX GULF SOLAR REINVESTMENT ZONE* with boundaries as described in **Exhibit A** and **Exhibit B** will result in benefits to the Columbia-Brazoria Independent School District and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (e) That the *TX GULF SOLAR REINVESTMENT ZONE* described in **Exhibit A** and **Exhibit B** meets the criteria set forth in Texas Tax Code §312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract investment in the zone that will be a benefit to the property, and would contribute to economic development within the Columbia-Brazoria Independent School District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Columbia-Brazoria Independent School District hereby creates a reinvestment zone under the provisions of Texas Tax Code §312.0025, encompassing the area described by the descriptions in **Exhibit A** and **Exhibit B**, and such reinvestment zone is hereby designated and shall hereafter be referred to as *TX GULF SOLAR REINVESTMENT ZONE*.

SECTION 4. That the existence of the *TX GULF SOLAR REINVESTMENT ZONE* shall first take effect upon, May 12th, 2020, the date of the adoption of this Resolution by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such adoption.

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

Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Columbia-Brazoria Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in Brazoria County of the State of Texas, and furthermore, such notice was, in fact, delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 12th day of May, 2020.

**COLUMBIA-BRAZORIA INDEPENDENT
SCHOOL DISTRICT**

By: 
President
Board of Trustees

ATTEST: 
Secretary
Board of Trustees

EXHIBIT A

LEGAL DESCRIPTION OF TX GULF SOLAR REINVESTMENT ZONE

TX GULF SOLAR REINVESTMENT ZONE

Exhibit A

Legal Description of the Property

Tract 1: 433.9764 Acres

433.9764 acres of land out of a called 968.36 acre tract in the Jessie Thompson League, Abstract No. 132, said 968.36 acre tract being recorded in Volume 426, Page 332, of the Deed Records of Brazoria County, Texas, described by metes and bounds as follows:

BEGINNING at an iron rod on the southerly right-of-way line of County Road No. 5, said iron rod also being located N 47 degrees 08' 34.4" W 1829.22 ft., N 45 degrees 03' 09.8" W 2128.93 ft. and S 44 degrees 16' 21.7" W 3787.43 ft. from an iron pipe on the easterly corner of a called 388.00 acre tract, as recorded in Volume 620, Page 514, of the Deed Records of Brazoria County, Texas;

THENCE S 44 degrees 26' 13" W along the southerly right-of-way line of County Road No. 5 for a distance of 8889.21 ft. to an iron rod for a corner;

THENCE S 45 degrees 49' 53.9" E for a distance of 2284.39 ft. to an iron rod for a corner;

THENCE N 43 degrees 48' 58.7" E for a distance of 8421.19 ft. to an iron rod for a corner;

THENCE N 37 degrees 43' 47" W for a distance of 1438.58 ft. to an iron rod for a corner;

THENCE N 01 degrees 17' 03.1" W for a distance of 921.51 ft. to the place of beginning containing 433.9764 acres of land, more or less.

Tract 2 259.357 Acres

FIELD NOTES FOR A 259.3570 ACRE TRACT OF LAND IN THE JESSE THOMPSON LEAGUE, ABSTRACT 132, BRAZORIA COUNTY, TEXAS, SAID 259.3570 ACRE TRACT BEING A PART OF A CALLED 300 ACRE TRACT BEING IN DEED TO MYRVIN GIFFORD AND DENNIS RAY GIFFORD BY VIRTUE OF HEIRSHIP AFFIDAVIT RECORDED IN VOLUME 698, PAGE 387, OFFICIAL RECORDS, BRAZORIA COUNTY, TEXAS. THE BASE BEARING FOR THE HEREIN DESCRIBED TRACT IS THE NORTHWEST LINE OF AN ADJOINING CALLED 110.7350 ACRE TRACT IN DEED TO LETITIA C. WOODWARD, RECORDED UNDER COUNTY CLERK'S FILE NO. 00-014008, OFFICE OF THE COUNTY CLERK, BRAZORIA COUNTY, TEXAS, SAID BEARING BEING NORTH 43 DEGREES 19 MINUTES 40 SECONDS EAST, SAME BEING A SOUTHEAST LINE OF THE HEREIN DESCRIBED 259.3570 ACRE TRACT;

COMMENCING at a 3/4 inch iron pipe found on the northerly right-of-way line of F.M. Highway 1301 being on the original southeast line of the aforementioned called 300 acre tract and being a west corner of an adjoining called 5.9152 acre tract in deed to Janis Faye Rhodes Massey, recorded in Volume (85)316, Page 922, Official Records, Brazoria County, Texas, and also along the northwest line of an adjoining residue of a called 10.00 acre tract in deed to William Burl Jacob, recorded in Volume (85)175, Page 606, Official Records, Brazoria County, Texas;

THENCE North 43 degrees 17 minutes 54 seconds East along said line for a distance of 515.52 feet to a 1/2 inch iron pipe with cap marked "Kalkomay Surveying" set on said line for the south corner and Place of Beginning of the herein described 259.3570 acre tract of land;

THENCE North 43 degrees 17 minutes 54 seconds East along the southeast line of the herein described 259.3570 acre tract, being a northwest line of the adjoining William Burl Jacobs residue of a called 10.00 acre tract, recorded in Volume (85)175, Page 606, Official Records, Brazoria County, Texas, the northwest line of the Kenneth Higginbotham, et ux, called 5.00 acre tract, recorded in Volume (91) 961, Page 876, Official Records, Brazoria County, Texas, the northwest line of the Donna Bryington called 2.50 acre tract, recorded in Volume 1765, Page 424, Deed Records, Brazoria County, Texas, the northwest line of the Lamar Jordan residue of a called 5.0 acre tract, recorded in Volume 1500, Page 220, Deed Records, Brazoria County, Texas, the northwest line of the Tim O'Neil, et ux, called 5.00 acre tract, recorded under County Clerk's File No. 97-009717, Office of the County Clerk, Brazoria County, Texas, the northwest line of the Marvin Lee Williams called 2.50 acre tract, recorded under County Clerk's File No. 98-003913, Office of the County Clerk, Brazoria County, Texas, the northwest line of the Sandra Lynn Bullard called 2.50 acre tract, recorded under Volume 1416, Page 801, Deed Records, Brazoria County, Texas, the northwest line of the Chester Allen Johnson called 5.00 acre tract, recorded under County Clerk's File No. 98-018242, Office of the County Clerk, Brazoria County, Texas, for a distance of 2,333.02 feet to a 3/4 inch iron pipe found on said line for an angle point, being the north corner of the aforementioned Chester A. Johnson called 5.00 acre tract and being the west corner of the adjoining Charles E. Tielke, et ux, called 5.00 acre tract, recorded in Volume 1287, Page 176, Deed Records, Brazoria County, Texas;

THENCE North 43 degrees 21 minutes 40 seconds East along the southeast line of the herein described tract being the northwest line of the aforementioned adjoining Dennis E. Tielke called 5.00 acre tract, the northwest line of the

FIELD NOTES 259.3570 ACRE TRACT (CONT'D.)**PAGE 2**

Dennis A. Kieft, et ux, called 5.0012 acre tract, recorded under County Clerk's File No. 96-000439, Office of the County Clerk, Brazoria County, Texas, the northwest line of the DeNey's Inc., called 4.98 acre tract, recorded under County Clerk's File No. 96-000250, Office of the County Clerk, Brazoria County, Texas, the northwest line of the William E. Grant, et ux, called 5.000 acre tract, recorded under County Clerk's File No. 00-013833, Office of the County Clerk, Brazoria County, Texas, the northwest line of the Larry L. Linscombe called 2.50 acre tract (2nd Tract), recorded in Volume 1334, Page 618, Deed Records, Brazoria County, Texas, the northwest line of the Joseph E. Meche called 2.50 acre tract (1st Tract), recorded in Volume 1334, Page 618, Deed Records, Brazoria County, Texas, the northwest line of the Carl David Gates, Jr., et ux, called 5.00 acre tract (Tract 1), recorded under County Clerk's File No. 94-031726, Office of the County Clerk, Brazoria County, Texas, the northwest line of the Carl David Gates, Jr., et ux, called 5.00 acre tract (Tract 2), recorded under County Clerk's File No. 94-031726, Office of the County Clerk, Brazoria County, Texas, for a total distance of 2,357.61 feet to a ½ inch iron pipe found on said line at the north corner of said called 5.00 acre tract for an angle point, same being the west corner of the adjoining Horace Addison Dudley, et ux, called 10.00 acre tract, recorded in Volume 1558, Page 14, Deed Records, Brazoria County, Texas;

THENCE North 43 degrees 14 minutes 31 seconds East along the southeast line of the herein described tract, being the northwest line of the aforementioned adjoining Horace Addison Dudley called 10.00 acre tract, the northwest line of the Albert E. Burks, Jr., called 3.00 acre tract, recorded in Volume (88) 564, Page 799, Official Records, Brazoria County, Texas, the northwest line of the B.R. Gable, et ux, called 3.00 acre tract, recorded in Volume (85) 217, Page 463, Official Records, Brazoria County, Texas, the northwest line of the Michael L. Heinen called 3.00 acre tract, recorded under County Clerk's File No. 96-038886, Office of the County Clerk, Brazoria County, Texas, the northwest line of the Richard L. Palat, et ux, called 3.000 acre tract, recorded under County Clerk's File No. 97-002549, Office of the County Clerk, Brazoria County, Texas, and the northwest line of the Keith Joseph Davidson, et ux, called 3.00 acre tract, recorded under County Clerk's File No. 95-039207, Office of the County Clerk, Brazoria County, Texas, for a total distance of 1,633.12 feet to a ½ inch iron pipe with cap marked "Kalkornsey Surveying" found at the north corner of said called 3.00 acre tract, same being the west corner of the adjoining G. Steven Dawson called 50.00 acre tract, recorded under County Clerk's File No. 99-006764, Office of the County Clerk, Brazoria County, Texas;

THENCE North 43 degrees 21 minutes 01 seconds East along the southeast line of the herein described tract, being the northwest line of the aforementioned adjoining G. Steven Dawson called 50.00 acre tract, for a distance of 1,726.15 feet to a ½ inch iron pipe found at the north corner of said 50.00 acre tract for an angle point, same being the upper west corner of the adjoining Letitia C. Woodward called 110.7350 acre tract, recorded under County Clerk's File No. 00-014008, Office of the County Clerk, Brazoria County, Texas;

THENCE North 43 degrees 19 minutes 40 seconds East along the northwest line of said called 110.7350 acre tract, being the southeast line of the herein described 259.3570 acre tract, at 2,694.34 feet pass a ½ inch iron pipe found on said line at the upper bank of Mound Creek and continuing for a total distance of 2,740.94 feet to a point in the centerline of Mound Creek for the most easterly corner of the herein described 259.3570 acre tract, same being the north corner of the aforementioned adjoining 110.7350 acre tract, said point also being the south corner of an adjoining 16.780 acre tract, recorded in Volume 1136, Page 482, Deed Records, Brazoria County, Texas, said 16.780 being part of the aforementioned original called 300 acre tract;

THENCE upstream with the centerline meanders of Mound Creek:

North 05 degrees 28 minutes 25 seconds West, 140.68 feet;

FIELD NOTES 259.3570 ACRE TRACT (CONT'D.)**PAGE 3**

North 15 degrees 42 minutes 23 seconds East, 73.72 feet;
 North 18 degrees 48 minutes 43 second West, 33.78 feet;
 North 38 degrees 47 minutes 53 seconds West, 37.32 feet;
 North 58 degrees 41 minutes 14 seconds West, 68.74 feet;
 North 67 degrees 42 minutes 14 seconds West, 144.43 feet;
 North 59 degrees 51 minutes 12 seconds West, 117.85 feet;
 North 36 degree 07 minutes 22 seconds West, 59.11 feet;
 North 07 degrees 29 minutes 48 seconds West, 27.87 feet;
 North 21 degrees 42 minutes 25 seconds East, 46.64 feet;
 North 43 degrees 34 minutes 03 seconds East, 33.01 feet;
 South 85 degrees 55 minutes 53 seconds East, 31.10 feet;
 North 49 degrees 03 minutes 51 seconds East, 105.25 feet;
 North 28 degrees 30 minutes 21 seconds East, 34.32 feet;
 North 01 degree 35 minutes 13 seconds East, 129.96 feet;
 North 41 degrees 30 minutes 46 seconds East, 88.41 feet;
 North 17 degrees 39 minutes 14 seconds East, 66.51 feet;
 North 17 degrees 20 minutes 17 seconds West, 67.24 feet;
 North 04 degrees 39 minutes 32 seconds East, 17.29 feet;
 North 09 degrees 46 minutes 57 seconds West, 137.51 feet;
 North 18 degrees 38 minutes 55 seconds East, 249.53 feet;
 North 55 degrees 21 minutes 52 seconds East, 34.01 feet;
 North 77 degrees 09 minutes 12 seconds East, 29.12 feet;
 South 79 degrees 55 minutes 51 seconds East, 79.65 feet;

South 68 degrees 46 minutes 28 seconds East, 74.86 feet to a point in the centerline of Mound Creek for corner, said point being at the intersecting point of the centerline of Mound Creek with the original northeast line of the aforementioned called 300 acre tract, said point being also in the southwest line of a called 54.5546 acre tract in deed to Louis John Horak, et ux, recorded in Volume (90) 757, Page 266, Official Records, Brazoria County, Texas;

THENCE North 46 degrees 00 minutes 10 seconds West along the original northeast line of said called 300 acre tract, and the southwest line of the aforementioned Louis John Horak, et ux, called 54.5546 acre tract, 174.25 feet to a 1/2 inch iron pipe with cap marked "Kalkomey Surveying" set on said line for the north most corner of the herein described 259.3570 acre tract of land;

THENCE South 43 degrees 21 minutes 17 seconds West along the northwest line of the aforementioned called 300 acre tract, and along the southeast line of a called 167.8214 acre tract in deed to Charles F. Gless, recorded in Volume (90) 748, Page 111, Official Records, Brazoria County, Texas, at 3,427.22 feet pass the south corner of said Gless tract, same being the east corner of a called 433.0764 acre tract in deed to Ernest W. Speed, Jr., recorded in Volume (88) 583, Page 807, Official Records, Brazoria County, Texas, and continuing along the northwest line of the said called 300 acre tract and along the southeast line of the aforementioned called 433.0764 acre Speed tract, 11,870.95 feet to a 1/2 inch iron rod found on said line for the west most corner of the herein described 259.3570 acre tract of land, the south corner of the called 433.0764 acre Speed tract, and the east corner of a called 40.763 acre tract in deed to Dorothy M. Kaiser, recorded in Volume 1616, Page 845, Deed Records, Brazoria County, Texas;

THENCE South 46 degrees 38 minutes 43 seconds East crossing said called 300 acre tract, 1,018.46 feet to the Place of Beginning and containing 259.3570 acres of land, more or less.

30-FOOT EASEMENT

FIELD NOTES FOR A 0.7931 ACRE PARCEL OF LAND IN THE JESSE THOMPSON LEAGUE, ABSTRACT 132, BRAZORIA COUNTY, TEXAS, SAID 0.7931 ACRE TRACT BEING A PART OF A CALLED 300 ACRE TRACT BEING IN DEED TO MYRVIN GIFFORD AND DENNIS RAY GIFFORD BY VIRTUE OF HEIRSHIP AFFIDAVIT, RECORDED IN VOLUME 698, PAGE 387, OFFICIAL RECORDS, BRAZORIA COUNTY, TEXAS. THE BASE BEARING FOR THE HEREIN DESCRIBED TRACT IS A PORTION OF THE SOUTHEAST LINE OF SAID 300 ACRE TRACT BEING THE NORTHWEST LINE OF THE LETICIA C. WOODWARD CALLED 110.7350 ACRE TRACT, RECORDED UNDER COUNTY CLERK'S FILE NO. 00-104008; OFFICE OF THE COUNTY CLERK, BRAZORIA COUNTY, TEXAS, SAID BEARING BEING NORTH 43 DEGREES 19 MINUTES 40 SECONDS EAST;

BEGINNING at a ½ inch iron rod found on the northwest line of the aforementioned called 300 acre tract, being south corner of the Ernest W. Speed, Jr., called 433.0764 acre tract, recorded in Volume (88) 583, Page 807, Official Records, Brazoria County, Texas, and an east corner of the adjoining Dorothy M. Kaiser called 40.763 acre tract, recorded in Volume 1616, Page 845, Deed Records, Brazoria County, Texas;

THENCE South 43 degrees 13 minutes 38 seconds West along the northwest line of the aforementioned called 300 acre tract being a southeast line of the aforementioned adjoining Dorothy M. Kaiser called 40.763 acre tract, 701.07 feet to a 5/8 inch iron rod found on said line for corner, said point being the north corner of an adjoining 1.00 acre tract, being of record in Volume 1124, Page 482, Deed Records, Brazoria County, Texas;

THENCE South 47 degrees 10 minutes 33 seconds East along the northeast line of said 1.00 acre tract, 99.40 feet to a 5/8 inch iron rod found at its east corner for a re-entry corner to the herein described 0.7931 acre tract;

THENCE South 42 degrees 54 minutes 12 seconds West along the southeast line of the aforementioned adjoining 1.00 acre tract, 351.21 feet to a point on the easterly right-of-way line of F.M. Highway 1301 for the west corner of the herein described 0.7931 acre parcel of land;

THENCE South 47 degrees 05 minutes 48 seconds East along the northerly right-of-way line of F.M. Highway 1301, 30.00 feet to a point on said line for corner;

THENCE North 42 degrees 54 minutes 12 seconds East along a line 30-foot from and parallel to the southeast line of the aforementioned 1.00 acre tract, 381.25 feet to a point for corner;

THENCE North 47 degrees 10 minutes 33 seconds West along a line 30-foot from and parallel to the northeast line of the aforementioned called 1.00 acre tract, 99.23 feet to a point for a re-entry corner to the herein described 0.7931 acre parcel of land;

THENCE North 43 degrees 13 minutes 38 seconds East along a line 30-foot from and parallel to the southeast line of the aforementioned Dorothy M. Kaiser called 40.763 acre tract, recorded in Volume 1616, Page 845, Deed Records, Brazoria County, Texas, 670.86 feet to a point for the east corner of the herein described 30-foot wide easement, same being on the southwest line of an adjoining 259.3570 acre tract (surveyed this date) being a part of the aforementioned called 300 acre tract;

THENCE North 46 degrees 46 minutes 22 seconds West along the southwest line of the aforementioned 259.3570 acre tract, 30.00 feet to the Place of Beginning and containing an area of 0.7931 acres of land, more or less.

EXHIBIT B

SURVEY MAPS OF TX GULF SOLAR REINVESTMENT ZONE

EXHIBIT 4

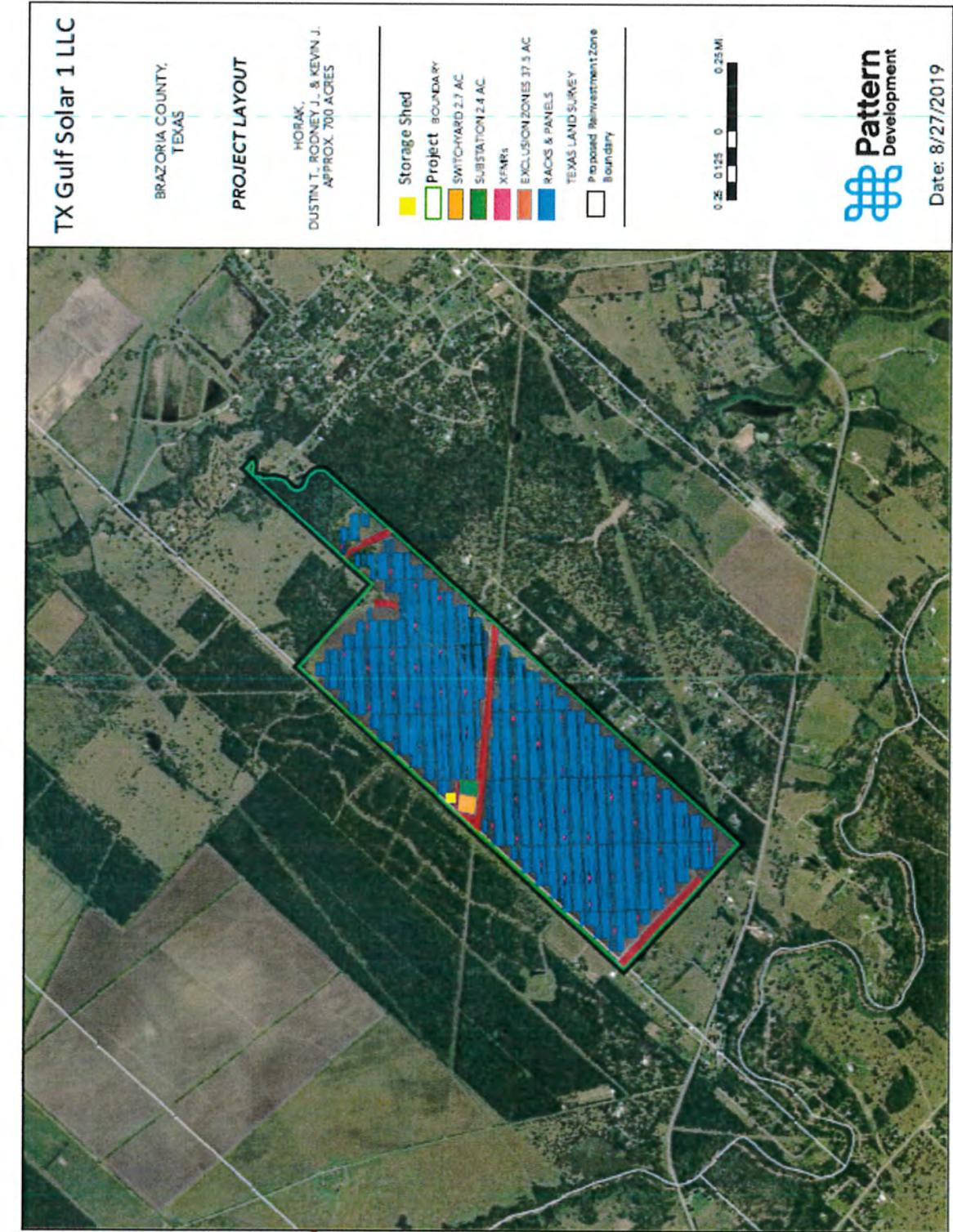


EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the map attached to **Exhibit 1**.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment, as more fully described in Tab #7 of the Application, shall be all tangible personal property first placed in service after June 1, 2021, that is owned by the Applicant and located within the boundaries of the Columbia-Brazoria Independent School District and the reinvestment zone and project boundaries depicted on the map attached to **Exhibits 1 and 4**.

TX Gulf Solar 1 LLC plans to construct a 100 MW solar farm in Brazoria County.

This application covers all Qualified Property within Columbia-Brazoria ISD necessary for the commercial operations of the proposed solar farm described in Tab 4. All panels will be located in Columbia-Brazoria ISD. Panel placement is subject to change but for purposes of this application, the Project anticipates using 343,000 modules and 115 inverters.

This application covers all Qualified Investment and Qualified Property necessary for the commercial operations of the solar farm.

Qualified Investment and Qualified Property include collection systems, transmission lines, electrical interconnections, roads, control systems necessary for commercial generation of electricity, solar modules/panels, foundations, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, roadways, storage shed, paving, fencing, electrical substations, generation transmission tie line and associated towers, and interconnection facilities and control systems necessary for commercial generation of electricity, and all eligible ancillary and necessary equipment.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

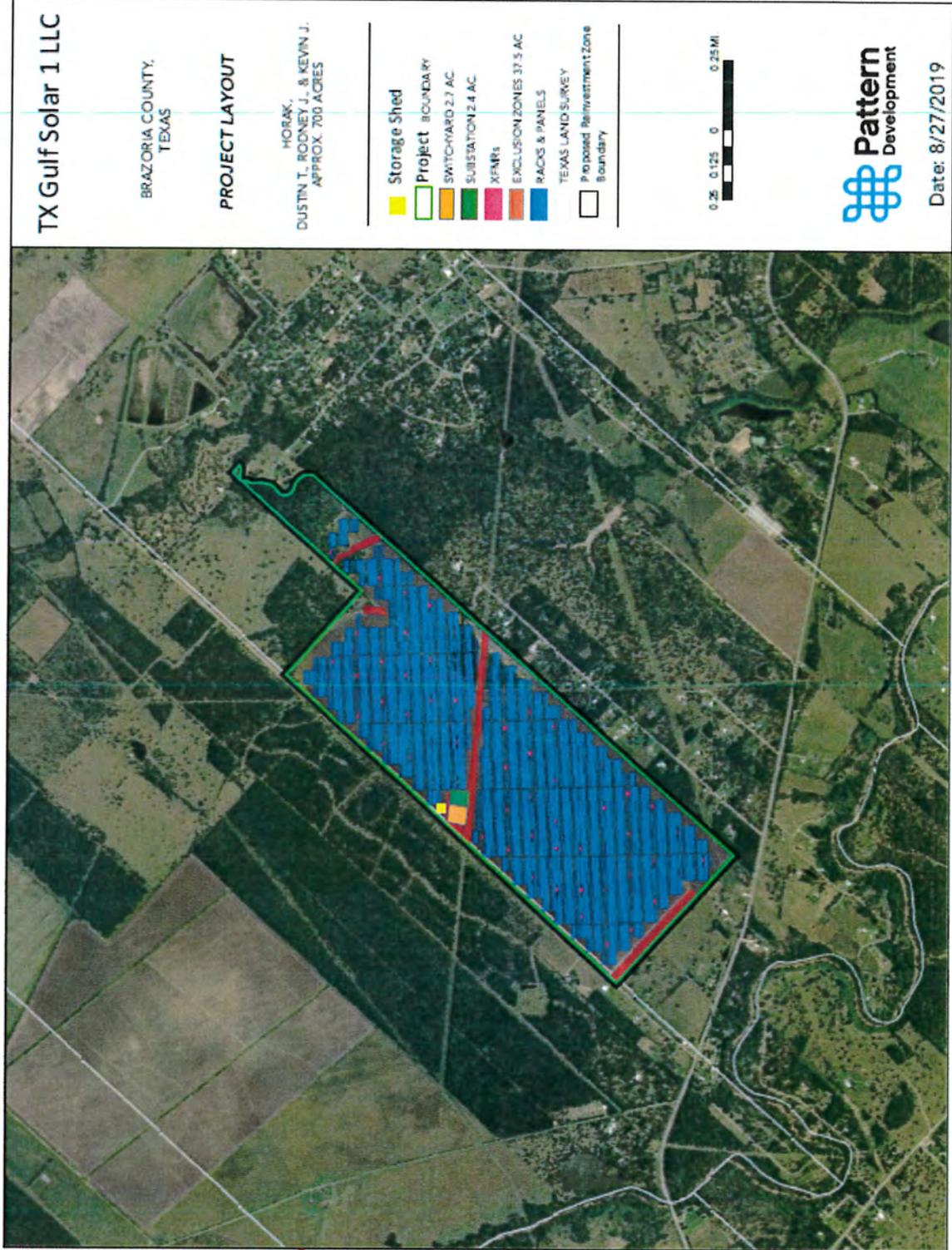
This Agreement covers all Qualified Property owned by Applicant within Columbia-Brazoria ISD located within the reinvestment zone and project boundaries depicted on the map attached to this **EXHIBIT 4** necessary for the commercial operations of the solar electric generating facility.

TX Gulf Solar 1 LLC plans to construct a 100 MW solar farm in Brazoria County.

This application covers all qualified property within Columbia-Brazoria ISD necessary for the commercial operations of the proposed solar farm described in Tab 4. All panels will be located in Columbia-Brazoria ISD. Panel placement is subject to change but for purposes of this application, the Project anticipates using 343,000 modules and 115 inverters.

This application covers all Qualified Investment and Qualified Property necessary for the commercial operations of the solar farm.

Qualified Investment and Qualified Property include collection systems, transmission lines, electrical interconnections, roads, control systems necessary for commercial generation of electricity, solar modules/panels, foundations, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, roadways, storage shed, paving, fencing, electrical substations, generation transmission tie line and associated towers, and interconnection facilities and control systems necessary for commercial generation of electricity, and all eligible ancillary and necessary equipment.



Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

May 12, 2020

President and Members
Board of Trustees
Columbia-Brazoria Independent School District
520 S. 16th Street
West Columbia, Texas 77486

Re: Recommendations and Findings of the Firm Concerning the Application of TX Gulf Solar 1, LLC (#1429) for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Columbia-Brazoria Independent School District, with respect to the pending Application of TX Gulf Solar 1, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review, we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District over the course of the Agreement.

Because of the foregoing, it is our recommendation that the Board of Trustees approve the Application of TX Gulf Solar 1, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey
Partner

www.moakcasey.com

Phone 512-485-7878

901 S. Mopac Expressway *Bldg. III *Suite 310 *Austin, TX 78746

Fax 512-485-7888

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW

808 WEST AVE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

JUSTIN DEMERATH

BENJAMIN CASTILLO

May 12, 2020

President and Members
Board of Trustees
Columbia-Brazoria Independent School District
520 S. 16th Street
West Columbia, Texas 77486

Re: Recommendations and Findings of the Firm Concerning the Application of TX Gulf Solar 1, LLC (#1429) for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Columbia-Brazoria Independent School District, with respect to the pending Application of TX Gulf Solar 1, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and TX Gulf Solar 1, LLC. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.

5. The proposed Agreement contains adequate legal provisions to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Application of TX Gulf Solar 1, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", written in a cursive style.

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 12, 2020

Steven Galloway
Superintendent
Columbia-Brazoria ISD
520 S. 16th Street
West Columbia, Texas 77486

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Columbia-Brazoria Independent School District TX Gulf Solar I, LLC, Application 1429

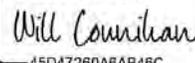
Dear Superintendent Galloway:

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

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

Should you have any questions, please contact Ginger Flowers with our office. She can be reached by email at ginger.flowers@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-0552, or at 512-475-0552.

Sincerely,

DocuSigned by:

45D47260A6AB46C...
Will Counihan
Director
Data Analysis & Transparency Division

cc: Dan Casey, Moak, Casey & Associates
Andrew Murray, TX Gulf Solar I, LLC
Kevin Wetzel, Pattern Energy Group 2 LP
Steven Van Dyck, Cummings Westlake LLC

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

In its recent audits of Chapter 313 Agreements, The Texas State Auditor's Office has required documentation of inquiries concerning Board Member conflicts of interest at critical junctions in the Chapter 313 approval process. A local public official or a person related to a local public official in the first degree by either affinity or consanguinity has a substantial interest in a business entity or in real property, the local public official, before a vote or decision on any matter involving the business entity or the real property, is required to file an affidavit with an official Board record keeper stating the nature and extent of the interest and shall abstain from further participation in the matter if:

1. In the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
2. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
3. A person has a substantial interest in a business entity if:
The person owns at least:
 - a. Ten percent of the voting stock or shares of the business entity, or
 - b. Either ten percent or \$15,000 of the fair market value of the business entity; or
 - c. Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.
4. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The Board may contract with a business entity in which a Trustee has a substantial interest if the Trustee follows the disclosure and abstention procedure set out above.

Does any Board Member have a conflict of interest as defined above?

If so, has the required Affidavit, set forth at District Policy BBFA (Exhibit) been filed?

Please have the answers to the foregoing 2 questions and a copy of this Procedure included in the minutes of this meeting.