FINDINGS
OF THE

MCCAMEY INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES

UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY

CED CRANE SOLAR 2, LLC
TEXAS TAXPAYER ID #32070838704
APPLICATION #1500

December 16, 2020

FINDINGS OF THE MCCAMEY INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY CED CRANE SOLAR 2, LLC

STATE OF TEXAS §
§
COUNTY OF UPTON §

On the 16th day of December, 2020, a public meeting of the Board of Trustees of the McCamey Independent School 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 CED Crane Solar 2, LLC (Application #1500) 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. After hearing presentations from the District's administrative staff, and from attorneys and consultants retained by the District to advise the Board in this matter, the Board of Trustees of the McCamey Independent School District makes the following findings with respect to the Application of CED Crane Solar 2, LLC #1500, and the economic impact of that Application:

On May 19, 2020, the Superintendent of Schools of the McCamey Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from CED Crane Solar 2, LLC #1500 for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is posted on the Texas Comptroller's website at:

https://comptroller.texas.gov/economy/local/ch313/agreement-docs-details.php?id=1500.

The Applicant, CED Crane Solar 2, LLC (Taxpayer ID 32070838704) ("Applicant"), consists of entities subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. The Board of Trustees acknowledges receipt of the Application, along with the required Application fee, as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Upton County Appraisal District for review pursuant to 34 Texas Administrative Code § 9.1054. The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a determination that the Application was complete was issued on July 24, 2020.

After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation on October 21, 2020 pursuant to Texas Tax Code § 313.026, and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Exhibit A**.

The Board of Trustees also directed that a specific financial analysis be conducted of the impact of the proposed value limitation on the finances of the McCamey Independent School District. A copy of a report prepared by Jigsaw School Finance Solutions, LLC is attached to these findings as **Exhibit B**. The Texas Commissioner of Education has determined that the project will not impact school enrollment.

The Board of Trustees has confirmed that the taxable value of property in the McCamey Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in the 2018 ISD Summary Worksheet posted on the Texas Comptroller's website at:

https://comptroller.texas.gov/data/property-tax/pvs/2018p/2312319011D.php.

After receipt of the Application, the District submitted a proposed form of Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, in the form required by the Comptroller of Public Accounts. The proposed Agreement and letter approving same are attached to these findings as **Exhibit C**.

After review of the Comptroller's recommendation, and in consideration of its own economic impact study the Board finds:

Board Finding Number 1.

The Applicant qualifies for a limitation on appraised value of Qualified Property under Texas Tax Code § 313.024 in the eligibility category of Renewable Energy - Solar.

Board Finding Number 2.

The Applicant's entire proposed investment in the McCamey Independent School District is $60,000,000—$60,000,000 of which is proposed to be Qualified Investment under Texas Tax Code § 313.021.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least $59,270.12 per year. The review of the Application by the State Comptroller's Office indicates that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs pay more than the minimum weekly wage required for Qualified Jobs under Texas Tax Code § 313.021.

Board Finding Number 4.

The level of the Applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately $30,000,000 on the basis of the two (2) new qualifying positions committed to by the Applicant for this project. The project's total investment is $60,000,000, resulting in a relative level of investment per qualifying job of $30,000,000.

Board Finding Number 5.

The Applicant has requested a waiver of the job creation requirement under Texas Tax Code § 313.25(f-1), and the Board finds such waiver request should

be granted. The Board notes that the number of jobs proposed for this project (two (2) jobs) is consistent with industry standards in the Renewable Energy - Solar industry.

Board Finding Number 6.

Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region. In support of Finding 6, the economic impact evaluation states:

Table 2 depicts this project's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 15 years of annual investment and employment levels.

Table 2—Estimated Statewide Economic Impact of CED Crane Solar 2, LLC (modeled)

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	150	181	331	$7,339,800	$17,173,570	$24,513,370
2022	152	190	341.658	$7,458,340	$20,353,822	$27,812,162
2023	2	22	24	$118,540	$4,858,744	$4,977,284
2024	2	8	10	$118,540	$2,939,806	$3,058,347
2025	2	(5)	-3	$118,540	$1,360,029	$1,478,569
2026	2	(10)	-8	$118,540	$437,682	$556,222
2027	2	(11)	-9	$118,540	-$18,666	$99,874
2028	2	(10)	-8	$118,540	-$144,804	-$26,264
2029	2	(7)	-5	$118,540	-$67,297	$51,243
2030	2	(4)	-2	$118,540	$124,946	$243,486
2031	2	(1)	1	$118,540	$368,882	$487,423
2032	2	2	4	$118,540	$614,550	$733,090
2033	2	4	6	$118,540	$839,797	$958,338
2034	2	5	7	$118,540	$1,027,999	$1,146,540
2035	2	6	8	$118,540	$1,172,458	$1,290,998
2036	2	6	8	$118,540	$1,264,428	$1,382,968
2037	2	6	8	$118,540	$1,294,792	$1,413,332

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Upton County, McCamey Hospital District, city of McCamey, Upton County Water District and Emergency Services District #2, 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 abatements with the county and hospital district. The difference noted in the last line is the difference between Table 3 and Table 4:

Table 4—Estimated Direct Ad Valorem Taxes with All Property Tax Incentives Sought

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		McCamey ISD I&S Tax Levy	McCamey ISD M&O Tax Levy	McCamey ISD M&O and I&S Tax Levies	Upton County Tax Levy	McCamey Hospital District Tax Levy	City of McCamey Tax Levy	Upton County Water District Tax Levy	Emergency Services District #2 (McCamey) Tax Levy	Estimated Total Property Taxes
			Tax Rate*	**0.26350**	**0.97000**		**0.29252**	**0.67363**	**0.37000**	**0.00344**	**0.06149**	
2023	$55,200,000	$25,000,000		$145,452	$242,500	$387,952	$24,221	$55,777	$204,240	$1,899	$33,940	$672,189
2024	$50,400,000	$25,000,000		$132,804	$242,500	$375,304	$22,115	$50,927	$186,480	$1,734	$30,989	$634,825
2025	$45,600,000	$25,000,000		$120,156	$242,500	$362,656	$20,008	$46,076	$168,720	$1,569	$28,038	$597,461
2026	$40,800,000	$25,000,000		$107,508	$242,500	$350,008	$17,902	$41,226	$150,960	$1,404	$25,086	$560,097
2027	$36,000,000	$25,000,000		$94,860	$242,500	$337,360	$15,796	$36,376	$133,200	$1,239	$22,135	$522,732
2028	$31,200,000	$25,000,000		$82,212	$242,500	$324,712	$13,690	$31,526	$115,440	$1,074	$19,184	$485,368
2029	$26,400,000	$25,000,000		$69,564	$242,500	$312,064	$11,584	$26,676	$97,680	$908	$16,232	$448,004
2030	$21,600,000	$21,600,000		$56,916	$209,520	$266,436	$9,478	$21,826	$79,920	$743	$13,281	$377,659
2031	$16,800,000	$16,800,000		$44,268	$162,960	$207,228	$7,372	$16,976	$62,160	$578	$10,330	$293,735
2032	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$5,265	$12,125	$44,400	$413	$7,378	$209,811
2033	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2034	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2035	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2036	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2037	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
			Total	**$1,043,460**	**$2,768,380**	**$3,811,840**	**$322,943**	**$743,690**	**$1,465,200**	**$13,626**	**$243,485**	**$6,343,673**
			Diff	**$0**	**$1,072,820**	**$1,072,820**	**$835,440**	**$1,923,893**	**$0**	**$0**	**$0**	**$3,832,153**

Assumes School Value Limitation and Tax Abatements with the County and Hospital District.

[1]Tax Rate per $100 Valuation

Table 3 illustrates the estimated tax impact of the Applicant's project on the region if all taxes are assessed.

Table 3—Estimated Direct Ad Valorem Taxes without Property Tax Incentives

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		McCamey ISD I&S Tax Levy	McCamey ISD M&O Tax Levy	McCamey ISD M&O and I&S Tax Levies	Upton County Tax Levy	McCamey Hospital District Tax Levy	City of McCamey Tax Levy	Upton County Water District Tax Levy	Emergency Services District #2 (McCamey) Tax Levy	Estimated Total Property Taxes
			Ta x Rate*	**0.26350**	**0.97000**		**0.29252**	**0.67363**	**0.37000**	**0.00344**	**0.06149**	
2023	$55,200,000	$55,200,000		$145,452	$535,440	$680,892	$161,472	$371,845	$204,240	$1,899	$33,940	$1,418,448
2024	$50,400,000	$50,400,000		$132,804	$488,880	$621,684	$147,431	$339,511	$186,480	$1,734	$30,989	$1,295,105
2025	$45,600,000	$45,600,000		$120,156	$442,320	$562,476	$133,390	$307,176	$168,720	$1,569	$28,038	$1,171,762
2026	$40,800,000	$40,800,000		$107,508	$395,760	$503,268	$119,349	$274,842	$150,960	$1,404	$25,086	$1,048,418
2027	$36,000,000	$36,000,000		$94,860	$349,200	$444,060	$105,308	$242,508	$133,200	$1,239	$22,135	$925,075
2028	$31,200,000	$31,200,000		$82,212	$302,640	$384,852	$91,267	$210,173	$115,440	$1,074	$19,184	$801,732
2029	$26,400,000	$26,400,000		$69,564	$256,080	$325,644	$77,226	$177,839	$97,680	$908	$16,232	$678,388
2030	$21,600,000	$21,600,000		$56,916	$209,520	$266,436	$63,185	$145,505	$79,920	$743	$13,281	$555,045
2031	$16,800,000	$16,800,000		$44,268	$162,960	$207,228	$49,144	$113,170	$62,160	$578	$10,330	$431,702
2032	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2033	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2034	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2035	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2036	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2037	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
			Total	**$1,043,460**	**$3,841,200**	**$4,884,660**	**$1,158,383**	**$2,667,583**	**$1,465,200**	**$13,626**	**$243,485**	**$10,175,826**

[1]Tax Rate per $100 Valuation

Board Finding Number 7.

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

Board Finding Number 8.

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 suggesting little underlying enrollment growth based on the impact of the project.

Board Finding Number 9.

The Applicant's 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. Attachment B of the economic impact study contains a year-by-year analysis as depicted in the following table:

	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	$582,000	$582,000	$0	$0
Limitation Period (10 Years)	2023	$242,500	$824,500	$292,940	$292,940
	2024	$242,500	$1,067,000	$246,380	$539,320
	2025	$242,500	$1,309,500	$199,820	$739,140
	2026	$242,500	$1,552,000	$153,260	$892,400
	2027	$242,500	$1,794,500	$106,700	$999,100
	2028	$242,500	$2,037,000	$60,140	$1,059,240
	2029	$242,500	$2,279,500	$13,580	$1,072,820
	2030	$209,520	$2,489,020	$0	$1,072,820
	2031	$162,960	$2,651,980	$0	$1,072,820
	2032	$116,400	$2,768,380	$0	$1,072,820
Maintain Viable Presence (5 Years)	2033	$116,400	$2,884,780	$0	$1,072,820
	2034	$116,400	$3,001,180	$0	$1,072,820
	2035	$116,400	$3,117,580	$0	$1,072,820
	2036	$116,400	$3,233,980	$0	$1,072,820
	2037	$116,400	$3,350,380	$0	$1,072,820
Additional Years as Required by § 313.026(c)(1) (10 Years)	2038	$116,400	$3,466,780	$0	$1,072,820
	2039	$116,400	$3,583,180	$0	$1,072,820
	2040	$116,400	$3,699,580	$0	$1,072,820
	2041	$116,400	$3,815,980	$0	$1,072,820
	2042	$116,400	$3,932,380	$0	$1,072,820
	2043	$116,400	$4,048,780	$0	$1,072,820
	2044	$116,400	$4,165,180	$0	$1,072,820
	2045	$116,400	$4,281,580	$0	$1,072,820
	2046	$116,400	$4,397,980	$0	$1,072,820
	2047	$116,400	$4,514,380	$0	$1,072,820

$4,514,380	is greater than	**$1,072,820**

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**

Board Finding Number 10.

The limitation on appraised value requested by the Applicant is a determining factor in the Applicant's decision to invest capital and construct the project in this state.

Board Finding Number 11.

The ability of the Applicant to locate the proposed facility in another state or another region of this state is substantial, as a result of the highly competitive marketplace for economic development.

In support of Findings 10 and 11, **Attachment C** of the economic impact study states:

The Comptroller has determined that the limitation on appraised value is a determining factor in the CED Crane Solar 2, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per CED Crane Solar 2, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "Other locations being evaluated include, but are not limited to Arizona, California, Illinois, Iowa, Massachusetts, New Jersey, Nevada, Pennsylvania, Rhode Island and Virginia. For these reasons, conEdison studies various competing sites throughout the market areas outside and inside… of Texas where solar energy development is attractive. Without a Value Limitation program, conEdison would seek to move to alternative sites OUTSIDE … of Texas."
  B. "CED Crane Solar 2, LLC is currently in a period of evaluation to determine whether the identified site in McCamey ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable."
  C. "Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is on a level playing field with other solar energy projects with similar incentives. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately $60 M needed to purchase solar modules and other infrastructure and to fund the construction of the facility"
- Per CED Crane Solar 2, LLC in Tab 4 of their Application states "Crane Solar 2 is a wholly owned subsidiary of conEdison Development." The project description goes on to report:
  A. "In today's competitive energy market, project investors and power purchasers require solar energy projects to have secured tax incentives, so that they can compete with solar energy projects across the U.S."
  B. "Crane Solar 2 was formed for the express purpose of developing a photovoltaic solar energy facility that could help bring significant economic development to the area. conEdison identified Texas, and in particular Upton County and McCamey ISD, for [its] strong solar energy resource, access to available transmission capacity and the ERCOT market, and favorable property tax incentives under the Tax Code for Chapter 312 abatement and Chapter 313 Appraised Value Limitation. For these

reasons, Crane Solar 2 seeks to develop and build the proposed Project as described throughout this Application."

- Per CED Crane Solar 2, LLC in Tab 6 of their Application states, "Crane Solar 2, LLC will be an estimated 150 MWac project. It is anticipated that 55% of the Project will be located within Crane ISD boundaries, and the remaining 45% located within the McCamey ISD boundaries. CED Crane Solar 2, LLC has already entered into an agreement for appraised value of limitation with Crane ISD [#1400 Crane ISD – CED Crane Solar 2, LLC.]" See map provided.
- CED Crane Solar 2, LLC is sharing resources with another solar project. As noted in Tabs 5 and 6 of the Application, the project will be sharing "… some access roads, as well as easements covered in" the other project. The proposed project "will be share an O&M building and a project substation with the [#1082] CED Upton County Solar, LLC … located directly east of the project."
- An October 25, 2016 Recharge article," observed ConEdison Development, "…has emerged as a major player in the fast-growing Texas (ERCOT) utility-scale solar market, having acquired four projects, while working to develop a handful of others." When asked why did ConEdison Development come to the Texas utility-scale market and what were the criteria for doing so?
  A. "A couple of things were very important to us. One, is we always want to have a state or utility-type entity who is a big believer in renewables and is supportive in terms of their strategy and long-term plan. CPS Energy clearly made that commitment a while back. That was an important element for us to come into Texas. The second thing that is really good is the insolation, the solar resource, in Texas is fantastic. With the downturn of the oil and gas market, there was a large pool of skilled talent which made it helpful. That makes it easier to develop and build these plants. Then, the final component is the ERCOT system with its open transmission. A lot of transmission allows for good economic access for renewable power whether it's wind or solar."
- According to a May 20, 2020 Board of Trustees McCamey Independent School District Meeting Notice, an item of consideration included:
  A. Discussion and possible action to accept an Application for Value of Limitation Agreement from CED Crane Solar 2, LLC pursuant to Chapter 313 of the Texas Property Tax Code; authorize the Superintendent of Schools to review the Application for completeness and submit the Application to the Comptroller of Public Accounts; and authorize the Superintendent of Schools to approve any request for extension of the deadline for action by the board of trustees beyond the 150-day review period, as may be required.
- Supplemental Information provided by the applicant indicated the following:
  A. Is this project known by any specific names not otherwise mentioned in this application? No.
  B. Please also list any other names by which this project may have been known in the past--in media reports, investor presentations, or any listings with any federal or state agency. N/A.
  C. Has this project applied to ERCOT at this time? If so, please provide the project's GINR number and when was it assigned. As a correction to #3, CED Crane Solar 2, LLC executed an ERCOT Standard Generation Interconnection Agreement with LCRA Transmission Services Corporation (12/11/19). 20INR0226.

Supporting Information

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

Board Finding Number 12.

The Board of Trustees of the McCamey Independent School District hired consultants to review and verify the information in Application #1500. Based upon the consultants' review, the Board has determined that the information provided by the Applicant appears to be true and correct.

Board Finding Number 13.

The Board of Trustees has determined that the Tax Limitation Amount requested by the Applicant is currently Twenty-Five Million Dollars ($25,000,000), which is consistent with the minimum values currently set out by Texas Tax Code § 313.054(a).

Board Finding Number 14.

The Applicant (Taxpayer ID 32070838704) is eligible for the limitation on appraised value of Qualified Property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

Board Finding Number 15.

The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Exhibit C, includes adequate and appropriate revenue protection provisions for the District.

Board Finding Number 16.

Considering the purpose and effect of the law and the terms of the Agreement, 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 **Exhibit C** is approved and herby authorized to be executed and delivered by and on behalf of the McCamey Independent School 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 McCamey Independent School District.

Dated the 16th day of December, 2020.

MCCAMEY INDEPENDENT SCHOOL DISTRICT

By: Charlotte Jones

Charlotte Jones
President, Board of Trustees

ATTEST:

By: Robert E. Silva

Robert Silva
Vice President, Board of Trustees

EXHIBIT A

Comptroller's Economic Impact Analysis

October 21, 2020

Michael Valencia
Superintendent
McCamey Independent School District
P.O. Box 1069
McCamey, Texas 79752

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between McCamey Independent School District and CED Crane Solar 2, LLC, Application 1500

Dear Superintendent Valencia:

On July 24, 2020, the Comptroller issued written notice that CED Crane Solar 2, LLC (applicant) submitted a completed application (Application 1500) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on May 19, 2020, to the McCamey 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 1500.

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 by December 31, 2020.

Note that any building or improvement existing as of the application review start date of July 24, 2020, 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,

DocuSigned by:
Lisa Craven
11EA6DEF0EC441E...

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of CED Crane Solar 2, LLC (project) applying to McCamey 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 CED Crane Solar 2, LLC.

Applicant	CED Crane Solar 2, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	McCamey ISD
2018-2019 Average Daily Attendance	499
County	Upton
Proposed Total Investment in District	$60,000,000
Proposed Qualified Investment	$60,000,000
Limitation Amount	$25,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	$1,139.81
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$1,139.81
Minimum annual wage committed to by applicant for qualified jobs	$59,270.12
Minimum weekly wage required for non-qualifying jobs	$1,520.25
Minimum annual wage required for non-qualifying jobs	$79,053.00
Investment per Qualifying Job	$30,000,000
Estimated M&O levy without any limit (15 years)	$3,841,200
Estimated M&O levy with Limitation (15 years)	$2,768,380
Estimated gross M&O tax benefit (15 years)	$1,072,820

** 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 CED Crane Solar 2, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	150	181	331	$7,339,800	$17,173,570	$24,513,370
2022	152	190	341.658	$7,458,340	$20,353,822	$27,812,162
2023	2	22	24	$118,540	$4,858,744	$4,977,284
2024	2	8	10	$118,540	$2,939,806	$3,058,347
2025	2	(5)	-3	$118,540	$1,360,029	$1,478,569
2026	2	(10)	-8	$118,540	$437,682	$556,222
2027	2	(11)	-9	$118,540	-$18,666	$99,874
2028	2	(10)	-8	$118,540	-$144,804	-$26,264
2029	2	(7)	-5	$118,540	-$67,297	$51,243
2030	2	(4)	-2	$118,540	$124,946	$243,486
2031	2	(1)	1	$118,540	$368,882	$487,423
2032	2	2	4	$118,540	$614,550	$733,090
2033	2	4	6	$118,540	$839,797	$958,338
2034	2	5	7	$118,540	$1,027,999	$1,146,540
2035	2	6	8	$118,540	$1,172,458	$1,290,998
2036	2	6	8	$118,540	$1,264,428	$1,382,968
2037	2	6	8	$118,540	$1,294,792	$1,413,332

Source: CPA REMI, CED Crane Solar 2, 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		McCamey ISD I&S Tax Levy	McCamey ISD M&O Tax Levy	McCamey ISD M&O and I&S Tax Levies	Upton County Tax Levy	McCamey Hospital District Tax Levy	City of McCamey Tax Levy	Upton County Water District Tax Levy	Emergency Services District #2 (McCamey) Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.26350	0.97000		0.29252	0.67363	0.37000	0.00344	0.06149	
2023	$55,200,000	$55,200,000		$145,452	$535,440	$680,892	$161,472	$371,845	$204,240	$1,899	$33,940	$1,418,448
2024	$50,400,000	$50,400,000		$132,804	$488,880	$621,684	$147,431	$339,511	$186,480	$1,734	$30,989	$1,295,105
2025	$45,600,000	$45,600,000		$120,156	$442,320	$562,476	$133,390	$307,176	$168,720	$1,569	$28,038	$1,171,762
2026	$40,800,000	$40,800,000		$107,508	$395,760	$503,268	$119,349	$274,842	$150,960	$1,404	$25,086	$1,048,418
2027	$36,000,000	$36,000,000		$94,860	$349,200	$444,060	$105,308	$242,508	$133,200	$1,239	$22,135	$925,075
2028	$31,200,000	$31,200,000		$82,212	$302,640	$384,852	$91,267	$210,173	$115,440	$1,074	$19,184	$801,732
2029	$26,400,000	$26,400,000		$69,564	$256,080	$325,644	$77,226	$177,839	$97,680	$908	$16,232	$678,388
2030	$21,600,000	$21,600,000		$56,916	$209,520	$266,436	$63,185	$145,505	$79,920	$743	$13,281	$555,045
2031	$16,800,000	$16,800,000		$44,268	$162,960	$207,228	$49,144	$113,170	$62,160	$578	$10,330	$431,702
2032	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2033	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2034	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2035	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2036	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2037	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
			Total	$1,043,460	$3,841,200	$4,884,660	$1,158,383	$2,667,583	$1,465,200	$13,626	$243,485	$10,175,826

Source: CPA, CED Crane Solar 2, LLC
*Tax Rate per $100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Upton County, McCamey Hospital District, city of McCamey, Upton County Water District and Emergency Services District #2, 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 abatements with the county and hospital district.

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		McCamey ISD I&S Tax Levy	McCamey ISD M&O Tax Levy	McCamey ISD M&O and I&S Tax Levies	Upton County Tax Levy	McCamey Hospital District Tax Levy	City of McCamey Tax Levy	Upton County Water District Tax Levy	Emergency Services District #2 (McCamey) Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.26350	0.97000		0.29252	0.67363	0.37000	0.00344	0.06149	
2023	$55,200,000	$25,000,000		$145,452	$242,500	$387,952	$24,221	$55,777	$204,240	$1,899	$33,940	$672,189
2024	$50,400,000	$25,000,000		$132,804	$242,500	$375,304	$22,115	$50,927	$186,480	$1,734	$30,989	$634,825
2025	$45,600,000	$25,000,000		$120,156	$242,500	$362,656	$20,008	$46,076	$168,720	$1,569	$28,038	$597,461
2026	$40,800,000	$25,000,000		$107,508	$242,500	$350,008	$17,902	$41,226	$150,960	$1,404	$25,086	$560,097
2027	$36,000,000	$25,000,000		$94,860	$242,500	$337,360	$15,796	$36,376	$133,200	$1,239	$22,135	$522,732
2028	$31,200,000	$25,000,000		$82,212	$242,500	$324,712	$13,690	$31,526	$115,440	$1,074	$19,184	$485,368
2029	$26,400,000	$25,000,000		$69,564	$242,500	$312,064	$11,584	$26,676	$97,680	$908	$16,232	$448,004
2030	$21,600,000	$21,600,000		$56,916	$209,520	$266,436	$9,478	$21,826	$79,920	$743	$13,281	$377,659
2031	$16,800,000	$16,800,000		$44,268	$162,960	$207,228	$7,372	$16,976	$62,160	$578	$10,330	$293,735
2032	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$5,265	$12,125	$44,400	$413	$7,378	$209,811
2033	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2034	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2035	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2036	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
2037	$12,000,000	$12,000,000		$31,620	$116,400	$148,020	$35,103	$80,836	$44,400	$413	$7,378	$308,358
			Total	$1,043,460	$2,768,380	$3,811,840	$322,943	$743,690	$1,465,200	$13,626	$243,485	$6,343,673
			Diff	$0	$1,072,820	$1,072,820	$835,440	$1,923,893	$0	$0	$0	$3,832,153
Assumes School Value Limitation and Tax Abatements with the County and Hospital District.												

Source: CPA, CED Crane Solar 2, 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 CED Crane Solar 2, 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	$582,000	$582,000	$0	$0
Limitation Period (10 Years)	2023	$242,500	$824,500	$292,940	$292,940
	2024	$242,500	$1,067,000	$246,380	$539,320
	2025	$242,500	$1,309,500	$199,820	$739,140
	2026	$242,500	$1,552,000	$153,260	$892,400
	2027	$242,500	$1,794,500	$106,700	$999,100
	2028	$242,500	$2,037,000	$60,140	$1,059,240
	2029	$242,500	$2,279,500	$13,580	$1,072,820
	2030	$209,520	$2,489,020	$0	$1,072,820
	2031	$162,960	$2,651,980	$0	$1,072,820
	2032	$116,400	$2,768,380	$0	$1,072,820
Maintain Viable Presence (5 Years)	2033	$116,400	$2,884,780	$0	$1,072,820
	2034	$116,400	$3,001,180	$0	$1,072,820
	2035	$116,400	$3,117,580	$0	$1,072,820
	2036	$116,400	$3,233,980	$0	$1,072,820
	2037	$116,400	$3,350,380	$0	$1,072,820
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	$116,400	$3,466,780	$0	$1,072,820
	2039	$116,400	$3,583,180	$0	$1,072,820
	2040	$116,400	$3,699,580	$0	$1,072,820
	2041	$116,400	$3,815,980	$0	$1,072,820
	2042	$116,400	$3,932,380	$0	$1,072,820
	2043	$116,400	$4,048,780	$0	$1,072,820
	2044	$116,400	$4,165,180	$0	$1,072,820
	2045	$116,400	$4,281,580	$0	$1,072,820
	2046	$116,400	$4,397,980	$0	$1,072,820
	2047	$116,400	$4,514,380	$0	$1,072,820
		$4,514,380	is greater than	**$1,072,820**	

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**

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, CED Crane Solar 2, 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 CED Crane Solar 2, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per CED Crane Solar 2, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "Other locations being evaluated include, but are not limited to Arizona, California, Illinois, Iowa, Massachusetts, New Jersey, Nevada, Pennsylvania, Rhode Island and Virginia. For these reasons, conEdison studies various competing sites throughout the market areas outside and inside... of Texas where solar energy development is attractive. Without a Value Limitation program, conEdison would seek to move to alternative sites OUTSIDE ... of Texas."
  B. "CED Crane Solar 2, LLC is currently in a period of evaluation to determine whether the identified site in McCamey ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable."
  C. "Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is on a level playing field with other solar energy projects with similar incentives. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately $60 M needed to purchase solar modules and other infrastructure and to fund the construction of the facility"
- Per CED Crane Solar 2, LLC in Tab 4 of their Application states "Crane Solar 2 is a wholly owned subsidiary of conEdison Development." The project description goes on to report:
  A. "In today's competitive energy market, project investors and power purchasers require solar energy projects to have secured tax incentives, so that they can compete with solar energy projects across the U.S."
  B. "Crane Solar 2 was formed for the express purpose of developing a photovoltaic solar energy facility that could help bring significant economic development to the area. conEdison identified Texas, and in particular Upton County and McCamey ISD, for [its] strong solar energy resource,

access to available transmission capacity and the ERCOT market, and favorable property tax incentives under the Tax Code for Chapter 312 abatement and Chapter 313 Appraised Value Limitation. For these reasons, Crane Solar 2 seeks to develop and build the proposed Project as described throughout this Application."

- Per CED Crane Solar 2, LLC in Tab 6 of their Application states, "Crane Solar 2, LLC will be an estimated 150 MWac project. It is anticipated that 55% of the Project will be located within Crane ISD boundaries, and the remaining 45% located within the McCamey ISD boundaries. CED Crane Solar 2, LLC has already entered into an agreement for appraised value of limitation with Crane ISD [#1400 Crane ISD – CED Crane Solar 2, LLC.]" See map provided.
- CED Crane Solar 2, LLC is sharing resources with another solar project. As noted in Tabs 5 and 6 of the Application, the project will be sharing "... some access roads, as well as easements covered in" the other project. The proposed project "will be share an O&M building and a project substation with the [#1082] CED Upton County Solar, LLC ... located directly east of the project."
- An October 25, 2016 *Recharge* article," observed ConEdison Development, "...has emerged as a major player in the fast-growing Texas (ERCOT) utility-scale solar market, having acquired four projects, while working to develop a handful of others." When asked why did ConEdison Development come to the Texas utility-scale market and what were the criteria for doing so?
  A. "A couple of things were very important to us. One, is we always want to have a state or utility-type entity who is a big believer in renewables and is supportive in terms of their strategy and long-term plan. CPS Energy clearly made that commitment a while back. That was an important element for us to come into Texas. The second thing that is really good is the insolation, the solar resource, in Texas is fantastic. With the downturn of the oil and gas market, there was a large pool of skilled talent which made it helpful. That makes it easier to develop and build these plants. Then, the final component is the ERCOT system with its open transmission. A lot of transmission allows for good economic access for renewable power whether it's wind or solar."
- According to a May 20, 2020 Board of Trustees McCamey Independent School District Meeting Notice, an item of consideration included:
  A. Discussion and possible action to accept an Application for Value of Limitation Agreement from CED Crane Solar 2, LLC pursuant to Chapter 313 of the Texas Property Tax Code; authorize the Superintendent of Schools to review the Application for completeness and submit the Application to the Comptroller of Public Accounts; and authorize the Superintendent of Schools to approve any request for extension of the deadline for action by the board of trustees beyond the 150-day review period, as may be required.
- Supplemental Information provided by the applicant indicated the following:
  A. Is this project known by any specific names not otherwise mentioned in this application? *No.*
  B. Please also list any other names by which this project may have been known in the past--in media reports, investor presentations, or any listings with any federal or state agency. *N/A.*
  C. Has this project applied to ERCOT at this time? If so, please provide the project's GINR number and when was it assigned. *As a correction to #3, CED Crane Solar 2, LLC executed an ERCOT Standard Generation Interconnection Agreement with LCRA Transmission Services Corporation (12/11/19). 20INR0226.*

Supporting Information

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

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

Supporting Information

Section 8 of the Application for a Limitation on Appraised Value

SECTION 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

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment

1.	Estimated school board ratification of final agreement	QTR 4 2020
2.	Estimated commencement of construction	QTR 3 2021
3.	Beginning of qualifying time period (MM/DD/YYYY)	01/01/2021
4.	First year of limitation (MM/DD/YYYY)	01/01/2023

4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):

☐ A. January 1 following the application date ☑ B. January 1 following the end of QTP

☐ C. January 1 following the commencement of commercial operations

5.	Commencement of commercial operations	QTR 4 2022

SECTION 10: The Property

1.	Identify county or counties in which the proposed project will be located	Upton County, Texas
2.	Identify Central Appraisal District (CAD) that will be responsible for appraising the property	Upton 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:

M&O (ISD):	McCamey ISD, 0.97, 100% (Name, tax rate and percent of project)	I&S (ISD):	McCamey ISD, 0.92635, 100% (Name, tax rate and percent of project)
County:	Upton Co., 0.29251, 100% (Name, tax rate and percent of project)	City:	McCamey City, 0.37, 0% (Name, tax rate and percent of project)
Hospital District:	McCamey Hospital, 0.673632, 100% (Name, tax rate and percent of project)	Water District:	Upton Water Dist., 0.003441, 100% (Name, tax rate and percent of project)
Other (describe):	EMS Dist. #2, 0.008404, 100% (Name, tax rate and percent of project)	Other (describe):	N/A (Name, tax rate and percent of project)

Supporting Information

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

Tab 5

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

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.

2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

CED Crane Solar 2, LLC has entered into the following representative agreements and contracts for the development of a project within McCamey ISD:

- Grant of lease and easement covering approximately 417 acres in Upton County;
- Interconnect Studies and Agreement; and
- Third-party contracts for development-related work, such as resource estimation, legal review, and construction planning.

7. Is the applicant evaluating other locations not in Texas for the proposed project?

Yes. conEdison management team is uniquely qualified to develop and construct PV solar energy projects in the United States with favorable solar energy resource. With a combined 20+ years of experience in the renewable energy industries, the conEdison team has a proven track record of developing, financing, and constructing large-scale renewable energy projects. Our collective experience includes over 5,000 megawatts (MW) of wind and solar projects in the U.S. Based on this experience, the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the State of Texas as well as WITHIN the State of Texas. Other locations being evaluated include, but are not limited to:

Arizona	New Jersey
California	Nevada
Illinois	Pennsylvania
Iowa	Rhode Island
Massachusetts	Virginia

For these reasons, conEdison studies various competing sites throughout the market areas outside and inside the State of Texas where solar energy development is attractive. Without a Value Limitation program, conEdison would seek to move to alternative sites OUTSIDE of the State of Texas.

CED Crane Solar 2, LLC is currently in a period of evaluation to determine whether the identified site in McCamey ISD represents the best location or whether redeployment of its development

resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the planned 150 MWac Crane Solar 2 could be redeployed to other renewable energy development projects in other power markets in the United States.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is on a level playing field with other solar energy projects with similar incentives. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately $60 M needed to purchase solar modules and other infrastructure and to fund the construction of the facility.

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?

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of CED Crane Solar 2, LLC. Crane Solar 2 will be sharing an O&M building, some access roads, as well as easements covered in Application Number 1082 – McCamey ISD – CED Upton County Solar, LLC.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

Tab 4

Detailed description of the project.

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.

CED Crane Solar 2, LLC ("Crane Solar 2"), is the project entity formed to facilitate the development of a utility-scale photovoltaic ("PV") solar energy project (The "Project"). Crane Solar 2 is a wholly owned subsidiary of conEdison Development ("conEdison"). conEdison is one of the most successful independent renewable energy development companies in the U.S., with over 456 full-time employees. conEdison's team of subject matter experts in solar resource analysis, mapping systems, environmental studies, permitting, land acquisition, and power marketing places a unique emphasis on the development craft, which is unparalleled in the U.S. renewable energy market. conEdison has developed over 5,000 megawatts ("MW") of wind and solar energy facilities across 19 states, which are either operating, in-construction, or are contracted to be in constructed.

conEdison is actively evaluating renewable energy project opportunities in locations across the United States at various stages of development.

Crane Solar 2 seeks to develop and interconnect 70 megawatts-ac ("MWac") of power into the ERCOT market. Crane Solar 2 is requesting an appraised value limitation from McCamey ISD for a proposed solar energy project using PV solar energy panels and transmission facilities. The solar energy facility and its associated infrastructure will be constructed within Upton County, Texas. A map showing the location of the solar energy facility is included as Attachment 11a.

The Project will have a total estimated capacity of 70 MWac located within McCamey ISD and within Upton County, Texas.

The Project is located on approximately 417 acres of contiguous land located within McCamey ISD. Crane Solar 2 has obtained a lease and option agreement with the property owner needed to construct the Project. The Project will consist of approximately 475,600 solar PV modules, connected to form strings, which are subsequently connected in parallel and mounted on rows of horizontal, single axis trackers. The Project will also feature central power inverters and transformers to convert DC power to AC electricity. In addition to the major equipment, there will be the supporting electrical collection system and supporting facilities to be constructed and improved as necessary, as well as overhead transmission lines.

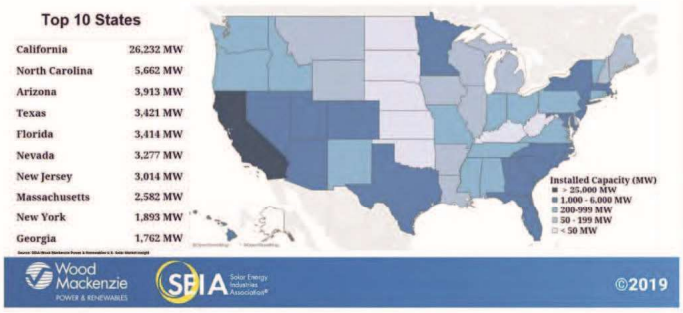
Construction of the solar energy facility is proposed to begin Quarter 3 2021 and is expected to take approximately 12 months to complete, contingent upon favorable economics for the Project.

While the solar energy resource for Upton County, Texas is excellent, there are many favorable locations for solar energy projects that could be developed across the United States. Crane Solar

2 considers a Limitation of Appraised Value Agreement with McCamey ISD as a key and invaluable portion of the Project.

In today's competitive energy market, project investors and power purchasers require solar energy projects to have secured tax incentives, so that they can compete with solar energy projects across the U.S.

Solar energy facilities are operating and under development in many states throughout the country. The United States now has over 71.3 gigawatts ("GW") of installed solar capacity, enough to power millions of homes, according to the Solar Energy Industries Association ("SEIA"). In Quarter 3 of 2019, the U.S. solar market installed over 2.6 GW, primarily driven by the utility-scale PV segment. While California has historically been the largest state market, other states are growing, such as: North Carolina, Arizona, Florida, Nevada; together with Texas, these states make up the top six markets for highest total installations in 2019. As represented by the depiction from SEIAs 2019 report for the top 10 states.



Locations for the development of solar energy projects are abundant and the Applicant can locate a project in a wide variety of locations across the United States, should it be unable to develop a competitive project in Texas that is able to generate returns sufficient enough to attract investment capital.

As construction is one of the most significant costs in creating a solar energy facility, the physical improvements of the Project, once completed, cannot be feasibly moved to another location. The solar modules and supporting infrastructure are long-lived assets engineered and designed specifically for this Project location. The cost of installing the improvements on the site is substantial and the cost to remove, redesign, and relocate the improvements to a different location would be prohibitive.

Crane Solar 2 was formed for the express purpose of developing a photovoltaic solar energy facility that could help bring significant economic development to the area. conEdison identified Texas, and in particular Upton County and McCamey ISD, for it's strong solar energy resource, access to available transmission capacity and the ERCOT market, and favorable property tax incentives under the Tax Code for Chapter 312 abatement and Chapter 313 Appraised Value Limitation. For these reasons, Crane Solar 2 seeks to develop and build the proposed Project as described throughout this Application.

As of January 2020, Crane Solar 2 has no existing improvement in place. Crane Solar 2 has invested additional capital in interconnecton studies with ERCOT, environmental and wildlife studies, and in leasing land for the Project, among other development activities.

Should the Appraised Value Limitation be granted, Crane Solar 2 has created a development and investment plan that is capitalized to implement the Project. Without such a limitation, the Project, competing against other Texas projects that have qualified, would likely be forced to redeploy its assets and capital to other states competing for similar solar energy projects.

Tab 6

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

5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.

Crane Solar 2, LLC will be an estimated 150 MWac project. It is anticipated that 55% of the Project will be located within Crane ISD boundaries, and the remaining 45% located within the McCamey ISD boundaries. CED Crane Solar 2, LLC has already entered into an agreement for appraised value of limitation with Crane ISD. Crane Solar 2 is currently pursuing a Chapter 312 Tax Abatement Agreement with Upton County. Crane Solar 2 will share an O&M Building, and project substation with the CED Upton County Solar, LLC Project located directly east of Crane Solar 2 Project. Crane Solar 2 has leased approximately 1,400 acres with 417 acres being located within McCamey ISD and Upton County boundaries. Crane Solar 2 anticipates The Point of Interconnection will be at the existing Lower Colorado River Authority Transmission Services Corporation ("LCRA TSC")-owned 138-kV King Mountain Substation. Initially, this Point of Interconnection will be energized from a new switched tap of the Transmission Service Provider's ("TSP") 138-kV transmission line T451 located in Crane County, TX, which will be built in the TSP Substation. The Point of Interconnection shall be the physical point where the TSP's 138-kV transmission facilities are connected to the project. This point is more specifically defined as being located at the 4-hole pad terminals on the dead-end assembly where the Generator's 138-kV line connects to Generator's interconnecting dead-end structure on the project site

School District	County	Percentage of Project	Anticipated Number of MWdc
Crane ISD	Crane County, Texas	55%	80 MWac
McCamey ISD	Upton County, Texas	45%	70 MWac

Mark Noyes Photo: ConEdison Development

'Wind is more cost-competitive than solar (in ERCOT) but the gap is closing significantly every quarter'

FIVE MINUTES WITH Mark Noyes, president and chief executive, ConEdison Development

by **Richard A. Kessler in Fort Worth**

26 September 2016
Updated 25 October 2016

ConEdison Development is an unregulated subsidiary of Consolidated Edison, the oldest and one of the largest US investor-owned energy companies. It is a leading owner of PV capacity nationwide and has emerged as a major player in the fast-growing Texas (ERCOT) utility-scale solar market, having acquired four projects, while working to develop a handful of others.

Noyes, who has several decades experience in the power sector, is responsible for the development and operation of the corporation's renewable energy and customer energy efficiency and infrastructure projects.

Can you provide a brief historical overview of ConEdison Development's involvement with solar power?

We've been involved with solar power for over 20 years since deregulation hit the marketplace. We really started to focus on renewable power in 2010 with a heavy focus on solar and a secondary focus on wind, and we are still involved with both. We've continued to grow the business year-on-year, primarily in North America. We are now the fifth largest owner and operator of solar in North America.

Why did ConEdison Development come to the Texas utility-scale market and what were the criteria for doing so?

A couple of things were very important to us. One, is we always want to have a state or utility-type entity who is a big believer in renewables and is supportive in terms of their strategy and long-term plan. CPS Energy clearly made that commitment a while back. That was an important element for us to come into Texas.

The second thing that is really good is the insolation, the solar resource, in Texas is fantastic. With the downturn of the oil and gas market, there was a large pool of skilled talent which made it helpful. That makes it easier to develop and build these plants.

Then, the final component is the ERCOT system with its open transmission. A lot of transmission allows for good economic access for renewable power whether it's wind or solar.

The buy-in from CPS led your company to the Alamo projects?

That's exactly correct.

There is no shortage of other solar projects in varying stages of development in ERCOT, some with interconnection agreements. Do you see ConEdison Development becoming involved here beyond the Alamo projects?

We have announced in the public arena an around 200MW project with Austin Energy. We have a handful of other projects that are not out in the public domain yet but we are working on in Texas. We will continue to grow our presence in that marketplace.

This 200MW project is in West Texas as well?

Yes.

Any possibility of developing projects in-house here in Texas?

All of the projects that are not OCI-CPS-related, we have developed ourselves.

These are all PV projects?

Yes.

How do you view the ERCOT large-scale solar market for future growth vis-à-vis natural gas? The price of power here is low but that doesn't stop developers from showing great interest in the market. How do you view it in the next 2-3 years?

I think it is very promising in Texas due to innovation primarily driven by the early incentives – the ITC, what-not. The cost of equipment has been impacted and come down significantly on the solar side as well as the wind side. The efficiency is better. The BOP (balance of plant) equipment and the ability to install it with a skilled labor pool is much more efficient. All of those economics have driven to a point where you can compete in the marketplace like Texas.

What about the SunEdison bankruptcy and SunPower having announced some shorter-term issues tied to demand for its utility-scale solar power projects. Have you noticed an impact in Texas?

No. You always have in any business, in any industry, or marketplace, a player or two who miscalculates and/or wants to exit as the markets consolidate and mature. That to me is just a natural progression of someone who made a mistake. SunEdison made a mistake. They gambled on

the yieldco market and it didn't arrive, so they're out. SunPower is getting chopped by competition. They are getting killed by SolarCity and others who are innovating better than they are. That's just normal business.

How important is it for ConEdison Development that ERCOT is a liquid power market?

Any market that is well-run and the price signals are clear is a good thing. ERCOT has all that and it makes it very helpful when you are making investment decisions.

Are you seeing utility-scale solar growth beyond captive municipal markets such as Austin and San Antonio? We saw a pretty big contract recently signed by Luminant, which serves more of the deregulated ERCOT market. Do you see more of that in the future?

Yes. There is going to be quite a bit of that. There are a lot of folks out there with a heavy interest in Texas and elsewhere.

At the end of the day for large end-customers their second or third highest cost is energy. When they can go out and secure energy at a fixed-price long-term it just makes their business more stable because they can budget more effectively. Then they can drive their businesses in a more predictable manner. So, I would anticipate there will be a lot more of that.

How do you see large-scale solar competing with wind and gas going forward as ERCOT is not an RPS-driven market, but price-driven?

Against natural gas, no problem at all. Because if you think about the basic concept of gas price times heat rate, the solar component in Texas wins all day long even with low gas prices.

I think when you look at it versus wind, it's tight. Wind is more cost-competitive than solar but the gap is closing significantly every quarter. The problem that wind has is that they need to build where the wind resource is out in far, remote sections of Texas.

Then they have congestion problems bringing it down to the marketplace.

Solar is everywhere. You could do it in downtown SA, a mile from there or outside and bring it in. I think from that perspective there is a lot more value for solar and you can place it in areas that will help ERCOT from a reliability standpoint. Seen today, wind wins but as time moves on, solar is going to be more of a tool for ERCOT and the state to utilise to plan out their resources more efficiently.

The solar bell curve better matches the demand curve better than wind here ...

Precisely. That's one of the key elements on reliability that I was talking about.

How do you see the C&I market here in Texas for utility-scale solar?

It hasn't really started yet but it will. Typically [it] lags the utility-scale by about three years, or has in other states. It will probably do the same in Texas. But I would expect that marketplace would pick up quite a bit.

Has your company been working on new products – off-take contracts of shorter duration? It's been an issue here with hedge agreements for wind.

We've seen a lot of folks in Texas move to a 10-year PPA. I'm not a big fan of that but I understand why some people do it. Those products are available out there. We'll probably not do a lot of that. It is their business model and they are kind of willing to finance with banks this 10-year window

because it lines up with a lot of what banks do. It's a different investment profile than us.

You're pretty confident you can do CPS-style longer-term utility-scale PPAs, perhaps with other buyers going forward in Texas?

Yes, because it's just a question of economics. At the end of the day, when you have the shorter PPA, the customer is going to pay more because they are getting that value up front. If you know you are committed to the business in the long-term, you are in a much better position if you write a 20 or 25 year PPA to drive toward a lower price and have stable certainty around your energy prices.

Frankly, most of our customers understand that. Let's just say that gas is $3 MMBTU. At $3 the probability of it going down significantly is pretty low. The probability of it going higher is extremely high.

If you can lock in at today's gas prices which is how we mark the PPAs basically, you can lock-in statistically the benefit. Then if gas prices go up, obviously solar will go up at the same time just because it can and you don't have that risk associated with your long-term energy needs.

Companies are also buying renewables for other reasons ...

Yes, except in Texas there is no RPS. There are really no RECs. In reality, their only obligation is to buy for energy, not the renewable side of it. They may be doing some of it for branding and what-not, but there is no economic reason to be doing it at this point.

Rooftop solar. Is that something that interests your company here?

We do both. We think both of those markets as well as battery storage at the C&I and utility-scale levels makes perfect sense in the long-run for us and consumers at the end of the day.

Even though there is no NEM here?

Again, it gets back to the concept that the price of equipment has come down just a tremendous amount and so it's cost-effective. In the Texas market, labor and land is less expensive and the solar resource is really high.

Have you been considering any involvement with wind here?

We've looked at it but haven't done anything with it yet. We're not opposed to it. The problem with wind in Texas is that the wind is a long way away from the load centres. A lot of people are using those transmission lines and it's created a bit of a congestion problem. We're a bit concerned about that. That's why in Texas we focus on solar.

The Board of Trustees
McCamey ISD
Notice of Regular Meeting
May 20, 2020 at 7:00 PM

A Regular Meeting of the Board of Trustees of McCamey ISD will be held May 20, 2020, beginning at 7:00 PM in the Administration Building, Board Room, 112 East 11th St., McCamey, TX 79752.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

1. Roll Call
2. Invocation/Pledge to the American Flags
3. Oath of Office to Newly Elected Officials
4. Election of Officers
   A. President
   B. Vice President
5. Open Forum
6. Discussion/Approval of Minutes for the April 22, 2020 Regular Board Meeting and the May 18, 2020 Board Training
7. Acknowledgment of Conflict of Interest Policy BBFA(LEGAL) and (LOCAL)
8. Discussion and possible action to accept an Application for Value of Limitation Agreement from CED Crane Solar 2, LLC pursuant to Chapter 313 of the Texas Property Tax Code; authorize the Superintendent of Schools to review the Application for completeness and submit the Application to the Comptroller of Public Accounts; and authorize the Superintendent of Schools to approve any request for extension of the deadline for action by the board of trustees beyond the 150-day review period, as may be required.
9. Discussion and possible action to retain the law firm of Sara Leon & Associates, LLC and financial consultant, Jigsaw School Finance Solutions, LLC to assist the district in the review and processing of the Application for Value Limitation Agreement from CED Crane Solar 2, LLC pursuant to Chapter 313 of the Texas Property Tax Code.
10. CLOSED SESSION:
    Consultation with legal counsel regarding an Application for Value Limitation Agreement from CED Crane Solar 2, LLC pursuant to Chapter 313 of the Texas Property Tax Code.
11. Presentation by Upton County Judge Dusty Kilgore
12. Update on COVID-19 School Closure and Graduation
13. Discussion/Approval of Budget Amendment(s)
14. Discussion/Approval of Expenditures/Payroll, Capital Outlay, Utilities, Investment Report & Bond Report
15. Discussion/Approval of Contract for Superintendent - Possible Closed Session under Texas Govt. Code 551.074: Personnel Issues/Superintendent
16. Discussion/Approval of Consideration of Personnel Issues Including: Employment, Resignations, Reassignment, Duties, Performance Problems and Evaluations - Possible Closed Session under Texas Govt. Code 551.074: For the purpose of considering the appointment, employment,

evaluation, reassignment duties, discipline or dismissal of a public officer or employee, or to hear complaints or charges against a public officer or employee.

A. Personnel Review

B. Resignations

C. Employment

1. Teacher(s)
2. Principal(s)

17. Superintendent's Report

A. Enrollment

B. Preliminary Values

C. Summer Leadership Institute - Online Only June 24th, 25th & 26th

D. HB1566 Training - 6 pm on June 1, 2, or 3?

E. Other

18. Next Board Meeting Date(s): June ?
July ? - Budget Workshop and Regular Meeting

19. Adjourn

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive meeting or session of the Board of Trustees is required, then such closed or executive meeting or session as authorized by the Texas Open Meetings Act, Texas Government Code Section 551.001 et seq., will be held by the School Board at the date, hour, and place given in this Notice or as soon after the commencement of the meeting covered by this Notice as the School Board may conveniently meet in such closed or executive meeting or session concerning any and all purposes permitted by the Act, including, but not limited to the following sections and purposes:

Texas Government Code Section:

551.071 To seek the advice of an attorney about pending or contemplated litigation; or a settlement offer.
551.072 To deliberate the purchase, exchange, lease, or value of real property.
551.073 To deliberate a negotiated contract for a prospective gift or donation.
551.074 To deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.
551.076 To deliberate the deployment, or specific occasions for implementation, of security personnel or devices.
551.082 To deliberate in a case involving discipline of a public school child; or to hear a complaint or charge brought against an employee of the school district by another employee which results in a need for a hearing.
551.0821 To deliberate a matter regarding a public school student if personally identifiable information about the student will necessarily be revealed by the deliberation. (b)directory information about a public school student is considered to be personally identifiable information
551.083 To deliberate the standards, guidelines, terms or conditions the board will follow or instruct its representatives to follow, in consultation with a representative of an employee group.
551.084 To exclude a witness from an investigation hearing during the examination of another witness in the investigation.

Should any final action, final decision, or final vote be required in the opinion of the School Board with regard to any matter considered in such closed or executive meeting or session, then the final action, final decision, or final vote shall be either:
(a) in the open meeting covered by the Notice upon reconvening of the public meeting, or
(b) at a subsequent public meeting of the School Board upon notice thereof;, as the School Board shall determine.

This Notice was mailed to news media if previously requested such Notice and an original copy was posted on the bulletin board in the School District Administration Building by 7:00 p.m. on said date.

		Pamela Adams
Time	**Date Posted**	**McCamey ISD Board of Trustees**

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– McCamey ISD – CED Crane Solar 2, LLC App. #1500 –

Comptroller Questions (via email on July 9, 2020):

1) Is this project known by any specific names not otherwise mentioned in this application?
2) Please also list any other names by which this project may have been known in the past--in media reports, investor presentations, or any listings with any federal or state agency.
3) Has this project applied to ERCOT at this time? If so, please provide the project's INR number and when was it assigned.

Applicant Response (via email on July 14, 2020):

1) No.
2) N/A.
3) No.

Comptroller Follow-up Questions (via email on July 15, 2020):

1) I do have follow-up on the response to Question #3. I remembered #1400 Crane ISD – CED Crane Solar 2, LLC is listed as another agreement. So, I went back and reviewed information I had for this project. This project did provide information that it had applied to ERCOT and were assigned the INR#. At the time I verified the information and read about project attributes (for example: 70 MW capacity; Interconnecting Entity – Solar Prime LLC; Project Name – Timberwolf POI A) by reviewing the Generator Interconnection Status Report issued by ERCOT. Note: At the time the applicant listed Solar Prime, LLC.

   I selected and reviewed status reports over time. What I learned – the project was inactive at one time; Solar Prime LLC was dropped and replaced with CED Crane Solar 2, LLC, the capacity increased to 150 (to account for both projects I'm assuming) and project name stayed the same.

   Given what I have discovered thus far would you like opportunity to revise the response to Question #3? If you would like to provide any other information you are more than welcome.

Applicant Response (via email on July 15, 2020):

3) *As a correction to #3, CED Crane Solar 2, LLC executed an ERCOT Standard Generation Interconnection Agreement with LCRA Transmission Services Corporation (12/11/19). 20INR0226.*

EXHIBIT B

**Summary of Financial Impact on
McCamey Independent School District Prepared by
Jigsaw School Finance Solutions, LLC**

SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED

CED CRANE SOLAR 2 LLC PROJECT

(APPLICATION # 1500)

ON THE FINANCES OF

MCCAMEY INDEPENDENT SCHOOL DISTRICT

UNDER A REQUESTED

CHAPTER 313 APPRAISED VALUE LIMITATION

PREPARED BY
JIGSAW SCHOOL FINANCE SOLUTIONS, LLC

Introduction

CED Crane Solar 2 LLC ("Company") has submitted an application to the McCamey Independent School District ("District") requesting a property value limitation on a proposed project located within the school district boundaries, under Chapter 313 of the Texas Tax Code. The proposed project is a renewable energy electric generation project located in Upton County, TX. The company estimates that the total investment in this project will be approximately $60 million.

Local government entities in Texas, including school districts, rely heavily on the ad valorem property tax to fund operations and building projects. Thus, the property tax burden that Texas imposes on individuals and business entities is higher compared to most other states. Seeking to encourage economic development and to attract large scale capital investment, the 77th Texas Legislature in 2001 enacted House Bill 1200 creating Tax Code Chapter 313, the Texas Economic Development Act. The act as amended by the legislature in 2007, 2009 and 2013 now grants eligibility to companies engaging in manufacturing, advanced clean energy projects, research and development, clean coal projects, renewable electric energy generation, electric power generation using integrated gasification combined cycle technology, nuclear electric power generation and a computer center used primarily in connection to one of the other categories or a Texas Priority Project. Under the provisions of this law, the McCamey Independent School District may grant a value limitation for maintenance and operation taxes in the amount of $25 million dollars for a period of ten years.

The application calls for the project to be taxable for both maintenance and operation (M&O) and interest and sinking (I&S) during the 2021-22 and 2022-23 school years. Beginning with the 2023-24 school year, the value of the project would be limited to $25 million for maintenance and operation (M&O) tax purposes and remain limited through the 2032-33 school year. The full value of the project will be taxable for debt service purposes using the I&S tax rate in all years of the agreement.

Total Revenue to District Resulting From Tax Code Chapter 313 Agreement -	$463,010
Total Tax Savings to Company after all Payments -	$565,901

School Finance Mechanics

The Texas system of public-school funding is based on the ad valorem property tax. Schools levy a tax rate for maintenance and operation (M&O) and interest and sinking (I&S) against a current year tax roll. As a result of House Bill 3, as passed by the 86th Texas Legislature, signed into law and effective in relevant part on September 1, 2019, State funding is calculated using current year property value which is a significant change from prior law which since 1993 has relied on prior year values as certified by the Comptroller's Property Tax Division (CPTD). However, for the purposes of

districts with Tax Code Chapter 313 agreements and in accordance with Sec. 48.256 – LOCAL SHARE OF PROGRAM COST (TIER I), Subsection d - *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.* During any school year where there would have been a loss of property tax revenue from the prior year as a result of the Tax Code Chapter 313 agreement, a revenue protection payment equal to that reduction will be required.

Texas school districts are funded by a combination of local ad valorem property taxes and state aid. Most of the funds that a school district generates through the funding formulas is generated in Tier 1. Local M&O collections at the compressed tax rate generate Tier I funding. In 2019-20, a school district's Tier I revenue is the greater of the adjusted minimum target revenue amount or the state share of Tier 1 plus local M&O collections at the compressed rate. The Tier 1 formulas start with a Basic Allotment per student of $6,160. Funding calculations use the number of students in average daily attendance, the number of students who participate in categorical/special programs and adjustments for size, sparsity and location determine a Total Cost of Tier 1. A Local Fund Assignment is determined by multiplying the district's compressed tax rate by the current year property value. This formula determines the local ad valorem property taxes the district must collect in order to satisfy the district's share of the Tier 1 cost. School districts that are relatively property wealthy per student fund most of the Total Cost of Tier 1 with local property taxes, while school districts that are relatively property poor per student receive most of the Total Cost of Tier 1 from state aid.

Underlying Assumptions

A forecast of the financial impact that the proposed value limitation will have on McCamey ISD's future revenue is critical information that will be very useful to the district when making the decision to grant the limitation and for the district's long range financial planning process. Analysis for this application covers the 2020-21 through the 2037-38 school years.

The Revenue Protection Clause of the proposed agreement and Tax Code Chapter 313 Section 48.256 Subsection D calls for the school district to be held harmless against any potential losses as a result of the value limitation agreement. Revenue protection calculations are to be made using whatever property tax laws and school funding formulas are in place at that time in years one through ten of the agreement. This stipulation is a statutory requirement under Section 313.027 of the Tax Code.

The approach used in this report was to predict 16 years of base data including average daily attendance, M&O and I&S tax rates, maintenance and operation (M&O) tax collections, current year (CAD) values and prior year (CPTD) values for each year of the agreement. For the purposes of this analysis, final 2018 CPTD values were used as well as 2019 CAD values from Upton CAD. McCamey ISD currently has other approved Chapter 313 projects. These values have been included in the base data illustrated in **Table 1**.

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Table 1 Base District Information

McCamey ISD, CED Crane Solar 2 LLC, Project # 1500

Year of Agreement	School Year	ADA	WADA	Assumed M&O Tax Rate	Assumed I&S Tax Rate	Property Value Without Project	Project Values	Property Value No Limit	Property Value With Limit	Property Value with Project per WADA	Property Value with Limitation per WADA
0	2019-20	493	889	$0.9303	$0.2253	$883,170,275	$0	$883,170,275	$883,170,275	$993,442	$993,442
0	2020-21	493	889	$0.9303	$0.2253	$883,170,275	$0	$883,170,275	$883,170,275	$993,442	$993,442
QTP1	2021-22	493	889	$0.9303	$0.2253	$883,170,275	$0	$883,170,275	$883,170,275	$993,442	$993,442
QTP2	2022-23	493	889	$0.9303	$0.2253	$883,170,275	$60,000,000	$943,170,275	$943,170,275	$1,060,934	$1,060,934
L1	2023-24	493	889	$0.9303	$0.2253	$883,170,275	$55,200,000	$938,370,275	$908,170,275	$1,055,535	$1,021,564
L2	2024-25	493	889	$0.9303	$0.2253	$883,170,275	$50,400,000	$933,570,275	$908,170,275	$1,050,135	$1,021,564
L3	2025-26	493	889	$0.9303	$0.2253	$883,170,275	$45,600,000	$928,770,275	$908,170,275	$1,044,736	$1,021,564
L4	2026-27	493	889	$0.9303	$0.2253	$883,170,275	$40,800,000	$923,970,275	$908,170,275	$1,039,337	$1,021,564
L5	2027-28	493	889	$0.9303	$0.2253	$883,170,275	$36,000,000	$919,170,275	$908,170,275	$1,033,937	$1,021,564
L6	2028-29	493	889	$0.9303	$0.2253	$883,170,275	$31,200,000	$914,370,275	$908,170,275	$1,028,538	$1,021,564
L7	2029-30	493	889	$0.9303	$0.2253	$883,170,275	$26,400,000	$909,570,275	$908,170,275	$1,023,139	$1,021,564
L8	2030-31	493	889	$0.9303	$0.2253	$883,170,275	$21,600,000	$904,770,275	$904,770,275	$1,017,739	$1,017,739
L9	2031-32	493	889	$0.9303	$0.2253	$883,170,275	$16,800,000	$899,970,275	$899,970,275	$1,012,340	$1,012,340
L10	2032-33	493	889	$0.9303	$0.2253	$883,170,275	$12,000,000	$895,170,275	$895,170,275	$1,006,941	$1,006,941
MVP1	2033-34	493	889	$0.9303	$0.2253	$883,170,275	$12,000,000	$895,170,275	$895,170,275	$1,006,941	$1,006,941
MVP2	2034-35	493	889	$0.9303	$0.2253	$883,170,275	$12,000,000	$895,170,275	$895,170,275	$1,006,941	$1,006,941
MVP3	2035-36	493	889	$0.9303	$0.2253	$883,170,275	$12,000,000	$895,170,275	$883,170,275	$1,006,941	$993,442
MVP4	2036-37	493	889	$0.9303	$0.2253	$883,170,275	$12,000,000	$895,170,275	$883,170,275	$1,006,941	$993,442
MVP5	2037-38	493	889	$0.9303	$0.2253	$883,170,275	$12,000,000	$895,170,275	$883,170,275	$1,006,941	$993,442

To isolate the impact of the value limitation on the District's finances over the term of the agreement, average daily attendance and maintenance and operation tax rates were held constant at levels that existed in the 2020-21 school year. An ADA of 493, a WADA of 889 and an M&O tax rate of $0.9303 were used for each year of the of the initial forecast. Due to HB 3, however, the M&O tax rate will be compressed to $0.97 for 2019-2020. A tax collection rate of 100% is assumed in all the calculations used in this analysis. The Upton CAD certified value for 2019 was used as the 2019 CAD value. This value was used as the basis for subsequent current year (CAD) values in this report. The final 2018 T1, T2, T3 and T4 Comptroller Property Tax Division (CPTD) values certified to school districts in late July, 2018 were used as a basis for predicting future year (CPTD) values for each of the agreement years.

The proposed agreement and Tax Code Chapter 313 Section 48.256 Subsection D calls for McCamey ISD to be held harmless against potential state and local revenue losses that might occur as a result of the value limitation being in effect for any given year of the agreement. In order to predict when and if these tax revenue losses may occur, a state and local revenue projection for the 2019-2020 school year was completed to serve as baseline data and is displayed in **Table 2**. In any year of the limitation period where total state and local funding with the full project value exceeds the total state and local funding produced when the limited value is used, a Revenue Protection Payment is indicated for that year. The results of these calculations are illustrated in **Table 3**.

Table 2			
District:	McCamey ISD		
Applicant:	CED Crane Solar 2 LLC		
Project #	1500		
	Summary of Finances 2020-21 School Year		
	Basic Information:		
	Total Refined ADA (adj. for decline, if applicable)	492.87	492.87
	CPTD Property Value	883,170,275	960,722,977
	Total M&O Tax Collections	9,991,519	8,937,606
	HB 3 WADA	889	889
		2020-21 Old Law	2020-21 HB 3
	Total Cost of Tier I	5,072,829	5,473,975
	LESS: Local Fund Assignment	8,831,703	8,457,244
	State Share of Tier I	(3,758,874)	(2,983,269)
	TIER I STATE AID:		
	Greater of State Share of Tier I or Current Law ASF+HS NIFA; or HB3 ASF	239,451	200,118
	Gross Recapture - Tier 1	0	3,183,387
	Adjustments to Gross Recapture in Order to Maintain Revenue, if applicable	0	0
	Adjusted Gross Recapture - Tier 1	0	3,183,387
	CAD credit	0	0
	Net Recapture - Tier I	0	3,183,387
	Tier II State Aid for "Golden" Level	177,456	0
	Tier II State Aid for "Copper" Level	0	0
	TOTAL TIER II STATE AID	177,456	0
	Gross Recapture - Copper Penny Level	0	3,183,387
	CAD credit	0	0
	Net Recapture - Copper Penny Level	0	3,183,387
	Other Programs:		
	Supplemental TIF Payment	0	0
	State Aid Reduction for WADA Sold	0	0
	Ch 313 Tax Credits	0	0
	Staff Allotment	19,167	0
	TSD Charge	0	0
	TSB Charge	0	0
	TOTAL OTHER PROGRAMS	19,167	0
	Less: Available School Fund (estimated)	(200,118)	(200,118)
SUMMARY OF TOTAL STATE/LOCAL M&O REVENUE:			
M&O Revenue From State (not including Fund 599)		436,073	200,118
M&O Revenue From Local Taxes Before Recapture		9,991,519	8,937,606
Recapture, if any		4,212,786	3,183,387
STATE/LOCAL M&O REVENUE (prior to Formula Transition & Equalized Wealth Transiti		6,214,806	5,954,337
Formula Transition Grant		N/A	260,469
Equalized Wealth Transition Grant		N/A	0
HB 3 NET TOTAL STATE/LOCAL M&O REVENUE		6,214,806	6,214,806

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Financial Impact on the School District

Utilizing the assumptions and methodology described above, total maintenance and operation tax revenue was estimated for each year of the agreement. **Table 3** indicates there will be a tax revenue loss to the district of $280,951 over the course of the agreement. The revenue loss by the district due to the agreement and Tax Code Chapter 313 Section 48.256 Subsection D is estimated to be mostly in the first year of the value limitation period.

Financial Impact on the Taxpayer

The terms of the proposed agreement call for the maintenance and operation (M&O) value of the project to be limited to $25 million starting in school year 2023-24 and remaining limited through school year 2032-33. The potential gross and net tax savings to CED Crane Solar 2 LLC are displaye in **Table 3.** As stated earlier, an M&O tax rate of $0.9303 and a collection rate of 100% is used throughout the calculations in this report. **Table 3** shows gross tax savings due to the limitation of $1.029 million over the length of the contract. Net tax savings are estimated to be $748 thousand. To estimate supplemental payments to the school district of $100 per ADA, a model of ADA was applied to the base ADA of 493, which was the ADA for McCamey ISD through the end of the first six-weeks of the 2020-21 school year. It should be noted that due to assumed depreciation, the value of the project will sink below the limitation amount of $25 million in Tax Year 2030, the eighth year of limitation. Due to the size of the project, payments to the school district are limited to forty-five percent of the annual tax savings. Under this model, and using projected, the district will receive approximately $463,010 in total benefit, and the company will realize a total tax savings of $565,901.

Facilities Funding Impact on the District

Reports submitted by CED Crane Solar 2 LLC show the full value of the property being depreciated over time. Even so, the full value of the project will be available to the district for I&S taxes and will enhance the district's ability to service current and future debt obligations. Texas funding laws provide assistance to school districts for debt service purposes in the form of the Instructional Facilities Allotment and the Existing Debt Allotment. The formulas provide a guarantee of $35 per ADA per penny of tax effort. While the project is expected to provide additional employment opportunities in the area, the impact on student enrollment is predicted to be minimal.

Conclusion

The CED Crane Solar 2 LLC project proposed in this application will benefit the community, the district, McCamey ISD and the taxpayer, CED Crane Solar 2 LLC. The community will receive economic development, the taxpayer will enjoy savings on property taxes and the district will be held harmless from revenue loss due to the provisions of the agreement and Tax Code Chapter 313 Section 48.256 Subsection D. The district will also enjoy an increased value available for I&S tax collections dedicated to debt service that can be leveraged to provide first class facilities for faculty and students.

Note, the Texas Legislature could take action that could potentially change the impact of this 313 valuation limitation agreement on the finances of McCamey ISD and result in estimates that differ significantly from the estimates presented in this analysis. Some of the factors that could significantly change these estimates are legislative or administrative changes made by the Texas Legislature, the Texas Education Agency or the Comptroller of Public Accounts. The changes could contain modifications to the school finance formulas, property value appraisals, tax exemptions or tax code. Other factors that could impact the estimates of this agreement could also include changes to property values, district tax rates and student enrollment.

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Table 3 Estimated Financial Impact
McCamey ISD, CED Crane Solar 2 LLC, Project # 1500

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits	School District Benefit $100 per ADA	Company Tax Benefit	Negotiated McCamey ISD Benefit @ 45% of Tax Savings	Negotiated Company Benefit @ 55% of Tax Savings
0	2019-20	$0	$0	$0	0.9700	$0	$0	$0	$0	$0	$0	$0	0	$0
0	2020-21	$0	$0	$0	0.9303	$0	$0	$0	$0	$0	$0	$0	0	$0
QTP1	2021-22	$0	$0	$0	0.9303	$0	$0	$0	$0	$0	$50,000	-$50,000	0	$0
QTP2	2022-23	$80,000,000	$80,000,000	$0	0.9303	$558,180	$558,180	$0	$0	$0	$50,000	-$50,000	$0	$0
L1	2023-24	$55,200,000	$25,000,000	$30,200,000	0.9303	$513,526	$232,575	$280,951	-$280,951	$0	$50,000	-$50,000	$126,428	$154,523
L2	2024-25	$50,400,000	$25,000,000	$25,400,000	0.9303	$469,871	$232,575	$236,296	$0	$236,296	$50,000	$186,296	$106,333	$129,963
L3	2025-26	$45,600,000	$25,000,000	$20,600,000	0.9303	$424,217	$232,575	$191,642	$0	$191,642	$50,000	$141,642	$86,239	$105,403
L4	2026-27	$40,800,000	$25,000,000	$15,800,000	0.9303	$379,562	$232,575	$146,987	$0	$146,987	$50,000	$96,987	$66,144	$80,843
L5	2027-28	$36,000,000	$25,000,000	$11,000,000	0.9303	$334,908	$232,575	$102,333	$0	$102,333	$50,000	$52,333	$46,050	$56,283
L6	2028-29	$31,200,000	$25,000,000	$6,200,000	0.9303	$290,254	$232,575	$57,679	$0	$57,679	$50,000	$7,679	$25,955	$31,723
L7	2029-30	$26,400,000	$25,000,000	$1,400,000	0.9303	$245,599	$232,575	$13,024	$0	$13,024	$50,000	-$36,976	$5,861	$7,163
L8	2030-31	$21,600,000	$21,600,000	$0	0.9303	$200,945	$200,945	$0	$0	$0	$50,000	-$50,000	$0	$0
L9	2031-32	$16,800,000	$16,800,000	$0	0.9303	$156,290	$156,290	$0	$0	$0	$50,000	-$50,000	0	$0
L10	2032-33	$12,000,000	$12,000,000	$0	0.9303	$111,636	$111,636	$0	$0	$0	$50,000	-$50,000	0	$0
MVP1	2033-34	$12,000,000	$12,000,000	$0	0.9303	$111,636	$111,636	$0	$0	$0	$50,000	-$50,000	0	$0
MVP2	2034-35	$12,000,000	$12,000,000	$0	0.9303	$111,636	$111,636	$0	$0	$0	$50,000	-$50,000	0	$0
MVP3	2035-36	$12,000,000	$12,000,000	$0	0.9303	$111,636	$111,636	$0	$0	$0	$50,000	-$50,000	0	$0
MVP4	2036-37	$12,000,000	$12,000,000	$0	0.9303	$111,636	$111,636	$0	$0	$0	$0	$0	0	0
MVP5	2037-38	$12,000,000	$12,000,000	$0	0.9303	$111,636	$111,636	$0	$0	$0	$0	$0	0	0
TOTALS						$4,130,532	$3,101,620	$1,028,912	-$280,951	$747,961	$750,000	-$2,039	**$463,010**	**$566,901**

*Note: School District Revenue-Loss estimates are subject to change based on various factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year project appraisal values, and changes in school district tax rates. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

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EXHIBIT C

Proposed Agreement between
McCamey Independent School District
and CED Crane Solar 2, LLC

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

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by and between

MCCAMEY INDEPENDENT SCHOOL DISTRICT

and

CED CRANE SOLAR 2, LLC

(Texas Taxpayer ID #32070838704)

Comptroller Application #1500

Dated

December 16, 2020

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

STATE OF TEXAS §

COUNTY OF UPTON §

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 **MCCAMEY 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 **CED CRANE SOLAR 2, LLC,** Texas Taxpayer Identification Number 32070838704 hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on May 19, 2020, the Superintendent of Schools of the McCamey Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on May 19, 2020, 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 July 24, 2020 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 Upton County Appraisal District established in Upton County, Texas (the "Upton 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 October 21, 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, by other appropriate document, dated November 9, 2020, extended 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 December 16, 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 December 16, 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 December 16, 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 December 4, 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 December 16, 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 Vice President to execute and deliver such Agreement to the Applicant; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

"*Act*" means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, as amended.

"*Agreement*" means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

"*Applicant*" means CED Crane Solar 2, LLC, *(Texas Taxpayer ID* #32070838704*),* 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 May 19, 2020. 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 Upton County Appraisal District.

"*Board of Trustees*" means the Board of Trustees of the McCamey Independent School District.

"*Comptroller*" means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

"*Comptroller's Rules*" means the applicable rules and regulations of the Comptroller set forth in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

"*County*" means Upton County, Texas.

"*District*" *or* "*School District*" means the McCamey 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, pandemics 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 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 Limitation Period of this Agreement, an amount equal to 45% of the Net Tax Benefit to the Applicant.

"*Applicable School Finance Law*" means the State constitution and laws, agency regulations and/or judicial rulings then controlling the public school finance system for Texas public schools and school districts generally and the District specifically, in accordance with all provisions thereof applicable to any terms of this Agreement at the time any computation, calculation or obligation of either Party under this Agreement is required to be performed or for the period to which such computation, calculation or obligation relates, as applicable. The term includes any amendments or successor statutes that may be adopted in the future which affect the calculation of the District's Maintenance and Operations Revenue or the Applicant's ad valorem tax obligation to the District, in each case, either with or without the limitation on appraised value of property pursuant to this Agreement.

"Cumulative Payments" means for each year of this Agreement the total of all payments, calculated under Articles IV, V and VI of this Agreement for the current Tax Year which are paid by or owed by

Applicant to the District, plus payments paid by Applicant to compensate District for loss of revenue under this Agreement.

"*Lost M&O Revenue*" means the reduction in Maintenance and Operations *ad valorem* Tax Revenue to the District caused by, resulting from, or on account of the execution of this Agreement for each year starting in the year of the Application Approval Date and ending on the Final Termination Date of this Agreement.

"Maintenance and Operations Tax Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 48 of the TEXAS EDUCATION CODE, or any other statutory provision as well as any amendment or successor statute to these provisions, minus (iii) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 49 of the TEXAS EDUCATION CODE, in each case, as any of the items in clauses (i), (ii), and (iii) above may be amended by Applicable School Finance Law from time to time. Maintenance and Operations 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.

"New M&O Revenue" means the total State and local Maintenance and Operations Tax Revenue that the District actually received for such school year attributable to the Qualified Property that is the subject of this Agreement.

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

"Option to Terminate" means, in the event that the Applicant shall fail to make the Qualified Investment during the Qualifying Time Period, the Applicant may Terminate this Agreement without penalty or further liability consistent with Section 7.1.

"*Original M&O Revenue*" means the total State and local Maintenance and Operations Tax Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant's Qualified Property been subject to the ad valorem maintenance and operations tax at the then-current tax rate. For purposes of this calculation, the Third Party will base its calculations upon the District's taxable value of property for the preceding tax year as certified by the Appraisal District for all taxable accounts in the District, less the Qualified Property subject to this Agreement, plus the total appraised value of the Qualified Property subject to this Agreement which is or would be used for the calculation of the District's tax levy for debt service (interest and sinking fund) ad valorem tax purposes.

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

ARTICLE II
AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY. This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Section 313.027 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 July 24, 2020, 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 December 16, 2020.

C. The Qualifying Time Period for this Agreement:

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

ii. Ends on December 31, 2022, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

i. Starts on January 1, 2023, first complete Tax Year that begins after the end of Qualifying Time Period; 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. $25,000,000.

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 of the TEXAS TAX CODE.

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

A. have completed the Applicant's Qualified Investment in the amount of $20,000,000 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 $1,520.25 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

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) of the TEXAS TAX CODE as renewable energy electric generation.

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF PARTIES.

It is the intent of the Parties in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE and Section 48.256 (d) of the TEXAS EDUCATION CODE that the District shall be compensated by the Applicant as provided in this Article IV for any Lost M&O Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI of this Agreement. **It is the intent of the Parties that the risk of any and all Lost M&O Revenue as a result of, or on account of, entering into this Agreement, will be borne by the Applicant and not by the District.**

Subject to the limitations contained in this Agreement, the calculation of any Lost M&O Revenue required to be paid by the Applicant under this Article IV shall be made for the first time in the first complete Tax Year following the Application Approval Date and every year thereafter during the term of this Agreement.

Within 60 days from the date Tax Limitation Period begins, the Applicant shall provide to the District, the Comptroller, and the Appraisal District a verified written report, giving a specific and detailed description of the land, tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such Qualified Property within the boundaries of the land which is subject to the Agreement, if such final description is different than the description provided in the Application or any supplemental application information, or if no substantial changes have been made, a verification of the fact that no substantial changes have been made.

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 LOST M&O REVENUE.

Subject to the limitations contained in this Agreement, the amount to be paid by the Applicant to compensate the District for loss of M&O Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Approval Date and ending on Final Termination Date (the "Lost M&O Revenue") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

Subject to the limitations contained in this Agreement, the Lost M&O Revenue owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue.

In making the calculations required by this Section 4.2:

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

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

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

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

v. All calculations made under this Section 4.2 shall be made by a methodology which isolates only the full Maintenance and Operation Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or on account of or otherwise arising out of any other factors not contained in this Agreement.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY.

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") selected and appointed each year by the District, subject to approval by Applicant in writing, which approval shall not unreasonably be withheld.

Section 4.4. DATA USED FOR CALCULATIONS.

The calculations for payments under this Agreement shall be initially based upon the valuations that

are placed upon all taxable property in the District, including the Applicant's Qualified Property, by the Appraisal District in its annual certified tax roll submitted to the District for each Tax Year pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected and appointed under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time 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. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.

If the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and such appeal remains unresolved at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property by the Appraisal District. The calculations shall be readjusted, if necessary, based on the outcome of the appeal as set forth below.

If as a result of an appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amount to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.6. DELIVERY OF CALCULATIONS.

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under this Article IV, Article V, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.8, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until four (4) years after the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.7. STATUTORY CHANGES AFFECTING MAINTENANCE & OPERATION REVENUE.

Notwithstanding any other provision in this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District that are necessary to fully reimburse and hold the District harmless from any actual negative impact on the District's Maintenance and Operation Revenue as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District. Such payment shall be made no later than thirty (30) days following notice from the District of such determination and calculation. The District shall use reasonable efforts to mitigate the economic effects of any such statutory change or administrative interpretation, and if the Applicant disagrees with any calculation or determination by the District of any adverse impact described in this Article IV, the Applicant shall have the right to appeal such calculation or determination in accordance with the procedures set forth in Section 4.9.

Section 4.8. PAYMENT BY APPLICANT.

Subject to Section 4.9 below, the Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 of the year next following the tax levy for each year for which this Agreement is effective. Subject to the limitation set forth in this Section 4.8 below, by such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 4.4, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas, for any audits conducted by the State Auditor's Office, or for other legal expenses which are, or may be required under the terms of, or because of, the execution of this Agreement. The Applicant shall only be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.8 not to exceed Fifteen Thousand Dollars ($15,000.00).

Section 4.9. RESOLUTION OF DISPUTES.

Should the Applicant disagree with the Third Party calculations made pursuant to this Article IV of this Agreement, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records, and other information in accordance with Section 4.4 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the District's Board of Trustees within thirty (30) days after receipt of the final determination of the calculations. Any appeal by the Applicant of the final determination of calculations shall in no way limit Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.10. PAYMENT LIMITATION; AGGREGATE LIMIT.

In the event that the Revenue Protection Amount for any Tax Year during the Limitation Period of this Agreement shall exceed the Applicant's Net Tax Benefit for that Tax Year, the Revenue Protection Amount owed for that year shall be limited to the Applicant's Net Tax Benefit for that Tax Year. Amounts otherwise due and owing by the Applicant to the District which, by virtue of this payment limitation, are not paid in that Tax Year shall be carried forward from year to year into subsequent Tax Years until paid in full, subject, in each Tax Year to the Aggregate Limit. The obligation to make payments under this Article IV shall end after the third tax year after the conclusion of the Tax Limitation Period.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES.

In addition to the amounts determined pursuant to Articles IV and VI of this Agreement, Applicant on an annual basis shall also indemnify and reimburse District for all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses directly and solely related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment caused directly by such project. Applicant shall have the right to contest the findings of the District's external auditor pursuant to Section 4.9 above.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS.

In interpreting the provisions of this Article VI, the Parties agree that, in addition to undertaking the responsibility for the payment of all of the amounts set forth under 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 Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the TEXAS TAX CODE, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under this Article VI are separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V, and that all payments under Article VI are subject to the separate limitations contained in Section 6.2 and Section 6.3. Each Supplemental Payment shall be due and payable on January 31st of the year following that in which such Supplemental Payment accrued.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.
Notwithstanding the foregoing:

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

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

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

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

Section 6.3. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT.

For each Tax Year beginning with the period starting the first full or partial year of the Qualifying Time Period (2021) and ending December 31 of the third year following the end of the Tax Limitation Period (2035), Supplemental payments shall be owed, subject to the Aggregate Limit.

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

Section 6.4. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS.

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

(a) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6.

(b) The payment of all amounts due under this Article VI shall be made at the time set forth in Section 4.8.

(c) Any appeal by the Applicant of the calculations made by the Third Party under this Article VI shall be done in the same manner as set forth in Section 4.9, above.

Section 6.5. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY.

At any time during this Agreement, the Board of Trustees may, in its sole discretion, direct that any of the Applicant's payments under this Article VI be made to the District's educational foundation or to a similar entity. Such foundation or entity may only use such funds received under this Article VI to support the educational mission of the District and its students. Any designation of such foundation or entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the Board of Trustees.

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

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

ARTICLE IX
MATERIAL BREACH OR EARLY TERMINATION

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

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

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

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

the Act;

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

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

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

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

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

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

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

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

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

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

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

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

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

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

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether

such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:

i. whether or not a breach of this Agreement has occurred;

ii. whether or not such breach is a Material Breach;

iii. the date such breach occurred, if any;

iv. whether or not any such breach has been cured; and

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

i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);

ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and

iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

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

Section 9.3. DISPUTE RESOLUTION.

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

C. If payments become due under this Agreement and are not received before the expiration of the ninety (90) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent

taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.1 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 ninety (90) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

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

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

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

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

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make $20,000,000 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:

To the District		**With Copy to**
Name:	McCamey Independent School District	Sara Leon & Associates, LLC
Attn:	Superintendent Mr. Michael Valencia or his successor	Sara Hardner Leon
Address:	112 E 11th Street Drawer 1069	2901 Via Fortuna, Suite 475
City/Zip:	McCamey, Texas 79752-1069	Austin, Texas 78746
Phone :	(432) 652-3666 ext:302	(512) 637-4244
Fax :	(432) 652-4219	(512) 637-4245
Email:	mvalencia@mcisd.esc18.net	sleon@saraleonlaw.com

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

To the Applicant		
Name:	CED Crane Solar 2, LLC	CED Crane Solar 2, LLC
Attn:	Akshaya Bhargava c/o ConEdison Clean Energy	Mark Noyes President and CEO
Address:	100 Summit Lake Drive, Suite 210	100 Summit Lake Drive, Suite 210
City/Zip:	Valhalla, NY 10595	Valhalla, NY 10595
Phone :	914-286-7000	914-99 3-2135
Email:	bhargavaa@conedceb.com	noyesm@conedceb.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.

Section10.3. 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 Upton County.

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

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

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

Section 10.9. INTERPRETATION.

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

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

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

i. The Act;

ii. The Comptroller's Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and

iii. This Agreement and its Attachments including the Application as incorporated by reference.

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

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

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

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

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

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District 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 16th day of December, 2020.

CED CRANE SOLAR 2, LLC

By: DocuSigned by: [signature] G14135CDD4F6444...

Mark Noyes,
President and Chief Executive Officer

MCCAMEY INDEPENDENT SCHOOL DISTRICT

By: [signature]

Charlotte Jones, President
Board of Trustees

ATTEST:

[signature]

Robert Silva, Vice President
Board of Trustees

EXHIBIT 1
DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

ORDER NO. 2020-08

AN ORDER OF THE COMMISSIONERS COURT OF UPTON COUNTY, TEXAS DESIGNATING CERTAIN REAL PROPERTY WITHIN UPTON COUNTY AS A REINVESTMENT ZONE UNDER CHAPTER 312 OF THE TEXAS TAX CODE

WHEREAS in conformity with Chapter 312 of the Texas Tax Code and the GUIDELINES AND CRITERIA GOVERNING TAX ABATEMENT (hereinafter "the Guidelines"), the Commissioners Court of Upton County has conducted a public hearing on the designation of certain real property within Upton County, more particularly described as the **CED Crane Solar 2, LLC** Reinvestment Zone with property descriptions contained in Exhibit "A", (hereinafter "the property") as a reinvestment zone under the said chapter; and

WHEREAS Chapter 312 and the Guidelines require that certain findings of fact be entered in order to designate a reinvestment zone;

NOW, THEREFORE, the Commissioners Court of Upton County, Texas finds as follows with regard to the property:

a) That the applicant has met his burden and demonstrated to this body that the area will reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of Upton County,
b) That the improvements sought are feasible and practical.
c) That the proposed improvements sought will be a benefit to the property and to Upton County after the expiration of an agreement entered into under V.T.C.A., Tax Code, Section 312.204.

WHEREAS the Commissioners Court of Upton County has made the findings of fact necessary to designate the property as a reinvestment zone; and

WHEREAS the Commissioners Court of Upton County believes such designation to be advantageous to the inhabitants of Upton County;

It is therefore ORDERED by the Commissioners Court of Upton County that the said real property within Upton County described in Exhibit A is hereby designated as a reinvestment zone under Chapter 312 of the Texas Tax Code.

PASSED AND APPROVED on this the **1st** day of **June**, 2020.

Dusty W. Kilgore
County Judge

COUNTY JUDGE ★ UPTON COUNTY, TEXAS ★

ATTEST:

LaWanda McMurray
County Clerk

EXHIBIT A
LEGAL DESCRIPTION OF
CED CRANE SOLAR 2 REINVESTMENT ZONE #1

CED Crane Solar 2 Reinvestment Zone #1 is comprised of the following parcels. In the event of discrepancy between this Exhibit "A" and the attached map on Exhibit "B", Exhibit "B" shall control; provided however, the CED Crane Solar 2 Reinvestment Zone #1 shall in no way be deemed to include any portion of any municipality located within the designate area.

A PARCEL OF LAND LYING WITHIN A PORTION OF SECTION 11, SURVEY ABSTRACT 115, C.C.S.D. & R.G.N.G. R.R. CO SURVEY AND A PORTION OF SECTION 6, SURVEY ABSTRACT 1034, H.T. SAPP SURVEY, ALL LYING WITHIN THE COUNTY OF UPTON, STATE OF TEXAS, AS CONVEYED IN THE WARRANTY DEED RECORDED JUNE 9, 2000 IN VOLUME 691 AT PAGE 670 IN THE RECORDS OF THE UPTON COUNTY CLERK, STATE OF TEXAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 11, SAID POINT ALSO BEING THE NORTHWEST CORNER OF SECTION 4, SURVEY ABSTRACTS 1400 AND 606, WILLIAM TEER SURVEY, BEING A FOUND 3 INCH IRON PIPE, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 11, BEING A FOUND #6 REBAR, BEARS NORTH 01°30'20" EAST, A DISTANCE OF 5,292.08 FEET;

THENCE ALONG THE SOUTH LINE OF SAID SECTION 11, SOUTH 89°01'51" EAST, A DISTANCE OF 1,315.12;

THENCE DEPARTING SAID SOUTH LINE, NORTH 00°58'09" EAST, A DISTANCE OF 500.00 FEET TO A LINE PARALLEL WITH AND DISTANT 500.00 FEET NORTHERLY FROM SAID SOUTH LINE OF SECTION 11 AND THE POINT OF BEGINNING, SAID POINT OF BEGINNING HAVING TEXAS STATE PLANE COORDINATES, CENTRAL ZONE #4203, OF: NORTHING =10420756.44 AND EASTING = 1685029.14;

THENCE ALONG SAID PARALLEL LINE, NORTH 89°01'51" WEST, A DISTANCE OF 3,042.96 FEET;

THENCE NORTH 00°39'42" WEST, A DISTANCE OF 4,466.22 FEET;

THENCE NORTH 65°08'42" EAST, A DISTANCE OF 528.75 FEET;

THENCE SOUTH 88°37'42" EAST, A DISTANCE OF 4,505.55 FEET;

THENCE SOUTH 01°04'06" EAST, A DISTANCE OF 1,808.56 FEET;

THENCE SOUTH 90°00'00" WEST, A DISTANCE OF 2,120.75 FEET;

THENCE SOUTH 00°00'00" WEST, A DISTANCE OF 2,849.08 FEET TO THE POINT OF BEGINNING.

CONTAINS 18,266,277 SQUARE FEET OR 419.336 ACRES, MORE OR LESS.

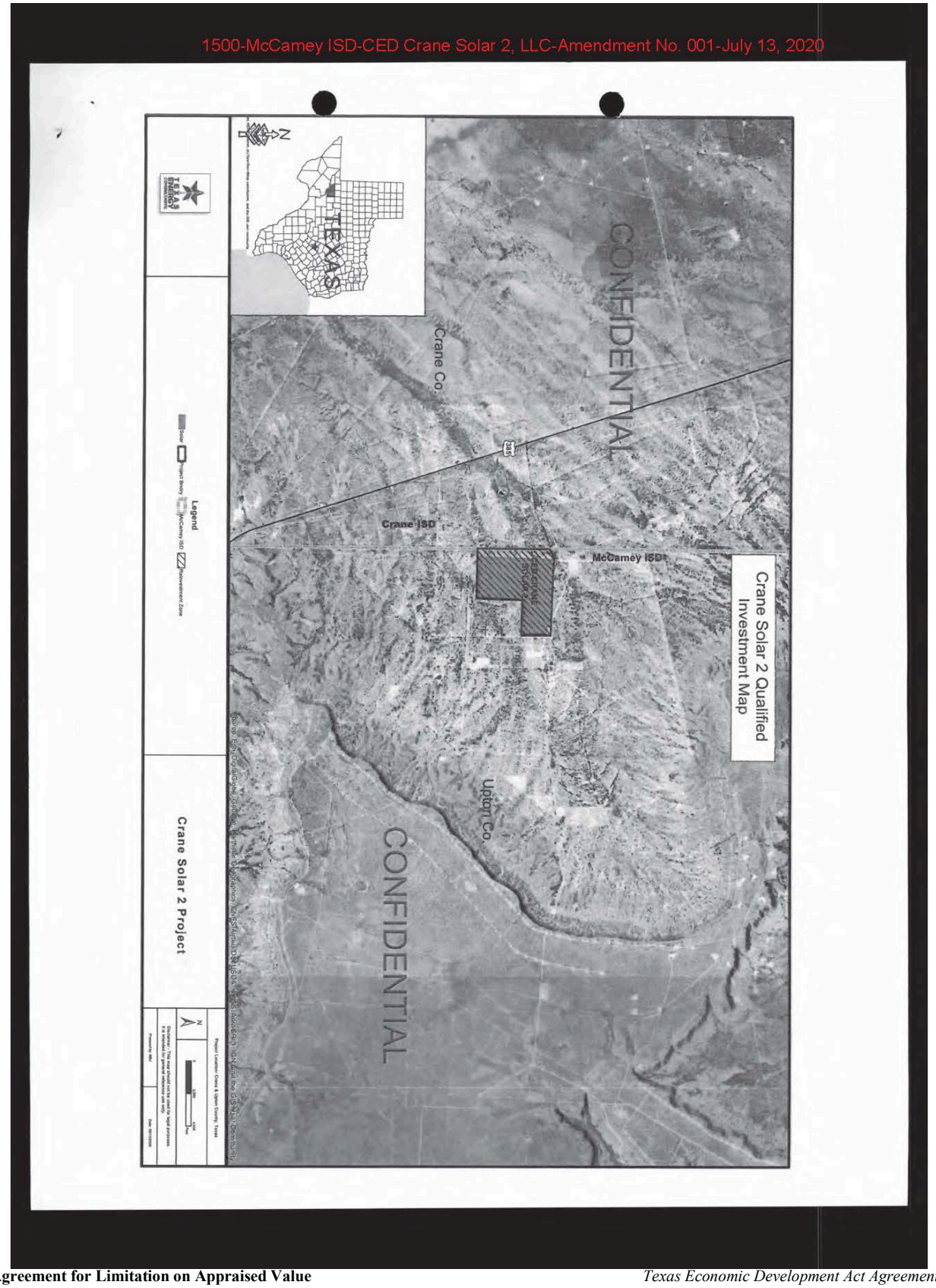

Crane Solar 2 Qualified Investment Map
CONFIDENTIAL
CONFIDENTIAL
Crane Co.
Upton Co.
Crane ISD
McCamey ISD
385
TEXAS
N
Legend
Solar
Project Boundary
McCamey ISD
Reinvestment Zone
Crane Solar 2 Project
TEXAS ENERGY

EXHIBIT 1

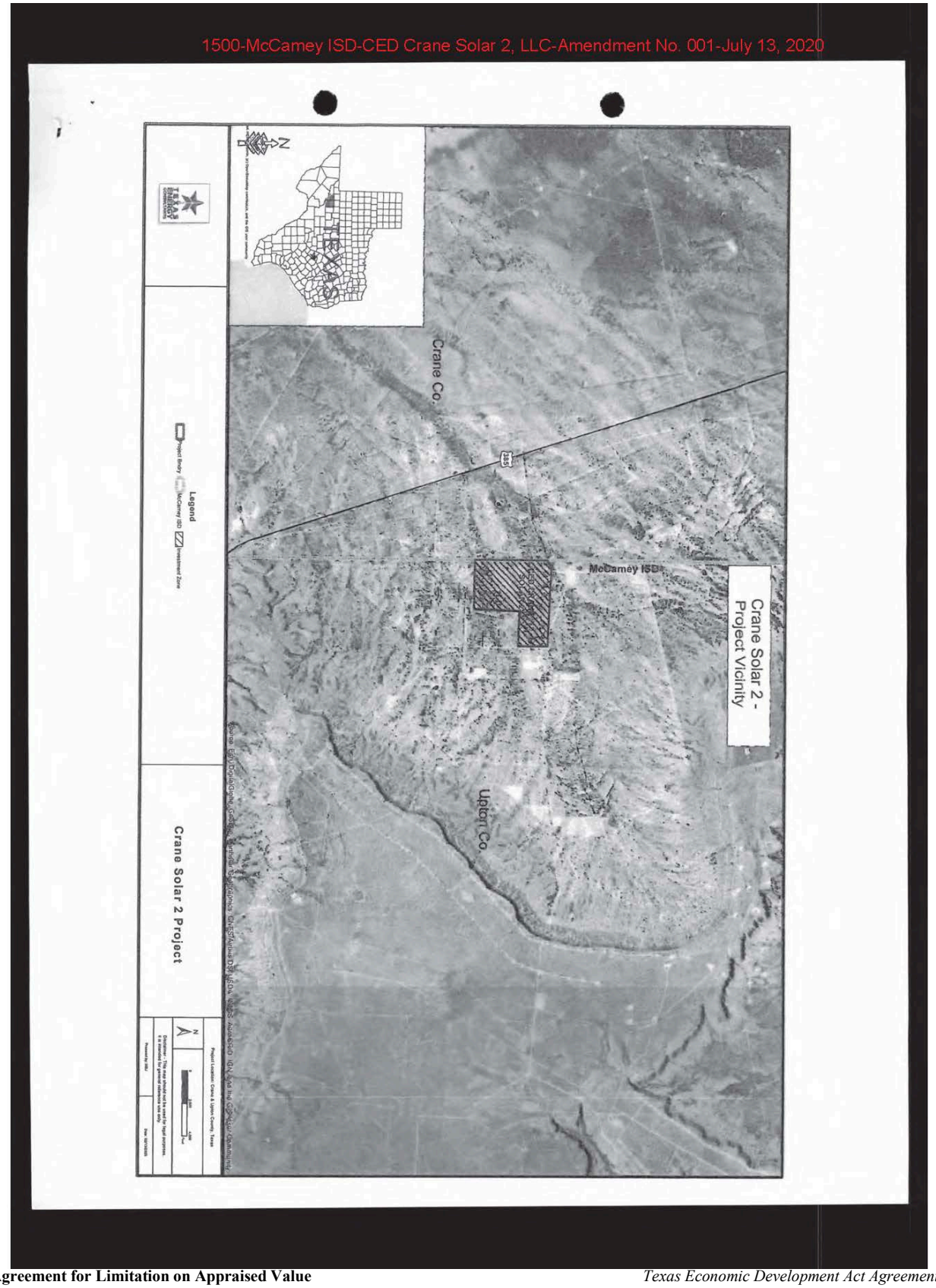
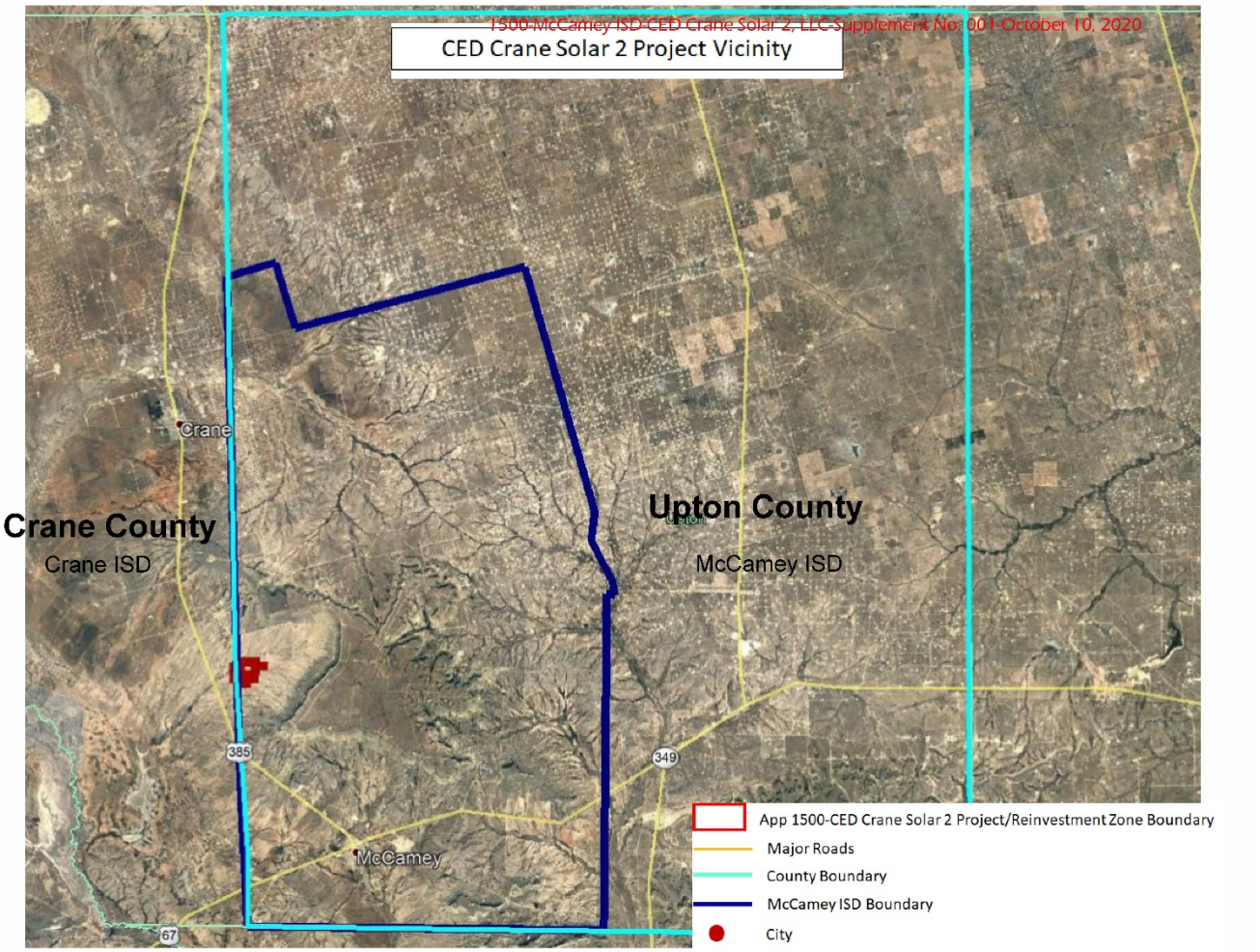

1500-McCamey ISD-CED Crane Solar 2, LLC-Amendment No. 001-July 13, 2020
Crane Solar 2 - Project Vicinity
Crane Co.
Upton Co.
McCamey ISD
385
Legend
Project Boundary
McCamey ISD
Investment Zone
Crane Solar 2 Project
N

EXHIBIT 1

EXHIBIT 2
DESCRIPTION AND LOCATION OF LAND

All of the qualified property and qualified investment will be within McCamey ISD, the project boundary, and the reinvestment zone.


1500-McCamey ISD-CED Crane Solar 2, LLC-Supplement No. 001-October 10, 2020
CED Crane Solar 2 Project Vicinity
Crane County
Crane ISD
Upton County
McCamey ISD
Crane
McCamey
385
349
67
App 1500-CED Crane Solar 2 Project/Reinvestment Zone Boundary
Major Roads
County Boundary
McCamey ISD Boundary
City

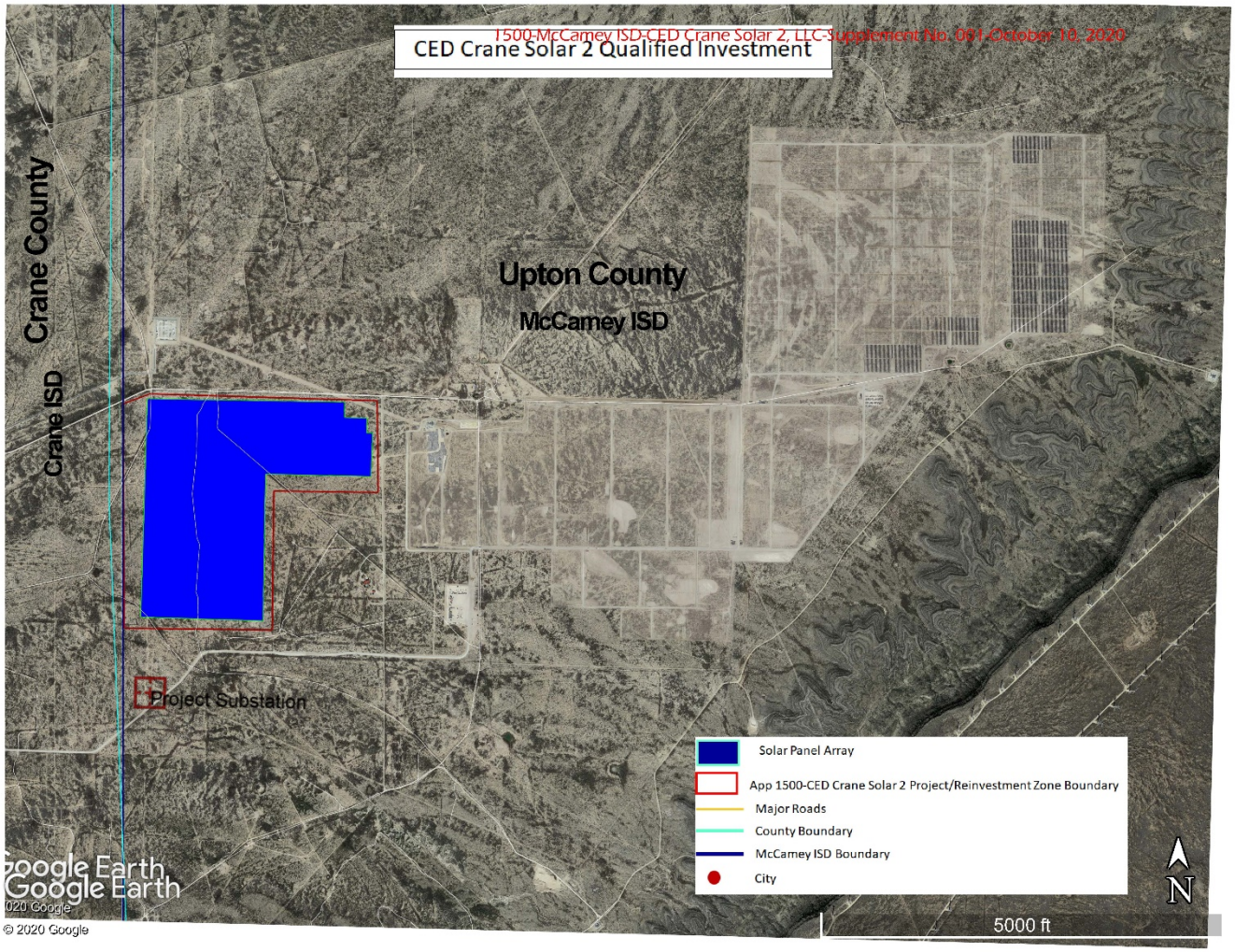
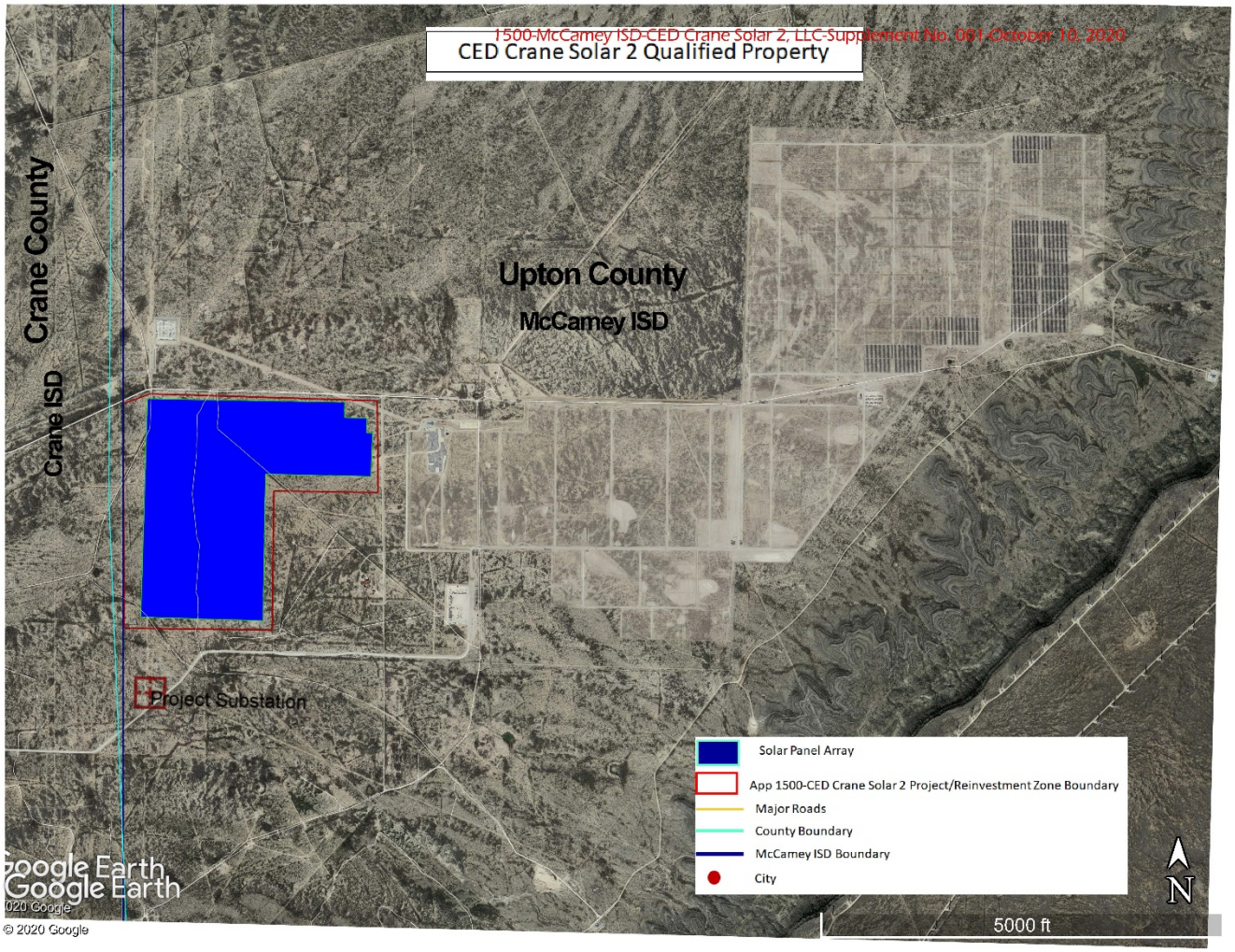

1500-McCamey ISD-CED Crane Solar 2, LLC-Supplement No. 001-October 16, 2020
CED Crane Solar 2 Qualified Investment
Crane County
Crane ISD
Upton County
McCamey ISD
Project Substation
Solar Panel Array
App 1500-CED Crane Solar 2 Project/Reinvestment Zone Boundary
Major Roads
County Boundary
McCamey ISD Boundary
City
N
5000 ft
Google Earth
© 2020 Google

EXHIBIT 2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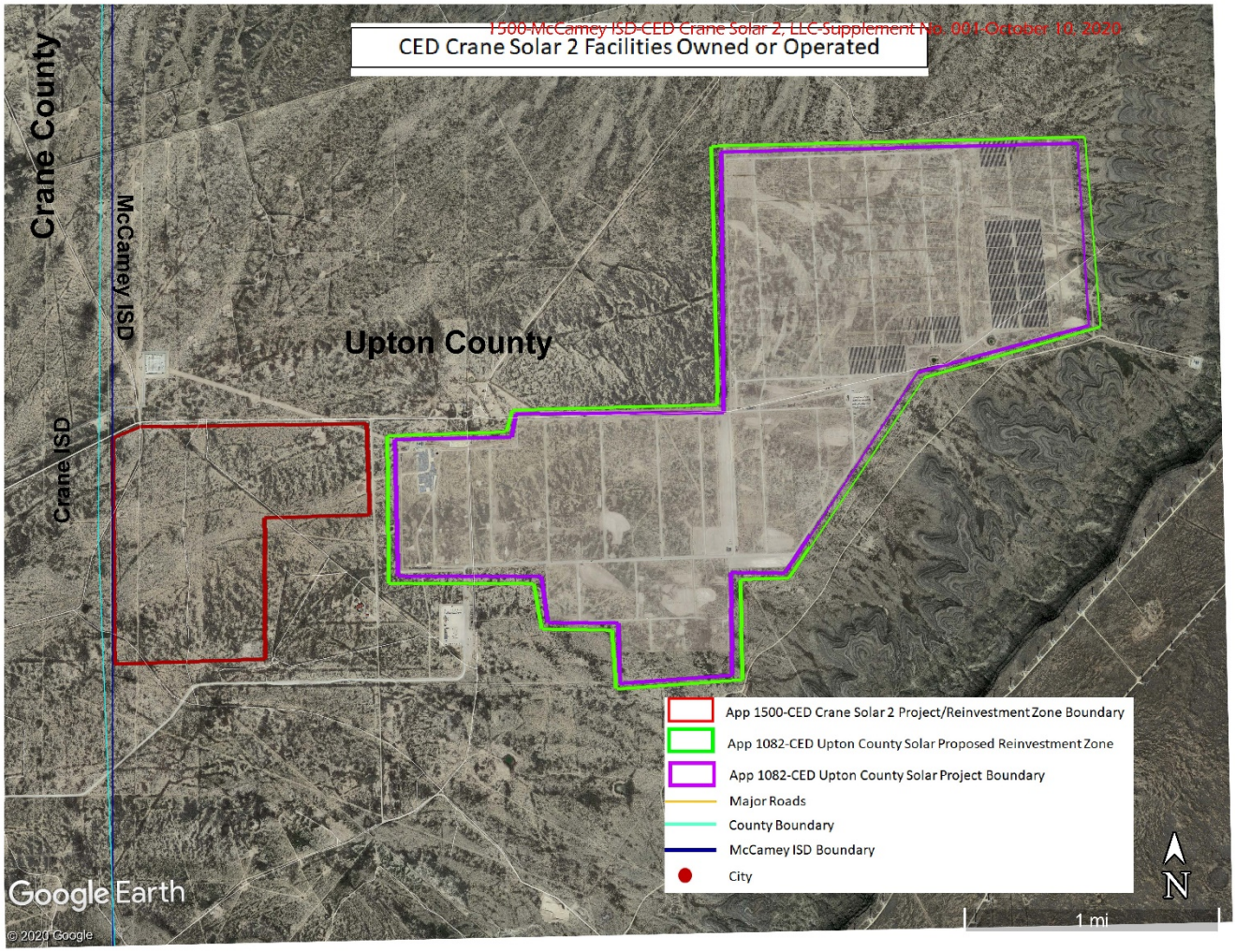
CED Crane Solar 2 Qualified Property
Crane County
Crane ISD
Upton County
McCamey ISD
Project Substation
Solar Panel Array
App 1500-CED Crane Solar 2 Project/Reinvestment Zone Boundary
Major Roads
County Boundary
McCamey ISD Boundary
City
N
5000 ft
Google Earth
© 2020 Google

EXHIBIT 2


1500-McCamey ISD-CED Crane Solar 2, LLC-Supplement No. 001-October 10, 2020
CED Crane Solar 2 Facilities Owned or Operated
Crane County
McCamey ISD
Crane ISD
Upton County
App 1500-CED Crane Solar 2 Project/Reinvestment Zone Boundary
App 1082-CED Upton County Solar Proposed Reinvestment Zone
App 1082-CED Upton County Solar Project Boundary
Major Roads
County Boundary
McCamey ISD Boundary
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Google Earth
© 2020 Google

EXHIBIT 2

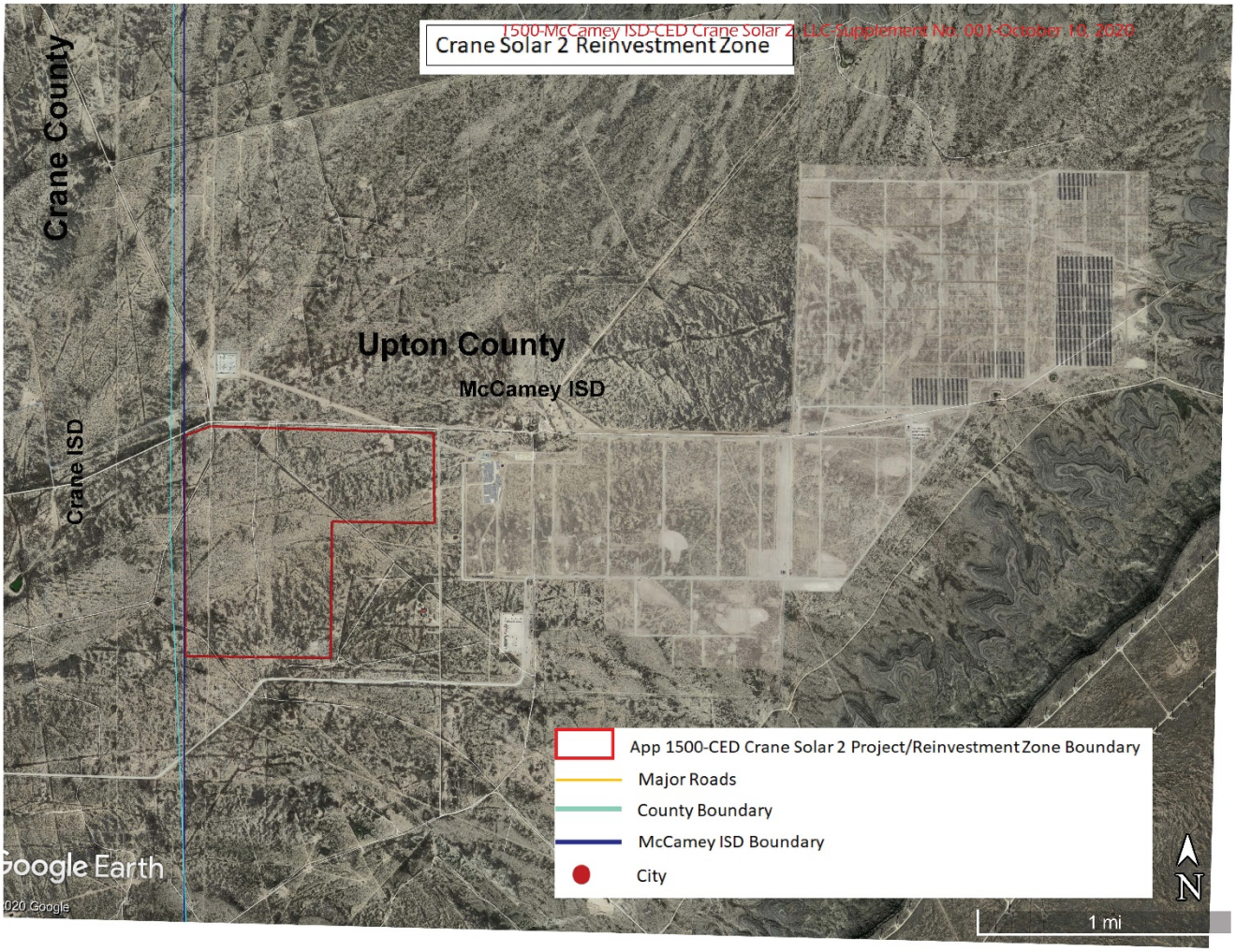
1500-McCamey ISD-CED Crane Solar 2, LLC Supplement No. 001-October 10, 2020
Crane Solar 2 Reinvestment Zone
Crane County
Upton County
McCamey ISD
Crane ISD
App 1500-CED Crane Solar 2 Project/Reinvestment Zone Boundary
Major Roads
County Boundary
McCamey ISD Boundary
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EXHIBIT 2

EXHIBIT 3
APPLICANT'S QUALIFIED INVESTMENT

The Applicant is requesting an appraised value limitation on the portion of property constructed or placed upon the real property described and shown in Map Exhibit within McCamey ISD, which is located in Upton County, Texas. It is anticipated that 70 MWac will be constructed within McCamey ISD.

The property for which the Applicant is requesting an appraised value limitation includes the following:

- 475,600 solar PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling; and
- High-voltage transmission line connecting the project to the grid (gen tie).

Additionally, the map provided does not present the location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Area as shown on Map Exhibit. The Applicant has obtained a grant of lease and easement covering approximately 417 acres in Upton County, Texas within the McCamey ISD boundary.

Not Applicable.

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

EXHIBIT 4
DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

CED Crane Solar 2, LLC plans to construct an estimated 70 MWac photovoltaic solar energy facility in Upton County, located within McCamey ISD. The additional improvements of Qualified Property includes:

- 475,600 Solar PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling; and
- High-voltage transmission line connecting the project to the grid (gen tie.

The exact placement of units is subject to ongoing planning, solar energy resource evaluation, engineering, and land leasing. All equipment outlined above is expected to be located within McCamey ISD. The final number and location of units and supporting structures will be determined before construction begins. Current plans are to install all equipment in one phase. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

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