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November 30, 2021

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

RE: Value Limitation Agreement between Livingston ISD and Lone Spur Solar Energy LLC
(#1569)

To the Local Government Assistance & Economic Analysis Division:

Enclosed please find a final copy each of the materials submitted to, and approved by, the Livingston ISD Board of Trustees on November 15, 2021. The package contains a copy each of the Findings entered by the Board. A fully executed set of originals of these documents will be maintained in the Board's records. Attached to each of the Findings, please find 1) a copy of the Application; 2) a copy of the Comptroller's appraisal of the project; 3) a copy of the economic impact study; 4) a copy of the financial impact study; and, 5) the final participation agreement.

Please do not hesitate to call with any questions.

Sincerely,



William Eggleston
Legal Assistant to Kevin O'Hanlon

**FINDINGS OF THE LIVINGSTON
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
LONE SPUR SOLAR ENERGY LLC (#1569)**



November 15, 2021

**FINDINGS OF THE
LIVINGSTON INDEPENDENT SCHOOL
DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
LONE SPUR SOLAR ENERGY LLC (#1569)**

NOVEMBER 15, 2021

FINDINGS OF THE LIVINGSTON INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
LONE SPUR SOLAR ENERGY LLC (#1569)

STATE OF TEXAS §

COUNTY OF POLK §

On the 15th day of November, 2021, a public meeting of the Board of Trustees of the Livingston Independent School District ("District") was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Lone Spur Solar Energy LLC ("Applicant") for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On March 1, 2021, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts ("Comptroller") received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32077251158), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

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

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Polk Central Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054. On April 9, 2021, the Comptroller determined the Application to be complete.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on June 3, 2021 in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

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

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

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

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

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

Board Finding Number 1.

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

In support of Finding 1, the Application indicates that:

Lone Spur Solar Energy LLC is requesting an appraised value limitation from Livingston Independent School District for the Lone Spur Solar Energy Project (the "Project"). Lone Spur Solar Energy LLC is developing a utility scale single axis tracker photovoltaic facility designed to use solar power to generate electricity. The Project will be capable of generating approximately 105 MWAC and will cover a surface area up to 1,200 acres. The project will be installed in Livingston ISD and Polk County.

The facility will include eligible ancillary and necessary equipment, including the following:

- approximately 225,000 – 325,000 solar modules/panels;
- 20 – 40 inverters;
- metal mounting system with tracking capabilities;
- battery or battery system;
- underground conduit;
- communications cables and electric system wiring;
- combiner boxes;
- a project substation, including breakers;
- a transformer and meters;
- overhead transmission lines;
- a control house;
- an operations and maintenance facility;
- fencing for safety and security;
- telephone and internet communication systems; and
- meteorological equipment to measure solar irradiation and weather conditions.

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

Board Finding Number 2.

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

the Agreement (as detailed in Attachment B of the Comptroller's Certification).

Board Finding Number 3.

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

Board Finding Number 4.

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

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

Board Finding Number 5.

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

In its Application, Applicant has committed to creating one (1) new qualifying job. The average salary level of qualifying jobs will be at least \$48,176 per year. The review of the application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

- (A) requires at least 1,600 hours of work a year;
- (B) is not transferred from one area in this state to another area in this state;

- (C) is not created to replace a previous employee;
- (D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and
- (E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Board Finding Number 6.

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

Board Finding Number 7.

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

In its Application, Applicant has indicated that it does not intend to create any non-qualifying jobs. For all non-qualifying jobs the Applicant should create, the Applicant will be required to pay at least the county average wage of \$42,237 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

Board Finding Number 8.

The District will realize revenue gains if the Application is approved, especially in the early years, with special reference to revenues used for supporting school district debt.

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$79.1 million to the tax base that would be available for debt service purposes at the peak investment level for the 2025-26 school year, which should benefit local taxpayers, especially in the early years of the project.

Board Finding Number 9.

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

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

Board Finding Number 10.

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

Board Finding Number 11.

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

The Board has developed a written policy CCGB which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

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

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

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

Board Finding Number 12.

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

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller’s Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts’ School and Appraisal Districts’ Property Value Study 2020 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year (**Attachment**

E), the total industrial value for the District is \$48.6 million. Given that the value of industrial property is \$1 million or more but less than \$90 million, it is classified as a Subchapter C, Category III district which can offer a minimum value limitation of \$20 million.

Board Finding Number 13.

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

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

Board Finding Number 14.

The Applicant (Taxpayer No. 32077251158) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32077251158), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See Attachment B. The Board also finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess eligibility of any business to which an Agreement is transferred.

Board Finding Number 15.

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

Board Finding Number 16.

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

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

Board Finding Number 17.

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

Board Finding Number 18.

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

The Board finds that with the adoption of District Policies BBFA and BBFB, set forth at <https://pol.tasb.org/home/index/1001>, that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

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

The Board finds that with the adoption of District Policies DBD, DGA, DH, and BBFB, that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be made if

any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

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

Board Finding Number 19.

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

Board Finding Number 20.

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

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

Dated the 15th day of November, 2021.

LIVINGSTON INDEPENDENT SCHOOL DISTRICT

By: 
Ben R. Ogletree, III, President, Board of Trustees

ATTEST:

By: 
Krissa Bass, Secretary, Board of Trustees

Attachment A

Application

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE
AUSTIN, TEXAS 78701
PHONE: (512) 494-9949
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426 W. Caffery Ave.
Pharr, Texas 78577

San Antonio Office
117 W. Craig Place
San Antonio, Texas 78212

March 2, 2021

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

RE: Application to the Livingston Independent School District from Lone Spur Solar
Energy LLC

To the Local Government Assistance & Economic Analysis Division:

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

The Applicant submitted the Application to the school district on March 1, 2021. The Board voted to accept the application on March 1, 2021. The application has been determined complete as of March 2, 2021.

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

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Polk CAD
Lone Spur Solar Energy LLC

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

ATTACHMENT	
1	Sections 1-16
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
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 <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project boundary and project vicinity, including county and school district boundaries b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Any existing property within the project area e) Any facilities owned or operated by the applicant having interconnections to the proposed project f) Location of project, and related nearby projects within vicinity map g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation
14	Schedules A1, A2, B, and C completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as an enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone c) order, resolution or ordinance establishing the reinvestment zone d) guidelines and criteria for creating the zone
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>



Lone Spur Solar Energy LLC
Chapter 313 Application to Livingston ISD

CHECKLIST ITEM #1

Application

See attached.

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

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

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

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

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

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

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

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

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

SECTION 1: School District Information

1. Authorized School District Representative

March 1, 2021

Date Application Received by District

Brent

Hawkins

First Name

Last Name

Superintendent

Title

Livingston ISD

School District Name

1412 South Houston Ave.

Street Address

P.O. Box 1297

Mailing Address

Livingston

City

TX

77351

State

ZIP

(936) 328-2100

936-328-2199

Phone Number

Fax Number

N/A

bhawkins@livingstonisd.com

Mobile Number (optional)

Email Address

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

SECTION 1: School District Information *(continued)*3. Authorized School District Consultant *(If Applicable)*

Kevin
First Name
School District Consultant
Title
O'Hanlon, Demerath & Castillo
Firm Name
(512) 494-9949
Phone Number
N/A
Mobile Number *(optional)*

O'Hanlon
Last Name
(512) 494-9919
Fax Number
kohanlon@808west.com
Email Address

4. On what date did the district determine this application complete? March 2, 2021

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

James
First Name
Vice President of Development
Title
1401 17th Street, Suite 1100
Street Address
1401 17th Street, Suite 1100
Mailing Address
Denver
City
(303) 557-4488
Phone Number
N/A
Mobile Number *(optional)*

Williams
Last Name
Invenergy LLC
Organization
CO
State
N/A
Fax Number
jwilliams@invenergyllc.com
Business Email Address
80202
ZIP

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

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

Chad
First Name
Associate, Renewable Development
Title
1 S Wacker Drive, Suite 1800
Street Address
1 S Wacker Drive, Suite 1800
Mailing Address
Chicago
City
(312) 638-2892
Phone Number
N/A
Mobile Number *(optional)*

Sawyer
Last Name
Invenergy LLC
Organization
IL
State
N/A
Fax Number
csawyer@invenergy.com
Business Email Address
60606
ZIP

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Evan	Horn
First Name	Last Name
Senior Manager	
Title	
Ernst & Young LLP	
Firm Name	
(512) 426-8958	N/A
Phone Number	Fax Number
evan.horn@ey.com	
Business Email Address	

SECTION 3: Fees and Payments

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

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

- 1a. If yes, include all transaction information below. Include proof of application fee paid to the school district in **Tab 2**. Any confidential banking information provided will not be publicly posted.

\$75,000	ACH Wire Transfer
Payment Amount	Transaction Type
Invenergy LLC	Livingston ISD
Payor	Payee
2/10/2021	
Date transaction was processed	

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

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

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Lone Spur Solar Energy LLC
2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32077251158
3. Parent Company Name Invenergy Renewables LLC
4. Parent Company Tax ID 32066250690
5. NAICS code 221114
6. Is the applicant a party to any other pending or active Chapter 313 agreements? ☐ Yes ☐ No
- 6a. If yes, please list application number, name of school district and year of agreement
N/A

SECTION 5: Applicant Business Structure

1. Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Company
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☐ Yes ☐ No
- 2a. If yes, attach in **Tab 3** a copy of the most recently submitted Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.

SECTION 5: Applicant Business Structure *(continued)*

2b. Texas Franchise Tax Reporting Entity Taxpayer Name

Invenergy Renewables LLC

2c. Reporting Entity Taxpayer Number

32066250690

3. Is the applicant current on all tax payments due to the State of Texas? ☐ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☐ Yes ☐ No ☐ N/A

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

***Note:** Applicants requesting eligibility under this category should note that there are additional application and reporting data submission requirements.

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information. If the project is an amendment or a reapplication please specify and provide details regarding the original project.
2. Check the project characteristics that apply to the proposed project:
- ☒ Land has no existing improvements
 - ☐ Land has existing improvements *(complete Section 13)*
 - ☐ Expansion of existing operation on the land *(complete Section 13)*
 - ☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

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 _____
2. Estimated commencement of construction _____
3. Beginning of qualifying time period (MM/DD/YYYY) _____
4. First year of limitation (YYYY) _____
- 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 _____

SECTION 10: The Property

1. County or counties in which the proposed project will be located _____
2. Central Appraisal District (CAD) that will be responsible for appraising the property _____
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): _____
(Name, tax rate and percent of project)

County: _____
(Name, tax rate and percent of project)

Hospital District: _____
(Name, tax rate and percent of project)

Other (describe): _____
(Name, tax rate and percent of project)

I&S (ISD): _____
(Name, tax rate and percent of project)

City: _____
(Name, tax rate and percent of project)

Water District: _____
(Name, tax rate and percent of project)

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

SECTION 10: The Property (continued)

5. List all state and local incentives as an annual percentage. Include the estimated start and end year of the incentive:

County: N/A
(Incentive type, percentage, start and end year)City: N/A
(Incentive type, percentage, start and end year)Hospital District: N/A
(Incentive type, percentage, start and end year)Water District: N/A
(Incentive type, percentage, start and end year)Other (describe): N/A
(Incentive type, percentage, start and end year)Other (describe): N/A
(Incentive type, percentage, start and end year)

6. Is the project located entirely within the ISD listed in Section 1?
- ☐
- Yes
- ☐
- No

6a. If no, attach in **Tab 6** maps of the entire project (depicting all other relevant school districts) and additional information on the project scope and size. Please note that only the qualified property within the ISD listed in Section 1 is eligible for the limitation from this application. Please verify that all information in **Tabs 7 and 8**, Section 11, 12 and 13, and map project boundaries pertain to only the property within the ISD listed in Section 1.

7. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)?
- ☐
- Yes
- ☐
- No

7a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.**SECTION 11: Texas Tax Code 313.021(1) Qualified Investment****NOTE:** The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/economy/local/ch313/.1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,0002. What is the amount of appraised value limitation for which you are applying? 20,000,000**Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.

3. Does the qualified investment meet the requirements of Tax Code §313.021(1)?
- ☐
- Yes
- ☐
- No

4. Attach a description of the qualified investment [See §313.021(1).] The description must include:

- a specific and detailed description of the qualified investment you propose to make within the project boundary for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
- a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
- a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).

5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period?
- ☐
- Yes
- ☐
- No

SECTION 12: Texas Tax Code 313.021(2) Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] The description must include:

- a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
- a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**);
- a map or site plan of the proposed qualified property showing the location of the new buildings or new improvements inside the project area boundaries within a vicinity map that includes school district, county and reinvestment zone boundaries (**Tab 11**); and
- Will any of the proposed qualified property be used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area? ☐ Yes ☐ No

Note: Property used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area cannot be considered qualified property and will not be eligible for a limitation. See TAC §9.1051(16).

SECTION 12: Texas Tax Code 313.021(2) Qualified Property (continued)

2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☐ No
- 2a. If yes, attach complete documentation including:
- legal description of the land (Tab 9);
 - each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - owner (Tab 9);
 - the current taxable value of the land, attach estimate if land is part of larger parcel (Tab 9); and
 - a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☐ Yes ☐ No
- 3a. If yes, attach the applicable supporting documentation:
- evidence that the area qualifies as an enterprise zone as defined by the Governor's Office (Tab 16);
 - legal description of reinvestment zone (Tab 16);
 - order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - guidelines and criteria for creating the zone (Tab 16); and
 - a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
- 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date.
- What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? 06/15/2021

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

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

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

SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? 1
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) 0
3. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☐ Yes ☐ No
- 3a. If yes, attach evidence of industry standard in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
4. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the Texas Workforce Commission website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22). **Note:** If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.
- a. Non-qualified job wages
- average weekly wage for all jobs (all industries) in the county is \$812.25
- b. Qualifying job wage minimum option §313.021(5)(A)
- 110% of the average weekly wage for manufacturing jobs in the county is \$1,220.45
- c. Qualifying job wage minimum option §313.021(5)(B)
- 110% of the average weekly wage for manufacturing jobs in the region is \$926.45
5. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? ☐ §313.021(5)(A) or ☐ §313.021(5)(B)
6. What is the minimum required annual wage for each qualifying job based on the qualified property? \$48,175.60
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? \$48,176.00
8. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☐ Yes ☐ No
9. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ☐ Yes ☐ No
- 9a. If yes, attach in **Tab 13** supporting documentation from the TWC, pursuant to §313.021(3)(F).
10. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☐ No
- 10a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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



Lone Spur Solar Energy LLC
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CHECKLIST ITEM #2

Proof of Payment of Application Fee

Proof of payment attached.

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

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



Lone Spur Solar Energy LLC
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CHECKLIST ITEM #3

Documentation from Texas Comptroller's Franchise Tax Division to demonstrate Combined Group membership

The entity Lone Spur Solar Energy LLC was formed on December 29, 2020, after the latest combined group franchise tax filing was completed. On the 2021 annual franchise tax report, Lone Spur Solar Energy LLC will be included as an affiliate entity on the combined group report. Attached to this application is a copy of the most recently filed Form 05-165 for this combined group report.

**Response to Section 5 question 2a.,
documentation of combined group
membership, received by CPA**



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CHECKLIST ITEM #4

Detailed Description of Project

Lone Spur Solar Energy LLC (Lone Spur) is developing a utility scale single axis tracker photovoltaic facility designed to use solar power to generate electricity. The Project will be capable of generating approximately 105 MWac and will cover a surface area up to 1,200 acres. The exact capacity and specific technology will be determined during the design process, and so the exact location of the improvements cannot be specified at this time. In addition, 100% of the project is planned to be installed in Livingston ISD

If granted an Appraised Value Limitation pursuant to Texas Tax Code 313, Lone Spur Solar Energy expects to issue a full notice to proceed for construction in Q3 of 2022 and expects to complete construction in Q4 2023.

The facility may include eligible ancillary and necessary equipment, including the following improvements:

- approximately 225,000 – 325,000 solar modules/panels
- 20 – 40 inverters
- metal mounting system with tracking capabilities
- battery or battery system
- underground conduit
- communications cables and electric system wiring
- combiner boxes
- a project substation including breakers
- a transformer and meters
- overhead transmission lines
- control house
- an operations and maintenance facility
- fencing for safety and security
- telephone and internet communication system
- meteorological equipment to measure solar irradiation and weather conditions.

Lone Spur Solar Energy submitted an application to MISO for the project and received a unique identifier of J1442 in June 2019.



CHECKLIST ITEM #5

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

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

The Applicant for this Project has entered into a number of contracts related to the Project, including longterm lease option agreements with area landowners, contracts with environmental consultants to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. The Project was selected as a candidate for development based on the favorable solar data, nearby access to the electric grid, and favorable tax incentives under Texas Tax Code chapters 312 and 313. Obtaining a value limitation agreement is critical to the economic and competitive viability of this Project.

None of the current Project agreements firmly commit the Applicant to the development of the Project. A number of variables remain undetermined at this stage, including the approval of this application. The Applicant could still elect to devote resources to other projects that it has in development. Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will decrease.

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

Invenergy, as the parent company of Lone Spur Solar Energy LLC, is North America's largest privately held renewable energy provider, with a national portfolio of wind, solar, storage, and natural gas projects. With operations in several regions throughout the contiguous United States, Invenergy considers economic return on investment as they decide where to locate development projects.

Without tax incentives such as the Ch.313 Value Limitation on Qualified Property, the economic return for this project is negatively impacted to the point that locating the project in Polk County becomes unlikely. If Lone Spur Solar Energy LLC was not able to obtain a value limitation agreement for this project, the project would most likely be terminated and financial resources would be allocated to projects with more favorable economic returns.

Invenergy is currently considering alternative sites outside the State of Texas for solar developments, including locations in the following states: Oklahoma, Louisiana, Missouri, Kansas and New Mexico.



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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 Lone Spur Solar Energy. The financial viability of the Lone Spur Solar Energy project is contingent on receiving the Chapter 313 Appraised Value Limitation, and the project cannot move forward without it.



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CHECKLIST ITEM #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).

N/A



Lone Spur Solar Energy LLC
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CHECKLIST ITEM #7

Description of Qualified Investment

The Applicant anticipates constructing a utility scale single axis tracker photovoltaic facility designed to use solar power to generate electricity. The Project will be capable of generating approximately 105 MWac and will cover a surface area up to 1,200 acres. The exact capacity and specific technology will be determined during the design process, and so the exact location of the improvements cannot be specified at this time. In addition, 100% of the project is planned to be installed in Livingston ISD.

The facility may include eligible ancillary and necessary equipment, including the following improvements which will be considered qualified investment for this application:

- approximately 225,000 – 325,000 solar modules/panels
- 20 – 40 inverters
- metal mounting system with tracking capabilities
- battery or battery system
- underground conduit
- communications cables and electric system wiring
- combiner boxes
- a project substation including breakers
- a transformer and meters
- overhead transmission lines
- control house
- an operations and maintenance facility
- fencing for safety and security
- telephone and internet communication system
- meteorological equipment to measure solar irradiation and weather conditions.

Batteries or battery system included in the Qualified Investment will only be used to store electricity generated by the solar panels included in the Project.



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CHECKLIST ITEM #8

Description of Qualified Property

The Applicant anticipates constructing a utility scale single axis tracker photovoltaic facility designed to use solar power to generate electricity. The Project will be capable of generating approximately 105 MWac and will cover a surface area up to 1,200 acres. The exact capacity and specific technology will be determined during the design process, and so the exact location of the improvements cannot be specified at this time. In addition, 100% of the project is planned to be installed in Livingston ISD.

The facility may include eligible ancillary and necessary equipment, including the following improvements which will be considered qualified property for this application:

- approximately 225,000 – 325,000 solar modules/panels
- 20 – 40 inverters
- metal mounting system with tracking capabilities
- battery or battery system
- underground conduit
- communications cables and electric system wiring
- combiner boxes
- a project substation including breakers
- a transformer and meters
- overhead transmission lines
- control house
- an operations and maintenance facility
- fencing for safety and security
- telephone and internet communication system
- meteorological equipment to measure solar irradiation and weather conditions.

Batteries or battery system included in the Qualified Property will only be used to store electricity generated by the solar panels included in the Project.



Lone Spur Solar Energy LLC
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CHECKLIST ITEM #9

Description of Land

Lone Spur Solar Energy LLC will cover up to 1,200 acres of land within in Polk County, Texas for the construction and operation of the Project. The land will not be considered qualified property for the Project.



Lone Spur Solar Energy LLC
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CHECKLIST ITEM #10

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

N/A



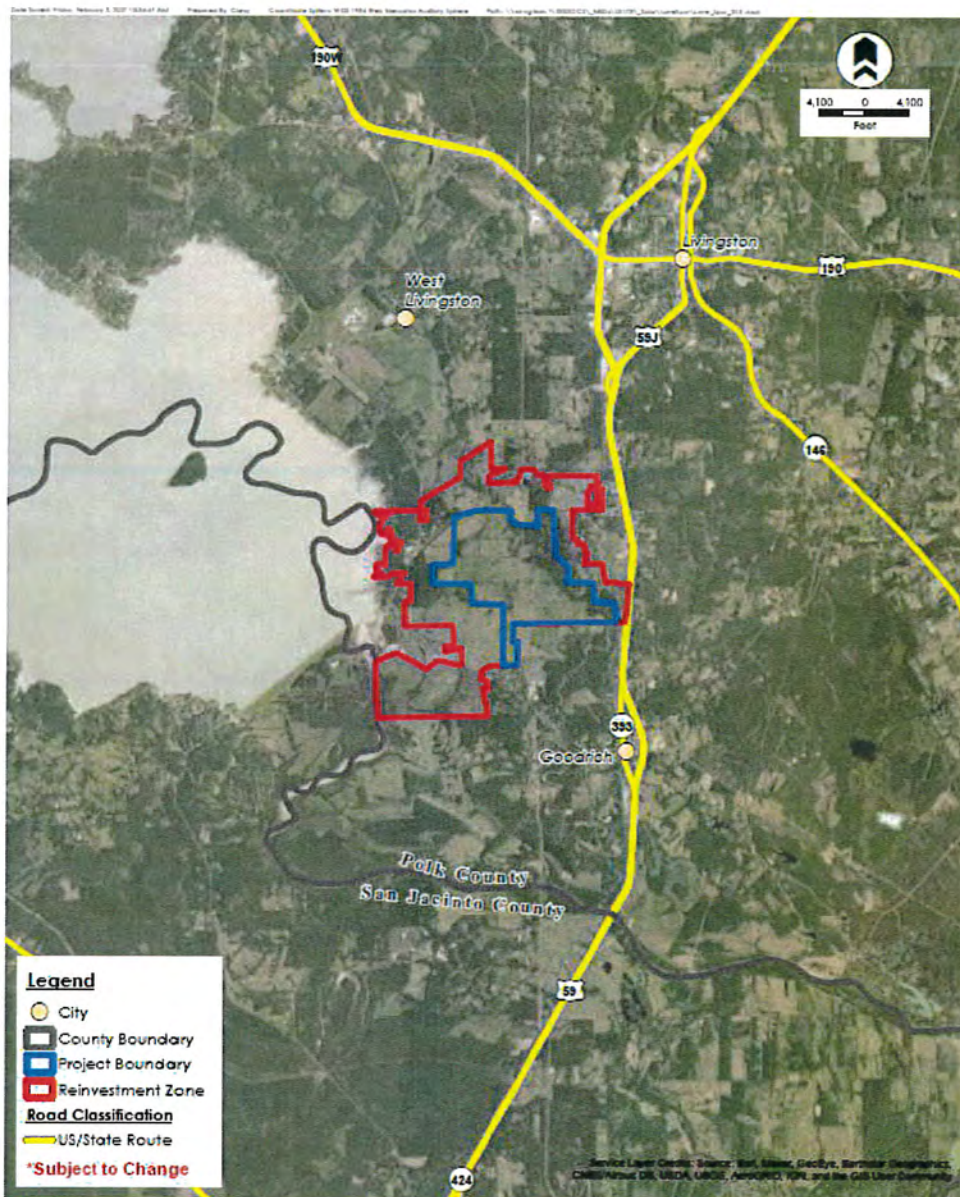
Lone Spur Solar Energy LLC
Chapter 313 Application to Livingston ISD

CHECKLIST ITEM #11

Maps

- A. Project boundary and project vicinity, including county and school district boundaries – Attached
- B. Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period - Attached
- C. Qualified property including location of new buildings or new improvements - Attached
- D. Any existing property within the project area – Attached
- E. Any facilities owned or operated by the applicant having interconnections to the proposed project – Attached
- F. Location of project, and related nearby projects within the vicinity map - Attached
- G. Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size – Attached

Lone Spur Solar Energy LLC
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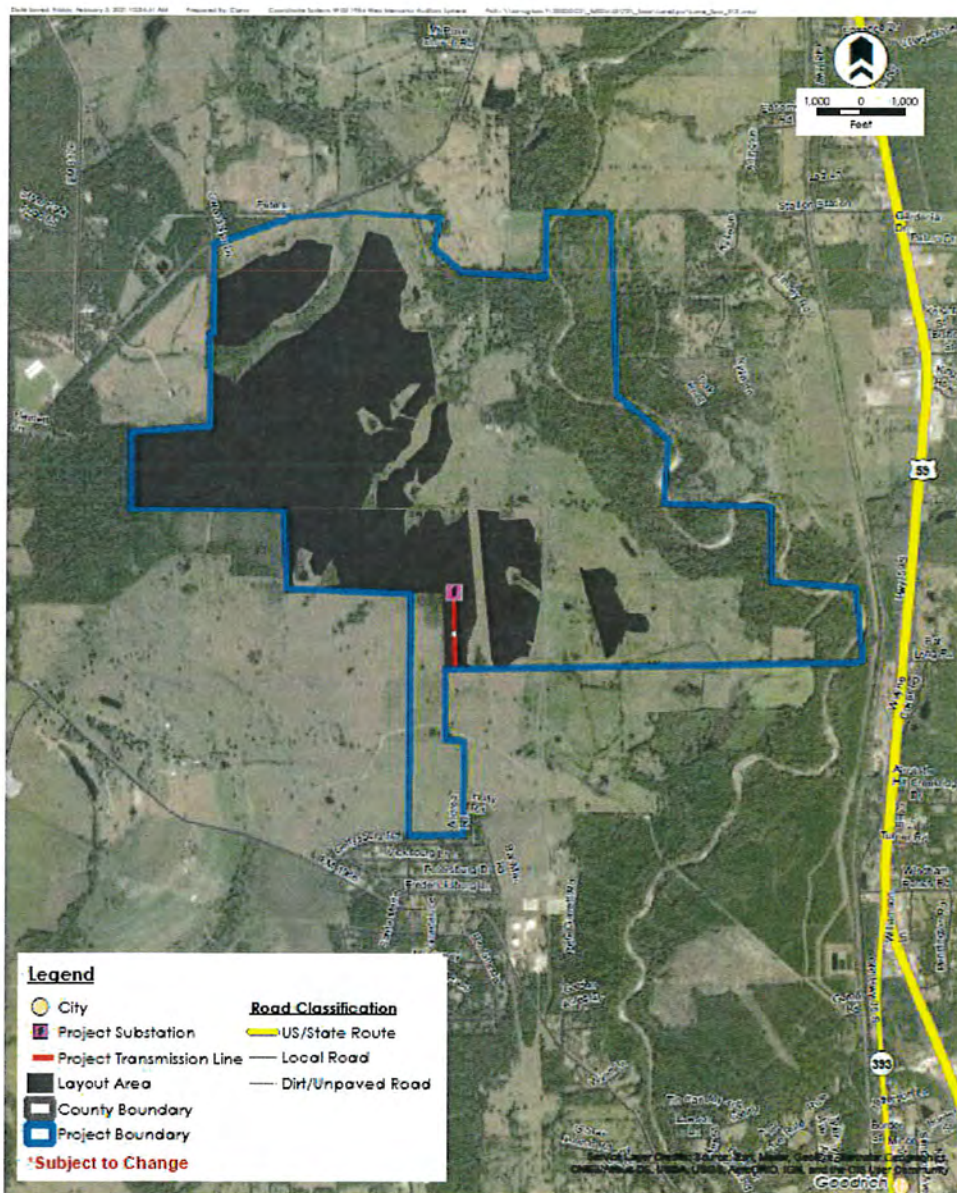
Preliminary Proximity Map - Lone Spur Solar Energy LLC

Polk County, Texas

February 08, 2021

Invenergy

Lone Spur Solar Energy LLC
Chapter 313 Application to Livingston ISD



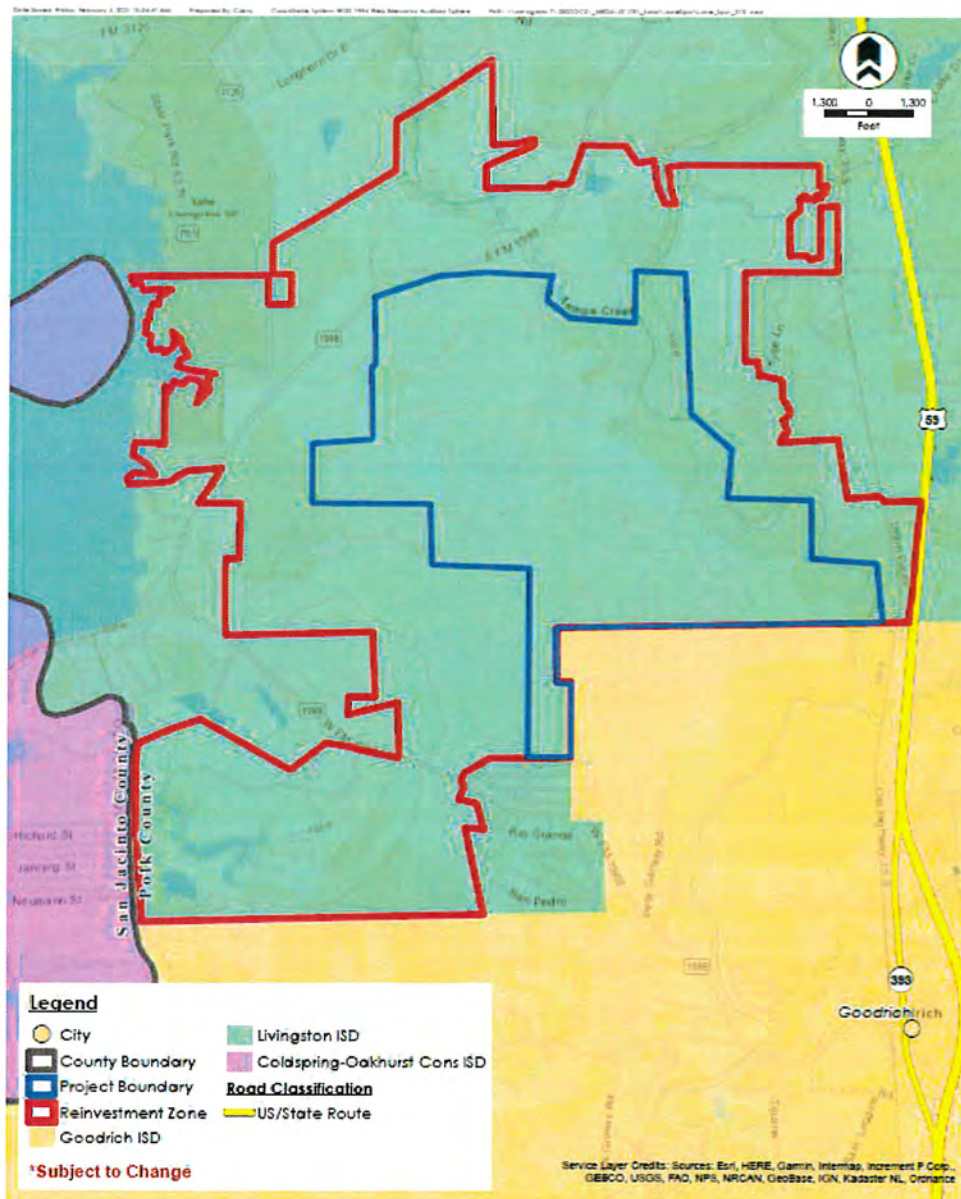
Preliminary Site Layout - Lone Spur Solar Energy LLC

Polk County, Texas

February 08, 2021

Invenergy

Lone Spur Solar Energy LLC
Chapter 313 Application to Livingston ISD



Preliminary Reinvestment Zone - Lone Spur Solar Energy LLC

Polk County, Texas

February 08, 2021

Invenergy



Lone Spur Solar Energy LLC
Chapter 313 Application to Livingston ISD

CHECKLIST ITEM #12

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

See attached



James Williams
Vice President of Development
Lone Spur Solar Energy LLC

1401 17th Street, Suite 1100
Denver, CO 80202

March 1, 2021

Dr. Brent Hawkins
Superintendent
Livingston Independent School District
1412 South Houston Ave.
Livingston, TX 77351

RE: Lone Spur Solar Energy LLC Job Requirements Waiver Request

Dear Superintendent Hawkins:

Please consider this letter to be Lone Spur Solar Energy LLC's formal request to waive the minimum new job creation requirement, as provided under Texas Tax Code 313.025(f-1).

The governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property that is described in this application. Solar energy projects create a large number of full-time jobs during the construction phase, but these jobs are temporary by nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Based upon our experience in the solar industry, we have determined that an appropriate industry standard for full-time operations of a solar energy facility is one (1) employee for projects up to 250 MW of solar capacity. Based on this industry standard, we expect that one (1) employee would be needed to operate a 105 MW facility, and we can commit to creating one (1) full-time position to fill those needs. The newly created position will be a qualifying job as described in Section 313.021(3) of the Texas Tax Code.

The applicant requests that the Livingston ISD's Board of Trustees make such a finding and waive the job creation requirement. This waiver request is in line with the industry standards for the job requirements for a solar facility of this size, as evidenced by limitation agreement applications that have been filed by other solar developers, and by documentation related to the development and operation of solar generation facilities.

The project stands to provide significant benefits to the community with respect to increased tax base and the ongoing royalty payments it will make to local landowners

Respectfully,

Lone Spur Solar Energy LLC

By: _____

A handwritten signature in black ink, appearing to read "J. Williams", written over a horizontal line.

James Williams, Vice President of Development



Lone Spur Solar Energy LLC
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CHECKLIST ITEM #13

Calculation of three possible wage requirements with TWC documentation.

See attached.

TAB 13

Wage Requirement Calculation

1. Average Weekly Wages for All Jobs (All Industries) in Polk County, Q4 2019 - Q3 2020

Category	Area	Period	Avg. Weekly Wage
All Industries	Polk County	Q4 2019	\$822
All Industries	Polk County	Q1 2020	\$792
All Industries	Polk County	Q2 2020	\$811
All Industries	Polk County	Q3 2020	\$824
		AVERAGE	\$812.25

Quarterly Census of Employment and Wages (QCEW) Report

Customize the report/Help with Accessibility

Drag a column header and drop it here to group by that column									
Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage			
2019	01	Polk	Total All	10	Total, All Industries	772			
2019	02	Polk	Total All	10	Total, All Industries	767			
2019	03	Polk	Total All	10	Total, All Industries	800			
2019	04	Polk	Total All	10	Total, All industries	822			
2020	01	Polk	Total All	10	Total, All Industries	792			
2020	02	Polk	Total All	10	Total, All Industries	811			
2020	03	Polk	Total All	10	Total, All Industries	824			

2. 110% of Average Weekly Wages for Manufacturing Jobs in Polk County, Q4 2019 - Q3 2020

Category	Area	Period	Avg. Weekly Wage
Manufacturing	Polk County	Q4 2019	\$1,093
Manufacturing	Polk County	Q1 2020	\$1,147
Manufacturing	Polk County	Q2 2020	\$1,027
Manufacturing	Polk County	Q3 2020	\$1,171
		AVERAGE	\$1,109.50
		110% OF AVERAGE	\$1,220.45

Quarterly Census of Employment and Wages (QCEW) Report

Customize the report/Help with Accessibility

Drag a column header and drop it here to group by that column									
Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage			
2019	01	Polk	Private	1013	Manufacturing	1,180			
2019	02	Polk	Private	1013	Manufacturing	1,045			
2019	03	Polk	Private	1013	Manufacturing	1,222			
2019	04	Polk	Private	1013	Manufacturing	1,093			
2020	01	Polk	Private	1013	Manufacturing	1,147			
2020	02	Polk	Private	1013	Manufacturing	1,027			
2020	03	Polk	Private	1013	Manufacturing	1,171			

TAB 13

Wage Requirement Calculation

3. COG Region Wage Calculation

Year	Region	Annual Wage	Avg. Weekly Wage
2019	Deep East Texas Development Council	\$ 43,796	\$842
		110% OF AVERAGE	\$926.45
110% OF ANNUAL AVERAGE			\$48,175.60

**2019 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	COG Number	Wages	
		Hourly	Annual
Panhandle Regional Planning Commission	1	\$22.31	\$46,399
South Plains Association of Governments	2	\$18.97	\$39,448
NORTEX Regional Planning Commission	3	\$20.38	\$42,395
North Central Texas Council of Governments	4	\$32.92	\$68,476
Ark-Tex Council of Governments	5	\$20.09	\$41,780
East Texas Council of Governments	6	\$28.95	\$60,211
West Central Texas Council of Governments	7	\$21.83	\$45,406
Rio Grande Council of Governments	8	\$18.15	\$37,749
Permian Basin Regional Planning Commission	9	\$21.87	\$45,499
Concho Valley Council of Governments	10	\$26.74	\$55,625
Heart of Texas Council of Governments	11	\$22.41	\$46,614
Capital Area Council of Governments	12	\$29.37	\$61,091
Brazos Valley Council of Governments	13	\$17.60	\$36,613
Deep East Texas Council of Governments	14	\$21.06	\$43,796
South East Texas Regional Planning Commission	15	\$25.52	\$53,079
Houston-Galveston Area Council	16	\$28.85	\$60,015
Golden Crescent Regional Planning Commission	17	\$21.43	\$44,565
Alamo Area Council of Governments	18	\$26.64	\$55,401
South Texas Development Council	19	\$18.70	\$38,889
Coastal Bend Council of Governments	20	\$34.94	\$72,668
Lower Rio Grande Valley Development Council	21	\$20.05	\$41,698
Texoma Council of Governments	22	\$18.40	\$38,280
Central Texas Council of Governments	23	\$21.07	\$43,821
Middle Rio Grande Development Council	24	\$22.74	\$47,296
Texas		\$27.25	\$56,673

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

Data published: August 2020.

Data published annually, next update will likely be July 31, 2021

Annual Wage Figure assumes a 40-hour work week.

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

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

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



Lone Spur Solar Energy LLC
Chapter 313 Application to Livingston ISD

CHECKLIST ITEM #14

Schedules A1, A2, B, and C completed and signed Economic Impact (if applicable).

See attached.

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

Date 15-Feb-21
Applicant Name Lone Spur Solar Energ
ISD Name Livingston ISD

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
			Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	-	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2021	Not eligible to become Qualified Property				
				\$ -	\$ -	\$ -	\$ -	\$ -
			Investment made after filing complete application with district, but before final board approval of application			2022	\$ 10,000,000	\$ -
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period	QTP1	2023-2024	2023	\$ 90,000,000	\$ -	\$ -	\$ -	\$ 90,000,000
				\$ -	\$ -	\$ -	\$ -	\$ -
			QTP2	2024-2025	2024	\$ -	\$ -	\$ -
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]								
Total Qualified Investment (sum of green cells)				\$ 100,000,000	\$ -	\$ -	\$ -	\$ 100,000,000
				\$ 100,000,000	\$ -	\$ -	\$ -	\$ 100,000,000

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

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

Only tangible personal property that is specifically described in the application can become qualified property.

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

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

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

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

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

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

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A	Column B	Column C	Column D	Column E	
				New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or personal components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)	
Total investment from Schedule A1*	—	TOTALS FROM SCHEDULE A1		\$ 100,000,000	\$ -	\$ -	\$ -	\$ -	100,000,000
Each year prior to start of value limitation period** <small>Invest as many times as necessary</small>	0	2021-2022	2021	\$ -				\$ -	-
Each year prior to start of value limitation period** <small>Invest as many times as necessary</small>	Sub	2022-2023	2022	\$ -				\$ -	-
Each year prior to start of value limitation period** <small>Invest as many times as necessary</small>	QTP 1	2023-2024	2023	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	10,000,000
Value limitation period***	QTP2/LP1	2024-2025	2024	\$ 90,000,000	\$ -	\$ -	\$ -	\$ -	90,000,000
	2	2025-2026	2025	\$ -	\$ -	\$ -	\$ -	\$ -	-
	3	2026-2027	2026	\$ -	\$ -	\$ -	\$ -	\$ -	-
	4	2027-2028	2027	\$ -	\$ -	\$ -	\$ -	\$ -	-
	5	2028-2029	2028	\$ -	\$ -	\$ -	\$ -	\$ -	-
	6	2029-2030	2029	\$ -	\$ -	\$ -	\$ -	\$ -	-
	7	2030-2031	2030	\$ -	\$ -	\$ -	\$ -	\$ -	-
	8	2031-2032	2031	\$ -	\$ -	\$ -	\$ -	\$ -	-
	9	2032-2033	2032	\$ -	\$ -	\$ -	\$ -	\$ -	-
	10	2033-2034	2033	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total investment made through limitation				\$ 100,000,000	\$ -	\$ -	\$ -	\$ -	100,000,000
Continue to maintain viable presence	11	2034-2035	2034						-
	12	2035-2036	2035						-
	13	2036-2037	2036						-
	14	2037-2038	2037						-
	15	2038-2039	2038						-
	16	2039-2040	2039						-
	17	2040-2041	2040						-
	18	2041-2042	2041						-
	19	2042-2043	2042						-
	20	2043-2044	2043						-
Additional years for 25 year economic impact as required by 313.026(c)(1)	21	2044-2045	2044						-
	22	2045-2046	2045						-
	23	2046-2047	2046						-
	24	2047-2048	2047						-
	25	2048-2049	2048						-

* All investments made through the qualifying time period are captured and included on Schedule A1 [blue box] and incorporated into this schedule in the first row.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were not captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

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

Column B: Only tangible personal property that is specifically described in the application can become qualified property.

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

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

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

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

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for IRS after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	Stub	2022-2023	2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	QTP 1	2023-2024	2023	\$ -	\$ -	\$ 10,000,000	\$ -	\$ -	\$ -
Value Limitation Period	QTP2/LP1	2024-2025	2024	\$ -	\$ -	\$ 79,135,000	\$ 79,135,000	\$ 79,135,000	\$ 20,000,000
	2	2025-2026	2025	\$ -	\$ -	\$ 68,512,000	\$ 68,512,000	\$ 68,512,000	\$ 20,000,000
	3	2026-2027	2026	\$ -	\$ -	\$ 58,192,500	\$ 58,192,500	\$ 58,192,500	\$ 20,000,000
	4	2027-2028	2027	\$ -	\$ -	\$ 48,223,000	\$ 48,223,000	\$ 48,223,000	\$ 20,000,000
	5	2028-2029	2028	\$ -	\$ -	\$ 41,650,000	\$ 41,650,000	\$ 41,650,000	\$ 20,000,000
	6	2029-2030	2029	\$ -	\$ -	\$ 34,552,000	\$ 34,552,000	\$ 34,552,000	\$ 20,000,000
	7	2030-2031	2030	\$ -	\$ -	\$ 26,887,000	\$ 26,887,000	\$ 26,887,000	\$ 20,000,000
	8	2031-2032	2031	\$ -	\$ -	\$ 18,606,000	\$ 18,606,000	\$ 18,606,000	\$ 18,606,000
	9	2032-2033	2032	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
	10	2033-2034	2033	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
Continue to maintain viable presence	11	2034-2035	2034	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
	12	2035-2036	2035	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
	13	2036-2037	2036	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
	14	2037-2038	2037	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
	15	2038-2039	2038	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
	16	2039-2040	2039	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
	17	2040-2041	2040	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
	18	2041-2042	2041	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
	19	2042-2043	2042	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
	20	2043-2044	2043	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	21	2044-2045	2044	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
	22	2045-2046	2045	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
	23	2046-2047	2046	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
	24	2047-2048	2047	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
	25	2048-2049	2048	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
			2049	\$ -	\$ -	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000

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

Construction				Qualifying Jobs		
Column A		Column B	Column C	Column D	Column E	
Number of Construction FTE's		Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Annual wage of new qualifying jobs	
Each year prior to start of Value Limitation Period <small>Insert as many rows as necessary</small>	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY			
	0	2021-2022	2021		0	n/a
	Stub	2022-2023	2022		0	n/a
	QTP 1	2023-2024	2023		0	n/a
Value Limitation Period <small>The qualifying time period could overlap the value limitation period.</small>	QTP2/LP1	2024-2025	2024		0	\$ 48,176
	2	2025-2026	2025		0	\$ 48,176
	3	2026-2027	2026		0	\$ 48,176
	4	2027-2028	2027		0	\$ 48,176
	5	2028-2029	2028		0	\$ 48,176
	6	2029-2030	2029		0	\$ 48,176
	7	2030-2031	2030		0	\$ 48,176
	8	2031-2032	2031		0	\$ 48,176
	9	2032-2033	2032		0	\$ 48,176
	10	2033-2034	2033		0	\$ 48,176
	11 through 25	2034-2049	2034-2048		0	\$ 48,176
Years Following Value Limitation Period						

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



Lone Spur Solar Energy LLC
Chapter 313 Application to Livingston ISD

CHECKLIST ITEM #15

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

N/A



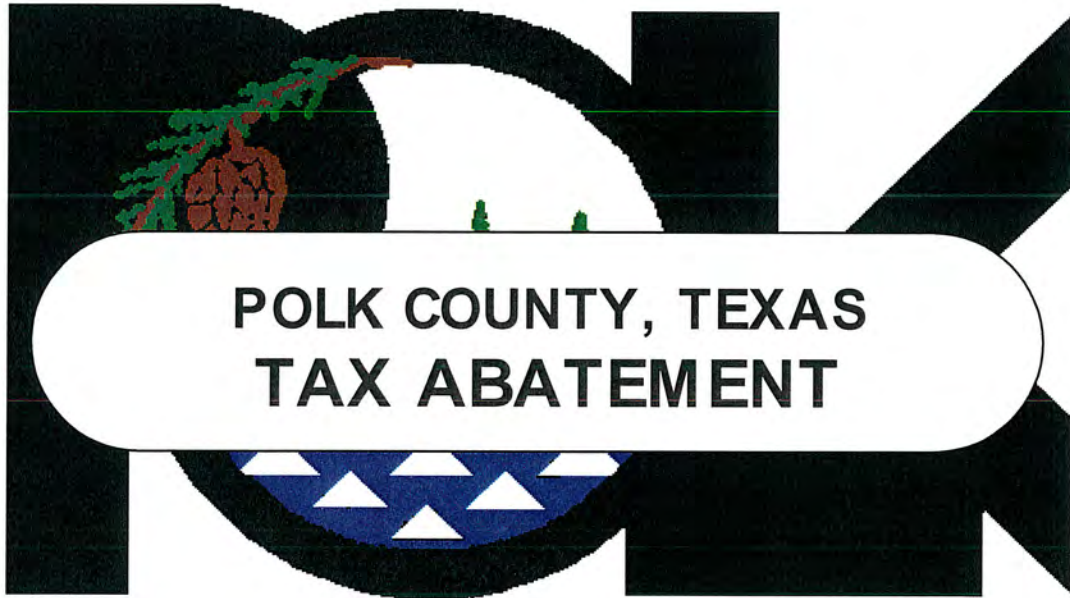
Lone Spur Solar Energy LLC
Chapter 313 Application to Livingston ISD

CHECKLIST ITEM #16

Description of Reinvestment or Enterprise Zone.

1. Evidence that the area qualifies as an enterprise zone as defined by the Governor's Office
2. Legal description of reinvestment zone
3. Order, resolution or ordinance establishing the reinvestment zone
4. Guidelines and criteria for creating the zone

TBD – Will be submitted once created by Polk County



**AS ADOPTED BY THE COMMISSIONERS COURT
OF POLK COUNTY, TEXAS**
December 10, 2019

GUIDELINES & CRITERIA

Effective December 11, 2019 through December 10, 2021



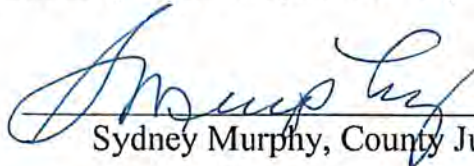
OF THE POLK COUNTY COMMISSIONERS COURT
Approving Polk County's Tax Abatement Criteria & Guidelines

WHEREAS, The Polk County Commissioners Court met in a regularly called session on December 10, 2019 and where among other business found that the "*Guidelines and Criteria for Granting Tax Abatement and Governing Tax Abatement Agreements, Within the County of Polk, State of Texas,*" have been reviewed; and

WHEREAS, This Court wishes to renew the Criteria and Guidelines, as revised, for the purpose of making tax abatement incentives available within the County;

Now, Therefore, be it ordered by the Commissioners Court of Polk County, Texas, that the "*Guidelines and Criteria for Granting Tax Abatement and Governing Tax Abatement Agreements Within the County of Polk, State of Texas,*" are hereby approved and renewed for a period of two years commencing December 11, 2019

Ordered and adopted on this, the 10th day of December, 2019.


Sydney Murphy, County Judge

IN WITNESS WHEREOF, I have affixed my signature and the official seal of the Polk County Commissioners Court to this certification.



Schelana Hock, County Clerk
Polk County, Texas



Polk County, Texas

Tax Abatement Guidelines and Criteria

1. **Introduction.** These Guidelines and Criteria Governing Tax Abatement Agreements (“the Guidelines”) by Polk County, Texas (“the County”), support Polk County’s priority of implementing policies and incentives to attract, retain and expand industries, increase employment and wages, expand the tax base, and create new economic opportunities within the County. The County is authorized to abate property taxes in accordance with the Property Redevelopment and Tax Abatement Act, which is codified as chapter 312 of the Texas Tax Code (“the Act”). These guidelines have been reviewed to help ensure that any abatement of property taxes achieves the County’s economic development goals.
2. **Resolution.** In accordance with the Act, the Commissioners’ Court, by resolution passed on December 12, 1988 and attached hereto as Exhibit "A", has elected to become eligible to participate in tax abatement, and to that end, has adopted these guidelines governing tax abatement agreements which supersede any previously adopted, renewed or amended guidelines.
3. **Effective Period.** These guidelines are and shall be effective on December 11, 2017 through December 10, 2019, unless repealed or further amended during the interim period by action of the Commissioners’ Court of Polk County, Texas.
4. **Approval by Governing Body.** Before the County may adopt, amend, repeal, or reauthorize guidelines and criteria, the Commissioners Court must hold a public hearing regarding the proposed adoption, amendment, repeal, or reauthorization at which members of the public are given the opportunity to be heard. The notice of a meeting required by section 312.002(c-1) will be posted in a newspaper of general circulation in the County, on the public notification board in the Courthouse, and on the County website at least seven days prior to the hearing. Following the public hearing, pursuant to the Act, these guidelines may be amended, repealed or reauthorized only by a vote of, at minimum, three-fourths of the members of the Commissioners Court.
4. **No Property Right Created/Discretion Retained.** The adoption of these guidelines does not limit the discretions of the County to decide whether to enter into a specific tax abatement agreement; does not limit the discretion of the County to delegate to its employee(s) the authority to determine whether or not the County should consider a particular application or request for tax abatement; does not limit the discretion of the County to determine the proportion of value to be abated; and does not create any property, contract, or other legal rights in any person to have the County consider or grant a specific application or request for tax abatement.
5. **Definitions.** The following words and terms, when used in these Guidelines, shall have the meanings set forth below unless the context *clearly* indicates otherwise:
 - a. **Abatement** means the full or partial exemption from ad valorem taxes of certain real property in a reinvestment zone designated for economic development purposes.
 - b. **Affected jurisdiction** means Polk County, Texas, and every other taxing unit within Polk County, Texas that includes within its boundaries real property that is to be included in a proposed or existing reinvestment zone.
 - c. **Agreement** means a contractual agreement between a property owner and/or lessee and the County of Polk for the purposes of tax abatement.

- d. **Base year value** means the assessed value of eligible property as of the January 1st preceding the execution of the agreement, plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the agreement.
- e. **Deferred maintenance** means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- f. **Distribution Center Facility** means buildings and structures, including machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility operator.
- g. **Expansion** means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- h. **Facility** means property improvements completed or in the process of construction which together comprise an integral whole.
- i. **Manufacturing Facility** means buildings and structures, including machinery and equipment, the primary purpose of which is, or will be, the manufacture of tangible goods or materials, or the processing of such goods or materials by physical or chemical change.
- j. **Modernization** means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology, or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery, or equipment. It shall not be for the purpose of reconditioning, refurbishing or repairing.
- k. **New Facility** means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- l. **Other Basic Industry** means buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services. Other Basic Industry shall also include retail and wholesale sales facilities.
- m. **Productive Life** means the number of years a property improvement is expected to be in service.
- n. **Regional Entertainment Facility** means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the general public.
- o. **Research Facility** means building and structures, including machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials, or to improve or develop the production processes thereto.
- p. **Regional Service Facility** means buildings and structures, including machinery and equipment, used or to be used to service goods.

6. Eligibility.

- a. **Reinvestment Zone.** To be eligible for tax abatement, the owner must own taxable real property which is the subject of the tax abatement which is located within a reinvestment zone designated by the governing body of a municipality or the County in accordance with the Act and must enter into a written agreement with the County wherein the owner agrees to make specified improvements or repairs to the property and, if applicable, that such specified improvements or repairs to the property are being made in conformity with the municipality's comprehensive plan.
- b. **Authorized facility.** A facility may be eligible for tax abatement if it is a Manufacturing Facility, Research Facility, Distribution Center or Regional Service Facility, Regional Entertainment Facility, or Other Basic Industry.
- c. **Creation of new value.** Abatement may only be granted for the increase in appraised value of eligible property improvements located in the reinvestment zone made subsequent to, and specified

in, an abatement agreement between the County and the owner or lessee, subject to such limitations as the County may require.

- d. **New and existing facilities.** Abatement may be granted for both new facilities and structures, and for the expansion or modernization of existing facilities and structures, unless the property is property described by section 312.211(a) of the Texas Tax Code, in which event requirements must conform with section 312.211.
- e. **Leased facilities.** If a leased facility is granted tax abatement, then the agreement authorizing such abatement shall be executed by both the lessor (owner) and the lessee, and the term of abatement that may be granted shall be no more than seven (7) years or the term of the lease between lessor and lessee, whichever is less. Publicly owned land leased to private entities shall be eligible for abatement if otherwise qualified.
- f. **Eligible property.** Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements, plus that office space and related fixed improvements necessary to the operation and administration of the facility, subject to the discretion of the County. The value of the property shall be the certified appraised value for each year, as finally determined by the County's appraiser.
- g. **Ineligible property.** The following types of property shall be fully taxable and are ineligible for tax abatement: land, inventories, supplies, tools, furnishings and other forms of movable personal property, vehicles, vessels, aircraft, housing, hotels accommodations, furniture, deferred maintenance investments, property to be rented or leased (except as provided in Leased facilities above), property which has a productive life of less than fifteen (15) years, any improvements, including those to produce, store or distribute natural gas, fluids or gasses, which are not integral to the operation of the facility, property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated, or directed by a political subdivision of the State of Texas, or any property exempted by local, state or federal law.
- h. **Forego protest.** Any applicant for tax abatement shall agree to forego any protest, application, negotiations, or other procedures available to taxpayers that would challenge or dispute the assessed value of the property subject to the proposed abatement that is annually determined by the County's appraiser.
- i. **Basic qualifications.** To be eligible for designation as a reinvestment zone and be eligible for tax abatement, the planned improvement:
 - 1. Must be shown to directly create employment for ten (10) additional permanent full time employees or prevent the loss of at least ten (10) permanent full time employees, wherein the worksite for the employees is within the reinvestment zone;
 - 2. Must be shown not the solely or primarily have the effect of transferring employment from one part of the County to another part of the County;
 - 3. The total expenditure for the construction and addition of eligible, taxable property must exceed \$1,000,000.00, upon completion of the contractually defined construction period, however, in the event a facility for which tax abatement has already been granted, and for which the owner and the County have in place a tax abatement agreement, is expanded, and the owner applies for additional tax abatement for the increased value of the expansion, the County may, at its discretion, waive the minimum dollar valuation requirement and/or the required number of new employees stated herein. Any such waiver may be contained in the original tax abatement agreement, or in the resolution authorizing a new or amended tax abatement with the owner; and
 - 4. Must be necessary because capacity cannot be provided efficiently utilizing existing improved property.

7. **Value and Term of Abatement.** Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the Agreement. One hundred percent (100%) of the value of new eligible properties shall be abated for a maximum period of ten (10) years. The abatement may be extended through an initial agreement between the owner and the County, and/or a subsequent agreement as may be required to comply with state law regarding the term of a reinvestment zone, for any period authorized by law.
8. **Joining Municipal Tax Abatement.**
- a. **Term.** Polk County may consider joining in approved municipal abatements for an abatement period of up to seven (7) years, inclusive of construction, upon application by the municipality to the Commissioners Court.
 - b. **Application by municipality.** In making such application to the Commissioners Court, the municipality must include a certified copy of the tax abatement application that the applicant submitted to the municipality and a certified copy of the tax abatement agreement entered into between the municipality and the applicant.
 - c. **Eligibility.** To be eligible for abatement by the County, the requested tax abatement must be eligible and conform to the requirements of these Guidelines.
 - d. **Agreement.**
 1. The County may participate in the abatement through the vehicle of an amendment to the municipal tax abatement agreement, or through a separate agreement entered into between the County and the applicant. The terms of the County's agreement to participate in the abatement are not required to contain terms identical to those contained in the agreement with the municipality.
 2. In the event of an amendment to the municipal tax abatement agreement, the amendment shall, at a minimum, include a specification of the term of the County's participation, the proportion of value to be abated, the date upon which abatement commences (for the municipality and for the County), the date upon which the abatement ends (for the municipality and for the County), and the date that taxes shall be due and payable. The County's participation in an abatement on property within the taxing jurisdiction of a municipality remains subject to these Guidelines.
9. **Taxability.** Subsequent to full execution of the Agreement and for the duration of the abatement period specified within the Agreement, taxes shall be payable as follows:
- a. The value of ineligible property shall be fully taxable;
 - b. The base year value of existing eligible property as determined each year shall be fully taxable;
 - c. The additional value of new eligible property shall be taxable in the manner described hereinabove in section 8; and
 - d. If the base year value decreases during the term of tax abatement or if an additional exemption is granted by the State or Federal government, then the maximum amount of abatable value to be used in an abatement calculation will be reduced each year by the same rate.
10. **Application for Abatement.**
- a. **Written application.** Any current or potential owner or lessee of taxable property in the County may request tax abatement by filing a written application with the County. The Commissioners Court has adopted an application for this purpose, which is attached to these Guidelines as Exhibit "B". A completed application must be submitted to the County, along with required supporting documentation and fee payment.

- b. **Contents of application.** The application shall be signed by the owner or lessee, as applicable, and shall be accompanied by:
 - 1. A general description of the proposed use and the general nature and extent of the modernization, expansion, or new improvements to be undertaken;
 - 2. A non-refundable application fee of \$500, payable to Polk County;
 - 3. A descriptive list of the improvements which will be part of the facility;
 - 4. An estimate of the cost of the improvements which will be part of the facility;
 - 5. A map and metes and bounds description of the property;
 - 6. A time schedule for undertaking and completing the proposed improvements;
 - 7. A certification prepared by the Tax Assessor-Collector of Polk stating that all of applicant's tax accounts with the County are paid and current; and
 - 8. Any financial and other information the County deems necessary for evaluating the financial capacity of the applicant.
- c. **Modernization.** In the case of modernization, applicant shall include a statement of the assessed value of the facility separately stated for real and personal property for the tax year immediately preceding the application.
- d. Upon receipt of a completed application, the County Judge of Polk County shall notify in writing the presiding officer of the governing body of each taxing jurisdiction directly affected by the proposed abatement. Before acting on the application, the County shall afford the applicant and the designated representative of each affected taxing jurisdiction the opportunity, via public hearing before the Commissioners Court, to show why the abatement should or should not be granted. However, should any other taxing entity for which abatement has been requested have already been afforded a public hearing on such abatement, the requirement of a public hearing may be waived at the discretion of the County.
- e. After receipt of a completed application for tax abatement, the County shall prepare a feasibility study setting out the potential impact of the requested abatement will have on the economic stability of the County and its citizens.
- f. The County shall not grant the request for tax abatement if it finds that the request for abatement was filed after the commencement of construction, alteration or installation of improvements related to a proposed modernization, expansion or new facility.
- g. Requests for variance from the above provisions shall be made in writing to the County Judge of Polk County, Texas. Said written request shall include a complete description of the circumstances why the application should be granted a variance. Approval of a request for variance requires a three-fourths (3/4) vote of the Commissioners Court, and their determination of whether or not to grant the variance shall be final.

11. Public Hearing.

- a. **Public Hearing for Reinvestment Zone Required.** Before the County may designate a Reinvestment Zone, the Commissioners Court must hold a public hearing on the designation and find that the designation would contribute to the economic development of the county. At the hearing, interested persons are entitled to speak and present evidence for or against the designation.
 - 1. Notice of the hearing must be published at least seven days prior to the hearing in a newspaper of general circulation within the County, as well as posted on the Courthouse Public Notice Board and on the County Website for the same time period, and delivered in writing to the presiding officer of the governing body of each taxing unit that includes its boundaries real property that is to be included in the Reinvestment Zone.

- b. **Public Hearing for Tax Abatement Agreement Required.** Before the County may agree to a Tax Abatement, the Commissioners Court must hold a public hearing.
1. Notice of public hearing for tax abatement must be published at least thirty days prior to the hearing in a newspaper of general circulation within the County, as well as posted on the Courthouse Public Notice Board and on the County Website for the same time period, and must contain:
 - a. the name of the property owner and the name of the applicant for the tax abatement agreement
 - b. the name and location of the reinvestment zone in which the property subject to the agreement is located;
 - c. A general description of the nature of the improvements or repairs included in the agreement, and
 - d. The estimated cost of the improvements or repair.
 2. Should any affected jurisdiction be able to show good cause in the public hearing why the granting of abatement shall have a substantial adverse impact on the bonds, tax revenue, or general economic wellbeing of the affected jurisdiction, that showing may form a basis for the County denying the request for abatement. Request for tax abatement shall not be granted if it is shown that:
 - a. there would be substantial adverse effect on the provision of County services or on the overall well-being of the County's tax base;
 - b. the applicant has insufficient financial capacity;
 - c. the planned or potential use of the property would constitute an encroachment on the County's public safety, health or morals, when applying standards currently prevalent in the community; or
 - d. the agreement would in any way result in a violation of local, state or federal regulations and/or laws.

12. Agreement.

- a. **Approval by Commissioners Court required.** To be effective, an agreement for tax abatement must be approved by the affirmative vote of a majority of the members of the Commissioners Court at a regularly scheduled meeting thereof. After the public hearing, the Commissioners Court shall adopt a resolution finding that the proposed agreement filed with the resolution, a copy of which must be attached thereto, meets the applicable provisions of these Guidelines and Criteria. The resolution shall also authorize the execution of the agreement with the owner of the facility or, if applicable, the lessee.
- b. **Statutory mandatory requirements.** The execution, duration and other terms of the agreement are governed by chapter 312 of the Texas Tax Code. Accordingly, the agreement shall:
 1. List the kind, number, and location of all proposed improvements to the property;
 2. Provide access to and authorize inspection of the property by County employees to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement;
 3. Limit the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that the property tax exemptions are in effect;
 4. Provide for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement;
 5. Contain each term agreed to by the owner of the property;

6. Require the owner of the property to certify annually to the governing body of each taxing unit that the owner is in compliance with each applicable term of the agreement; and
 7. Provide that the Commissioners Court may cancel or modify the agreement if the property owner fails to comply with the agreement.
- c. **Additional mandatory requirements.** The agreement shall also include:
1. a map showing existing uses and conditions of real property in the reinvestment zone;
 2. a map showing proposed improvements and uses in the reinvestment zone;
 3. the estimated value to be abated and the base year value;
 4. the percent of value to be abated each year as provided herein;
 5. the commencement date and the termination date of abatement;
 6. the proposed use of the facility, the nature and type of construction, a time schedule, and a property description and improvement list as provided herein.
 7. contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided herein, and;
 8. the size of investment and average number of jobs involved for the period of the abatement.
- d. **Execution time frame.** Such agreement shall be executed within 60 days after the applicant has forwarded all necessary information and documentation to the County of Polk.
- e. **Mandatory terms are not limitations.** The Commissioners Court retains the right to require additional terms and conditions for abatement and the listing of mandatory provisions specified above is not a limitation on the terms and conditions that may be required by the Commissioners Court.

13. Recapture.

- a. In the event that the facility is completed and begins operations or producing products or services, but subsequently discontinues or significantly reduces producing product or service for any reason for a period of 180 days while the agreement is active, or for one year in the event of a declared disaster under the Texas Disaster Act of 1975 in which the disaster is the cause for the discontinuation, then the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the facility no longer produces or significantly reduces production. The taxes otherwise abated for that calendar year shall be paid to the County of Polk within sixty (60) days from the date of termination. Any reduction of 50% or more from the estimated production/service listed in the application shall constitute a significant reduction in the production of product or service. The company or individual shall notify the County in writing at the address stated within the agreement within ten (10) business days from any discontinuation or significant reduction, stating the reason for the discontinuation or significant reduction, stating the reason for the discontinuation or significant reduction, and the projected length of the discontinuation or significant reduction. If the County, in its sole discretion, determines that this requirement for notification has not been complied with, the agreement may be terminated immediately and all taxes previously abated by virtue of the agreement shall be recaptured and must be paid within sixty (60) calendar days.
- b. Should the County determine that the owner or lessee is in default according to the terms and conditions of the agreement, the County shall notify the owner or lessee in writing at the address stated in the agreement, and if such default is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement may be terminated, and all taxes previously abated by virtue of the agreement shall be recaptured and must be paid within sixty (60) calendar days.
- c. In the event that the owner or lessee (1) allows its ad valorem taxes owed to the County or other affected jurisdiction to become delinquent, and fails to timely and properly follow the legal procedures for their protest and/or contest, or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the Cure Period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.

14. Administration.

- a. The Chief Appraiser as designated by the County shall annually determine an assessment of the real and personal property for which tax abatement has been granted. Each year, the owner or lessee receiving the abatement shall furnish the assessor with such information as may be necessary for administration of the abatement. Once the value has been established, the Chief Appraiser shall notify the affected jurisdictions which levy taxes of the amount of the assessed value.
- b. The agreement shall stipulate that employees and/or designated representatives of the County will have access to the property and facilities thereon during the term of the abatement in order to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving prior notice to the facility of not less than twenty-four (24) hours, and shall be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the owner or lessee and in accordance with its safety standards.
- c. Upon completion of construction, the County shall annually evaluate each facility and report possible violations of the agreement to the County and its attorney.
- d. For each of the first three tax years following the expiration of a tax abatement agreement executed under this chapter, the Chief Appraiser shall deliver to the comptroller a report containing the appraised value of the property that was the subject of the agreement.

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

16. Sunset Provision. These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, at which time all tax abatement contracts created pursuant to its provisions will be reviewed by the County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria may be modified, renewed or eliminated, providing that such actions shall not affect existing agreements.

17. Severability. If any provision of the Guidelines and Criteria is held invalid by a court of competent jurisdiction, the invalidity shall not affect the other provisions of these Guidelines and Criteria that can be given effect without the invalid provision, and to this end the provisions of these Guidelines and Criteria are severable.

A RESOLUTION

OF THE COMMISSIONER'S COURT OF POLK COUNTY, TEXAS,
ADOPTING A COMPREHENSIVE POLICY OF GUIDELINES AND
CRITERIA FOR GRANTING TAX ABATEMENT AND GOVERNING
TAX ABATEMENT AGREEMENTS, WITHIN THE COUNTY

WHEREAS, the Commissioner's Court of Polk County, Texas, desires to promote economic development within its territory; and

WHEREAS, the existence of certain economic development incentives in the form of tax abatement may encourage prospective businesses and companies to locate in the County, or existing businesses and companies to expand; and

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

WHEREAS, new jobs and investments will benefit the County economy, provide needed opportunities, and generate tax revenue to support local services; and

WHEREAS, the County of Polk must compete with other counties across the State and Nation currently offering tax inducements to attract new retail and industrial projects; and

WHEREAS, the establishment of specific guidelines, criteria, and procedures is necessary to insure that tax abatement incentives are given and administered effectively; and

WHEREAS, the adoption of guidelines and criteria is required by the Property Redevelopment and Tax Abatement Act, as amended, before tax abatement may be granted:

NOW THEREFORE: BE IT RESOLVED BY THE COMMISSIONER'S COURT OF POLK COUNTY, TEXAS:


SECTION ONE: That the County of Polk hereby establishes and adopts certain guidelines and criteria, attached hereto and made a part hereof, governing the granting of tax abatements and tax abatement agreements, within the County of Polk and its jurisdiction, and such guidelines and criteria shall expressly govern all subsequent tax abatement agreements.

SECTION TWO: That such guidelines and criteria shall be effective for two (2) years from the date of adoption and may only be amended or repealed by a vote of three-fourths (3/4) of the Commissioner's Court.

PASSED and APPROVED this 12th day of December, 1988.


WAYNE R. BAKER, County Judge

ATTEST:


MARTHA JOHNSON, County Clerk



Lone Spur Solar Energy LLC
Chapter 313 Application to Livingston ISD

CHECKLIST ITEM # 17

Signature and Certification page, signed and dated by Authorized School District Representative
and Authorized Company Representative.

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**.

NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

print
here

Brent Hawkins

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Signature (Authorized School District Representative)

3/1/21

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

print
here

James Williams

Print Name (Authorized Company Representative (Applicant))

Vice President of Development

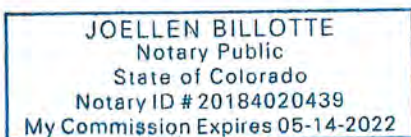
Title

sign
here

Signature (Authorized Company Representative (Applicant))

2/8/2021

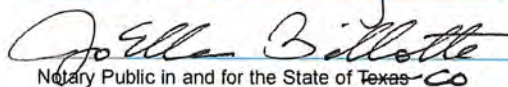
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

8 day of February, 2021



Notary Public in and for the State of Texas

My Commission expires: 5-14-22

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

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE
AUSTIN, TEXAS 78701
PHONE: (512) 494-9949
FAX: (512) 494-9919

KEVIN O'HANLON

kohanlon@808west.com

Rio Grande Valley Office
426 W. Caffery Ave.
Pharr, Texas 78577

San Antonio Office
117 W. Craig Place
San Antonio, Texas 78212

April 7, 2021

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

RE: 1569 – Amendment 1 of the Application to the Livingston Independent School
District from Lone Spur Solar Energy LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed. Please find Amendment 1 of the Application to the Livingston Independent School
District from Lone Spur Solar Energy LLC. The following changes have been made:

1. Application Page 5, Section 9, #1-5: Timeline updated to shift all dates back by one year
2. Tab #2: Updated item to include application invoice from LISD to Invenergy and LISD's bank statement screenshot showing deposit from Invenergy to LISD
3. Tab #4: Updated start date of construction to align with Section 9 timeline (Q4 2023)
4. Tab #4: Updated to clarify that the project is 100% within Polk County
5. Tab #4: Updated to clarify which entity applied for the MISO unique identifier
6. Tab #7: Updated to clarify that the project is 100% within Polk County
7. Tab #7: "Control room" removed from the list of improvements due to redundancy
8. Tab #8: Updated to clarify that the project is 100% within Polk County
9. Tab #8: "Control room" removed from the list of improvements due to redundancy
10. Tab #14: Updated schedules (A1, A2, B, and C) to reflect new "Estimated Market Values" and new project investment and hiring timelines
11. Application Page 9: Provided new executed signature page

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

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", with a stylized flourish at the end.

Kevin O'Hanlon
School District Consultant

Cc: Polk CAD
Lone Spur Solar Energy LLC



April 7, 2021

Superintendent Brent Hawkins

Livingston Independent School District
1412 South Houston Ave.
Livingston, TX 77351

Re: 313 Application – Lone Spur Solar Energy, LLC – Amendment 1 Changes

Dear Superintendent Hawkins:

Please find attached Amendment 1 for Lone Spur Solar Energy, LLC's 313 Application. Specific changes found in the amendment are as follows:

- Application Page 5, Section 9, #1-5: Timeline updated to shift all dates back by one year
- Tab (Checklist Item) #2: Updated item to include application invoice from LISD to Invenergy and LISD's bank statement screenshot showing deposit from Invenergy to LISD
- Tab (Checklist Item) #4: Updated start date of construction to align with Section 9 timeline (Q4 2023)
- Tab (Checklist Item) #4: Updated to clarify that the project is 100% within Polk County
- Tab (Checklist Item) #4: Updated to clarify which entity applied for the MISO unique identifier
- Tab (Checklist Item) #7: Updated to clarify that the project is 100% within Polk County
- Tab (Checklist Item) #7: "Control room" removed from the list of improvements due to redundancy
- Tab (Checklist Item) #8: Updated to clarify that the project is 100% within Polk County
- Tab (Checklist Item) #8: "Control room" removed from the list of improvements due to redundancy
- Tab (Checklist Item) #14: Updated schedules (A1, A2, B, and C) to reflect new "Estimated Market Values" and new project investment and hiring timelines
- Application Page 9: Provided new executed signature page

Please let me know if you have any questions or comments.

Yours sincerely,

A handwritten signature in cursive script, reading 'Troy Reed', is located below the 'Yours sincerely,' text.

Troy Reed
Manager
Ernst & Young LLP



Lone Spur Solar Energy LLC
Chapter 313 Application to Livingston ISD

CHECKLIST ITEM #1

Application

See attached.

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

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 08/01/2021
2. Estimated commencement of construction 10/01/2023
3. Beginning of qualifying time period (MM/DD/YYYY) 09/01/2023
4. First year of limitation (YYYY) 2025

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 12/31/2024

SECTION 10: The Property

1. County or counties in which the proposed project will be located Polk County
2. Central Appraisal District (CAD) that will be responsible for appraising the property Polk 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): <u>Livingston I.S.D., 1.0547, 100%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Livingston I.S.D., 0.2550, 100%</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Polk County, 0.6461, 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small>



Lone Spur Solar Energy LLC
Amendment No. 1 - Chapter 313 Application to Livingston ISD

CHECKLIST ITEM #2

Proof of Payment of Application Fee

Proof of payment attached.

AMENDMENT NO. 1 TO APPLICATION FOR CHAPTER 313 APPRAISED VALUE
LIMITATION BY LONE SPUR SOLAR ENERGY LLC TO LIVINGSTON ISD

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

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



Lone Spur Solar Energy LLC
Amendment No. 1 - Chapter 313 Application to Livingston ISD

CHECKLIST ITEM #4

Detailed Description of Project

Lone Spur Solar Energy LLC (Lone Spur) is developing a utility scale single axis tracker photovoltaic facility designed to use solar power to generate electricity. The Project will be capable of generating approximately 105 MWac and will cover a surface area up to 1,200 acres. The exact capacity and specific technology will be determined during the design process, and so the exact location of the improvements cannot be specified at this time. In addition, 100% of the project is planned to be installed in Livingston ISD and Polk County.

If granted an Appraised Value Limitation pursuant to Texas Tax Code 313, Lone Spur Solar Energy expects to issue a full notice to proceed for construction in Q4 of 2023 and expects to complete construction in Q4 2024.

The facility may include eligible ancillary and necessary equipment, including the following improvements:

- approximately 225,000 – 325,000 solar modules/panels
- 20 – 40 inverters
- metal mounting system with tracking capabilities
- battery or battery system
- underground conduit
- communications cables and electric system wiring
- combiner boxes
- a project substation including breakers
- a transformer and meters
- overhead transmission lines
- control house
- an operations and maintenance facility
- fencing for safety and security
- telephone and internet communication system
- meteorological equipment to measure solar irradiation and weather conditions.

In June 2019, the parent company of Lone Spur Solar Energy LLC (Invenergy Renewables LLC) submitted an application to MISO for the project and received a unique identifier of J1442. Lone Spur Solar Energy LLC was subsequently formed on December 29, 2020, and the unique identifier of J1442 was then assigned to Lone Spur Solar Energy LLC.



Lone Spur Solar Energy LLC
Amendment No. 1 - Chapter 313 Application to Livingston ISD

CHECKLIST ITEM #7

Description of Qualified Investment

The Applicant anticipates constructing a utility scale single axis tracker photovoltaic facility designed to use solar power to generate electricity. The Project will be capable of generating approximately 105 MWac and will cover a surface area up to 1,200 acres. The exact capacity and specific technology will be determined during the design process, and so the exact location of the improvements cannot be specified at this time. In addition, 100% of the project is planned to be installed in Livingston ISD and Polk County.

The facility may include eligible ancillary and necessary equipment, including the following improvements which will be considered qualified investment for this application:

- approximately 225,000 – 325,000 solar modules/panels
- 20 – 40 inverters
- metal mounting system with tracking capabilities
- battery or battery system
- underground conduit
- communications cables and electric system wiring
- combiner boxes
- a project substation including breakers
- a transformer and meters
- overhead transmission lines
- an operations and maintenance facility
- fencing for safety and security
- telephone and internet communication system
- meteorological equipment to measure solar irradiation and weather conditions.

Batteries or battery system included in the Qualified Investment will only be used to store electricity generated by the solar panels included in the Project.



Lone Spur Solar Energy LLC
Amendment No. 1 - Chapter 313 Application to Livingston ISD

CHECKLIST ITEM #8

Description of Qualified Property

The Applicant anticipates constructing a utility scale single axis tracker photovoltaic facility designed to use solar power to generate electricity. The Project will be capable of generating approximately 105 MWac and will cover a surface area up to 1,200 acres. The exact capacity and specific technology will be determined during the design process, and so the exact location of the improvements cannot be specified at this time. In addition, 100% of the project is planned to be installed in Livingston ISD and Polk County.

The facility may include eligible ancillary and necessary equipment, including the following improvements which will be considered qualified property for this application:

- approximately 225,000 – 325,000 solar modules/panels
- 20 – 40 inverters
- metal mounting system with tracking capabilities
- battery or battery system
- underground conduit
- communications cables and electric system wiring
- combiner boxes
- a project substation including breakers
- a transformer and meters
- overhead transmission lines
- an operations and maintenance facility
- fencing for safety and security
- telephone and internet communication system
- meteorological equipment to measure solar irradiation and weather conditions.

Batteries or battery system included in the Qualified Property will only be used to store electricity generated by the solar panels included in the Project.

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
			Tax Year (fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E Total Investment (Sum of Columns A-B-C+D)
Investment made before filing complete application with district	-	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2022	Not eligible to become Qualified Property				\$ -
				\$ -	\$ -	\$ -	\$ -	[This only other investment made before filing complete application with district that may become Qualified Property is land.]
Investment made after filing complete application with district, but before final board approval of application		2023-2024	2023	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 10,000,000
				\$ -	\$ -	\$ -	\$ -	\$ -
Complete tax years of qualifying time period	QTP1	2024-2025	2024	\$ 90,000,000	\$ -	\$ -	\$ -	\$ 90,000,000
				\$ -	\$ -	\$ -	\$ -	\$ -
Complete tax years of qualifying time period	QTP2	2025-2026	2025	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 100,000,000	\$ -	\$ -	\$ -	\$ 100,000,000
Total Qualified Investment (sum of green cells)						Enter amounts from TOTAL row above in Schedule A2		
					\$ 100,000,000			

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

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

Column B: Only tangible personal property that is specifically described in the application can become qualified property.

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

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

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

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

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

PROPERTY INVESTMENT AMOUNTS (Estimated investment in each year. Do not put cumulative totals.)									
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other investment made during this year that will become Qualified Property [SEE NOTE]	Column E Total Investment (A+B+C+D)	
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1			\$ 100,000,000	\$ -	\$ -	\$ -	\$ 100,000,000
	Each year prior to start of value limitation period** <small>(Enter all new rows as necessary)</small>	0	2022-2023	2022	\$ -				\$ -
	Each year prior to start of value limitation period** <small>(Enter all new rows as necessary)</small>	Slub	2023-2024	2023	\$			\$	\$
	Each year prior to start of value limitation period** <small>(Enter all new rows as necessary)</small>	QTP 1	2024-2025	2024	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 10,000,000
	Value limitation period***	QTP2/LP1	2025-2026	2025	\$ 90,000,000	\$ -	\$ -	\$ -	\$ 90,000,000
		2	2026-2027	2026	\$ -	\$ -	\$ -	\$ -	\$ -
		3	2027-2028	2027	\$ -	\$ -	\$ -	\$ -	\$ -
		4	2028-2029	2028	\$ -	\$ -	\$ -	\$ -	\$ -
		5	2029-2030	2029	\$ -	\$ -	\$ -	\$ -	\$ -
		6	2030-2031	2030	\$ -	\$ -	\$ -	\$ -	\$ -
		7	2031-2032	2031	\$ -	\$ -	\$ -	\$ -	\$ -
		8	2032-2033	2032	\$ -	\$ -	\$ -	\$ -	\$ -
		9	2033-2034	2033	\$ -	\$ -	\$ -	\$ -	\$ -
		10	2034-2035	2034	\$ -	\$ -	\$ -	\$ -	\$ -
Total Investment made through limitation				\$ 100,000,000	\$ -	\$ -	\$ -	\$ 100,000,000	
Continue to maintain viable presence	11	2035-2036	2035					\$	\$
	12	2036-2037	2036					\$	\$
	13	2037-2038	2037					\$	\$
	14	2038-2039	2038					\$	\$
	15	2039-2040	2039					\$	\$
	16	2040-2041	2040					\$	\$
	17	2041-2042	2041					\$	\$
	18	2042-2043	2042					\$	\$
	19	2043-2044	2043					\$	\$
	20	2044-2045	2044					\$	\$
Additional years for 25 year economic impact as required by 313.026(c)(1)	21	2045-2046	2045					\$	\$
	22	2046-2047	2046					\$	\$
	23	2047-2048	2047					\$	\$
	24	2048-2049	2048					\$	\$
	25	2049-2050	2049					\$	\$
									\$

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

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

Date **1-Apr-21** Applicant Name **Lone Spur Solar Energy LLC** Form **50-296A**
 ISD Name **Livingston ISD** 1569 - Livingston ISD - Lone Spur Solar Energy LLC Revised October 2020
 Amendment 1 - 04-07-2021

			Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Personal Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2022-2023	2022	\$ -	\$ -	\$ -	\$ -	\$ -
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	Stub	2023-2024	2023	\$ -	\$ -	\$ -	\$ -	\$ -
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	QTP 1	2024-2025	2024	\$ -	\$ -	\$ 10,000,000	\$ -	\$ -
Value Limitation Period	QTP2/LP1	2025-2026	2025	\$ -	\$ -	\$ 79,135,000	\$ 79,135,000	\$ 20,000,000
	2	2026-2027	2026	\$ -	\$ -	\$ 68,512,000	\$ 68,512,000	\$ 20,000,000
	3	2027-2028	2027	\$ -	\$ -	\$ 58,192,500	\$ 58,192,500	\$ 20,000,000
	4	2028-2029	2028	\$ -	\$ -	\$ 48,223,000	\$ 48,223,000	\$ 20,000,000
	5	2029-2030	2029	\$ -	\$ -	\$ 41,650,000	\$ 41,650,000	\$ 20,000,000
	6	2030-2031	2030	\$ -	\$ -	\$ 34,552,000	\$ 34,552,000	\$ 20,000,000
	7	2031-2032	2031	\$ -	\$ -	\$ 26,887,000	\$ 26,887,000	\$ 20,000,000
	8	2032-2033	2032	\$ -	\$ -	\$ 18,606,000	\$ 18,606,000	\$ 18,606,000
	9	2033-2034	2033	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
	10	2034-2035	2034	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
Continue to maintain viable presence	11	2035-2036	2035	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
	12	2036-2037	2036	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
	13	2037-2038	2037	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
	14	2038-2039	2038	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
	15	2039-2040	2039	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
	16	2040-2041	2040	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
	17	2041-2042	2041	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
	18	2042-2043	2042	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
	19	2043-2044	2043	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
	20	2044-2045	2044	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	21	2045-2046	2045	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
	22	2046-2047	2046	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
	23	2047-2048	2047	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
	24	2048-2049	2048	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
	25	2049-2050	2049	\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
				\$ -	\$ -	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000

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

Schedule C: Employment Information

Date 1-Apr-21

Applicant Name Lone Spur Solar Energy LLC
ISD Name Livingston ISD

Form 50-296A
Revised October 2020

			Construction		Non-Qualifying Jobs	Qualifying Jobs		
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Column A Number of Construction FTE's	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <small>Insert as many rows as necessary</small>	0	2022-2023	2022	0	\$ -	0	0	n/a
Each year prior to start of Value Limitation Period <small>Insert as many rows as necessary</small>	Stub	2023-2024	2023	200 FTE	\$ 50,000	0	0	n/a
Each year prior to start of Value Limitation Period <small>Insert as many rows as necessary</small>	QTP 1	2024-2025	2024	200 FTE	\$ 50,000	0	0	n/a
Value Limitation Period <small>The qualifying time period could overlap the value limitation period.</small>	QTP2/LP1	2025-2026	2025	0	n/a	0	1	\$ 48,176
	2	2026-2027	2026	0	n/a	0	1	\$ 48,176
	3	2027-2028	2027	0	n/a	0	1	\$ 48,176
	4	2028-2029	2028	0	n/a	0	1	\$ 48,176
	5	2029-2030	2029	0	n/a	0	1	\$ 48,176
	6	2030-2031	2030	0	n/a	0	1	\$ 48,176
	7	2031-2032	2031	0	n/a	0	1	\$ 48,176
	8	2032-2033	2032	0	n/a	0	1	\$ 48,176
	9	2033-2034	2033	0	n/a	0	1	\$ 48,176
	10	2034-2035	2034	0	n/a	0	1	\$ 48,176
	11 through 25	2035-2050	2035-2049	0	n/a	0	1	\$ 48,176
Years Following Value Limitation Period								

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

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17.

NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print
here

Brent Hawkins

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here



Signature (Authorized School District Representative)

4/7/21

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print
here

James Williams

Print Name (Authorized Company Representative (Applicant))

Vice President of Development

Title

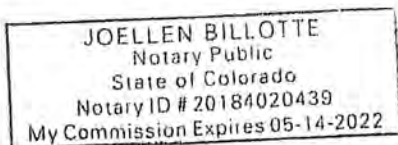
sign
here



Signature (Authorized Company Representative (Applicant))

4/5/2021

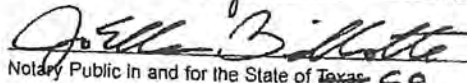
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

5 day of April, 2021


Notary Public in and for the State of Texas

My Commission expires: 6.14.22

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

Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of : 11/04/2021 06:58:32

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

LONE SPUR SOLAR ENERGY LLC

Texas Taxpayer Number	32077251158
Mailing Address	1999 BRYAN ST STE 900 DALLAS, TX 75201-3140
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	01/06/2021
Texas SOS File Number	0803887743
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 3, 2021

Brent Hawkins
Superintendent
Livingston Independent School District
P.O. Box 1297
Livingston, Texas 77351

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Livingston Independent School
District and Lone Spur Solar Energy LLC, Application 1569

Dear Superintendent Hawkins:

On April 9, 2021, the Comptroller issued written notice that Lone Spur Solar Energy LLC (applicant) submitted a completed application (Application 1569) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on March 1, 2021, to the Livingston 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 1569.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem* tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of April 9, 2021, 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:

11EA8DEF0EC441E...
Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Lone Spur Solar Energy LLC (project) applying to Livingston 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 Lone Spur Solar Energy LLC.

Applicant	Lone Spur Solar Energy LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Livingston ISD
2019-2020 Average Daily Attendance	3,570
County	Polk
Proposed Total Investment in District	\$100,000,000
Proposed Qualified Investment	\$100,000,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2024-2025
Number of new qualifying jobs committed to by applicant	1*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$926.46
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$926.45
Minimum annual wage committed to by applicant for qualified jobs	\$48,176.00
Minimum weekly wage required for non-qualifying jobs	\$812.25
Minimum annual wage required for non-qualifying jobs	\$42,237.00
Investment per Qualifying Job	\$100,000,000
Estimated M&O levy without any limit (15 years)	\$5,144,378
Estimated M&O levy with Limitation (15 years)	\$2,854,081
Estimated gross M&O tax benefit (15 years)	\$2,290,297

* 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 Lone Spur Solar Energy LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2023	200	229	429	\$10,000,000	\$23,882,912	\$33,882,912
2024	200	240	439.956	\$10,000,000	\$28,178,493	\$38,178,493
2025	1	26	27	\$48,176	\$6,471,965	\$6,520,141
2026	1	8	9	\$48,176	\$3,909,198	\$3,957,374
2027	1	(8)	-7	\$48,176	\$1,754,257	\$1,802,433
2028	1	(15)	-14	\$48,176	\$499,832	\$548,008
2029	1	(16)	-15	\$48,176	-\$107,161	-\$58,985
2030	1	(14)	-13	\$48,176	-\$282,783	-\$234,607
2031	1	(10)	-9	\$48,176	-\$190,336	-\$142,160
2032	1	(6)	-5	\$48,176	\$27,483	\$75,659
2033	1	(2)	-1	\$48,176	\$321,765	\$369,941
2034	1	1	2	\$48,176	\$633,157	\$681,333
2035	1	3	4	\$48,176	\$923,620	\$971,796
2036	1	5	6	\$48,176	\$1,146,030	\$1,194,206
2037	1	6	7	\$48,176	\$1,306,126	\$1,354,302
2038	1	6	7	\$48,176	\$1,423,618	\$1,471,794
2039	1	6	7	\$48,176	\$1,462,662	\$1,510,838

Source: CPA REMI, Lone Spur Solar Energy 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		Livingston ISD I&S Tax Levy	Livingston ISD M&O Tax Levy	Livingston ISD M&O and I&S Tax Levies	Polk County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2550	1.0547		0.6461	
2025	\$79,135,000	\$79,135,000		\$201,794	\$834,637	\$1,036,431	\$511,291	\$1,547,722
2026	\$68,512,000	\$68,512,000		\$174,706	\$722,596	\$897,302	\$442,656	\$1,339,958
2027	\$58,192,500	\$58,192,500		\$148,391	\$613,756	\$762,147	\$375,982	\$1,138,129
2028	\$48,223,000	\$48,223,000		\$122,969	\$508,608	\$631,577	\$311,569	\$943,145
2029	\$41,650,000	\$41,650,000		\$106,208	\$439,283	\$545,490	\$269,101	\$814,591
2030	\$34,552,000	\$34,552,000		\$88,108	\$364,420	\$452,528	\$223,240	\$675,768
2031	\$26,887,000	\$26,887,000		\$68,562	\$283,577	\$352,139	\$173,717	\$525,856
2032	\$18,606,000	\$18,606,000		\$47,445	\$196,237	\$243,683	\$120,213	\$363,896
2033	\$16,000,000	\$16,000,000		\$40,800	\$168,752	\$209,552	\$103,376	\$312,928
2034	\$16,000,000	\$16,000,000		\$40,800	\$168,752	\$209,552	\$103,376	\$312,928
2035	\$16,000,000	\$16,000,000		\$40,800	\$168,752	\$209,552	\$103,376	\$312,928
2036	\$16,000,000	\$16,000,000		\$40,800	\$168,752	\$209,552	\$103,376	\$312,928
2037	\$16,000,000	\$16,000,000		\$40,800	\$168,752	\$209,552	\$103,376	\$312,928
2038	\$16,000,000	\$16,000,000		\$40,800	\$168,752	\$209,552	\$103,376	\$312,928
2039	\$16,000,000	\$16,000,000		\$40,800	\$168,752	\$209,552	\$103,376	\$312,928
			Total	\$1,243,782	\$5,144,378	\$6,388,160	\$3,151,401	\$9,539,561

Source: CPA, Lone Spur Solar Energy LLC

*Tax Rate per \$100 Valuation

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

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		Livingston ISD I&S Tax Levy	Livingston ISD M&O Tax Levy	Livingston ISD M&O and I&S Tax Levies	Polk County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2550	1.0547		0.6461	
2025	\$79,135,000	\$20,000,000		\$201,794	\$210,940	\$412,734	\$511,291	\$924,025
2026	\$68,512,000	\$20,000,000		\$174,706	\$210,940	\$385,646	\$442,656	\$828,302
2027	\$58,192,500	\$20,000,000		\$148,391	\$210,940	\$359,331	\$375,982	\$735,313
2028	\$48,223,000	\$20,000,000		\$122,969	\$210,940	\$333,909	\$311,569	\$645,477
2029	\$41,650,000	\$20,000,000		\$106,208	\$210,940	\$317,148	\$269,101	\$586,248
2030	\$34,552,000	\$20,000,000		\$88,108	\$210,940	\$299,048	\$223,240	\$522,288
2031	\$26,887,000	\$20,000,000		\$68,562	\$210,940	\$279,502	\$173,717	\$453,219
2032	\$18,606,000	\$18,606,000		\$47,445	\$196,237	\$243,683	\$120,213	\$363,896
2033	\$16,000,000	\$16,000,000		\$40,800	\$168,752	\$209,552	\$103,376	\$312,928
2034	\$16,000,000	\$16,000,000		\$40,800	\$168,752	\$209,552	\$103,376	\$312,928
2035	\$16,000,000	\$16,000,000		\$40,800	\$168,752	\$209,552	\$103,376	\$312,928
2036	\$16,000,000	\$16,000,000		\$40,800	\$168,752	\$209,552	\$103,376	\$312,928
2037	\$16,000,000	\$16,000,000		\$40,800	\$168,752	\$209,552	\$103,376	\$312,928
2038	\$16,000,000	\$16,000,000		\$40,800	\$168,752	\$209,552	\$103,376	\$312,928
2039	\$16,000,000	\$16,000,000		\$40,800	\$168,752	\$209,552	\$103,376	\$312,928
			Total	\$1,243,782	\$2,854,081	\$4,097,863	\$3,151,401	\$7,249,264
			Diff	\$0	\$2,290,297	\$2,290,297	\$0	\$2,290,297
Assumes School Value Limitation.								

Source: CPA, Lone Spur Solar Energy 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 Lone Spur Solar Energy 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	2022	\$0	\$0	\$0	\$0
	2023	\$0	\$0	\$0	\$0
	2024	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2025	\$210,940	\$210,940	\$623,697	\$623,697
	2026	\$210,940	\$421,880	\$511,656	\$1,135,353
	2027	\$210,940	\$632,820	\$402,816	\$1,538,169
	2028	\$210,940	\$843,760	\$297,668	\$1,835,837
	2029	\$210,940	\$1,054,700	\$228,343	\$2,064,180
	2030	\$210,940	\$1,265,640	\$153,480	\$2,217,660
	2031	\$210,940	\$1,476,580	\$72,637	\$2,290,297
	2032	\$196,237	\$1,672,817	\$0	\$2,290,297
	2033	\$168,752	\$1,841,569	\$0	\$2,290,297
	2034	\$168,752	\$2,010,321	\$0	\$2,290,297
Maintain Viable Presence (5 Years)	2035	\$168,752	\$2,179,073	\$0	\$2,290,297
	2036	\$168,752	\$2,347,825	\$0	\$2,290,297
	2037	\$168,752	\$2,516,577	\$0	\$2,290,297
	2038	\$168,752	\$2,685,329	\$0	\$2,290,297
	2039	\$168,752	\$2,854,081	\$0	\$2,290,297
Additional Years as Required by 313.026(c)(1) (10 Years)	2040	\$168,752	\$3,022,833	\$0	\$2,290,297
	2041	\$168,752	\$3,191,585	\$0	\$2,290,297
	2042	\$168,752	\$3,360,337	\$0	\$2,290,297
	2043	\$168,752	\$3,529,089	\$0	\$2,290,297
	2044	\$168,752	\$3,697,841	\$0	\$2,290,297
	2045	\$168,752	\$3,866,593	\$0	\$2,290,297
	2046	\$168,752	\$4,035,345	\$0	\$2,290,297
	2047	\$168,752	\$4,204,097	\$0	\$2,290,297
	2048	\$168,752	\$4,372,849	\$0	\$2,290,297
	2049	\$168,752	\$4,541,601	\$0	\$2,290,297

\$4,541,601

is greater than

\$2,290,297

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, Lone Spur Solar Energy 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 Lone Spur Solar Energy 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 Lone Spur Solar Energy, LLC. in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Invenergy, as the parent company of Lone Spur Solar Energy LLC, is North America’s largest privately held renewable energy provider, with a national portfolio of wind, solar, storage, and natural gas projects. With operations in several regions throughout the contiguous United States, Invenergy considers economic return on investment as they decide where to locate development projects.”
 - B. “Without tax incentives such as the Ch.313 Value Limitation on Qualified Property, the economic return for this project is negatively impacted to the point that locating the project in Polk County becomes unlikely. If Lone Spur Solar Energy LLC was not able to obtain a value limitation agreement for this project, the project would most likely be terminated and financial resources would be allocated to projects with more favorable economic returns.”
 - C. “Invenergy is currently considering alternative sites outside the State of Texas for solar developments, including locations in the following states: Oklahoma, Louisiana, Missouri, Kansas and New Mexico.”
 - D. “The financial viability of the Lone Spur Solar Energy project is contingent on receiving the Chapter 313 [Appraised] Value Limitation, and the project cannot move forward without it
- A December 18, 2020 *Energy Central News* reported the following:
 - A. “Caisse de dépôt et placement du Québec(CDPQ), a global institutional investor, today announced a US\$1 billion commitment to Invenergy Renewables LLC (Invenergy), the largest private developer, owner and operator of wind and solar projects in North America, to further support the company in its expanded development activities and continued growth. This commitment, in the form of new investment facilities, represents an-other important step in CDPQ’s long-term partnership with Invenergy...”

- Per Lone Spur Solar Energy LLC in Tab 5 reported the company received a unique identifier of J1442 from MISO. Further research found the number issued by the Midcontinent Independent System Operator not by ERCOT. The attached table shows the identifying details about the project including Application Service Date, 10/30/2023; Transmission provider: Entergy Texas, Inc.; Location: Polk County; Summer/Winter MW: 165; Fuel: Solar and Study Phase: Phase 2
- Attached are maps generated using Midcontinent Independent System Operator's Interactive Queue Map displaying active projects by type and project type. Hovering over the project allows a viewer to see the project number, fuel type, summer and winter net and transmission owner.
- A September 3, 2020 *Utility Dive* article reported the following:
 - A. "System operators are working to understand, and address hybrid needs, their representatives told the conference. There are two immediate barriers to integrating the resources reliably. MISO's FERC-approved interconnection protocols will help resolve one key barrier to hybrid growth by streamlining the process for adding storage to queued renewables proposals, MISO's Augustine said. But MISO and other systems still make adding batteries to queued renewables a 'material modification' to the interconnection agreement and restart those projects in years-long application queues, stakeholders responded. That can trigger burdensome studies and costly network upgrades, hybrid advocates said. ...Proposed MISO interconnection process changes represent "good progress" on hybrid rules, ..."
- An April 16, 2021 *E&E News* article described the following:
 - A. "Currently, 13% of MISO's [Midcontinent Independent System Operator] systemwide energy is generated with renewables, including 26 gigawatts of wind and 1 GW of solar. MISO's plan considers renewable penetration reaching 26% to 50% over the next 20 years and various assumptions about increasing electrification of transportation and buildings. The grid operator's goal, [Aubrey] Johnson [executive director of system planning and competitive transmission for MISO] said, is to identify projects that provide benefits no matter how the future plays out."
 - B. "What's more, developers say events such as the Texas blackouts in February only underscore the need for a more connected, resilient grid. That includes more transmission connecting different parts of MISO as well as interregional projects that connect the regional grid to its neighbors to the east and west. 'We have to build out the transmission system to realize the future that is in front of us,' said Nicole Luckey, vice president of regulatory affairs for Invenergy, a Chicago-based energy developer."
 - C. "As of April 1, more than 83 GW of generation was in MISO's queue — 54 GW of it from solar and wind projects. Andrew Witmeier, MISO's director of resource utilization, said the projects in the interconnection queue closely align with what is reflected in utility integrated resource plans — the long-range plans that utilities file with state regulators to indicate how they'll meet customer demand."
- 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. For most projects we ask if the project has project applied to ERCOT at this time and if so to provide the project's INR number and when was it assigned. Per Tab 4 of the application, [the applicant] submitted an application to MISO (Midcontinent Independent System Operator) for the project and received a unique identifier of J1442 in June 2019. As a follow-up question who is the approving governing body that approves the interconnection agreement that receive unique identifiers from MISO? Is it Public Utility Commission of Texas or another entity? *Any interconnection agreement executed in the MISO region is between the Interconnection Customer (e.g. Invenergy), the Transmission Owner (utility) and MISO. MISO is regulated by FERC and interconnection agreements will be filed with FERC.*
 - D. In Tab 4 it states, "In June 2019, the parent company of Lone Spur Solar Energy LLC (Invenergy Renewables LLC) submitted an application to MISO for the project and received a unique identifier of J1442. Lone Spur Solar Energy LLC was subsequently formed on December 29, 2020, and the unique identifier of J1442 was then assigned to Lone Spur Solar Energy LLC." When the

- application was submitted to MISO for the project and received the unique identifier, was the application filed under the name of Invenergy Renewables LLC? *No, the application and the study Agreement was filed under Invenergy Solar Development North America LLC ("ISDNA")*
- E. When Lone Spur Solar Energy LLC was created this past December the application was modified (or re-submitted) under the project's name and the unique identifier was issued again – is that correct? *No application modification and no re-issuance. Rather the Application and Study Agreement (J1442) of the project was transferred from ISDNA LLC to its sole, new project entity of Lone Spur Solar Energy LLC, which it is now referred to as*

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

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

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 _____
2. Estimated commencement of construction _____
3. Beginning of qualifying time period (MM/DD/YYYY) _____
4. First year of limitation (YYYY) _____
- 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 _____

SECTION 10: The Property

1. County or counties in which the proposed project will be located _____
2. Central Appraisal District (CAD) that will be responsible for appraising the property _____
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): _____
(Name, tax rate and percent of project)

County: _____
(Name, tax rate and percent of project)

Hospital District: _____
(Name, tax rate and percent of project)

Other (describe): _____
(Name, tax rate and percent of project)

I&S (ISD): _____
(Name, tax rate and percent of project)

City: _____
(Name, tax rate and percent of project)

Water District: _____
(Name, tax rate and percent of project)

Other (describe): _____
(Name, tax rate and percent of project)

Supporting Information

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



CHECKLIST ITEM #5

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

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

The Applicant for this Project has entered into a number of contracts related to the Project, including longterm lease option agreements with area landowners, contracts with environmental consultants to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. The Project was selected as a candidate for development based on the favorable solar data, nearby access to the electric grid, and favorable tax incentives under Texas Tax Code chapters 312 and 313. Obtaining a value limitation agreement is critical to the economic and competitive viability of this Project.

None of the current Project agreements firmly commit the Applicant to the development of the Project. A number of variables remain undetermined at this stage, including the approval of this application. The Applicant could still elect to devote resources to other projects that it has in development. Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will decrease.

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

Invenergy, as the parent company of Lone Spur Solar Energy LLC, is North America's largest privately held renewable energy provider, with a national portfolio of wind, solar, storage, and natural gas projects. With operations in several regions throughout the contiguous United States, Invenergy considers economic return on investment as they decide where to locate development projects.

Without tax incentives such as the Ch.313 Value Limitation on Qualified Property, the economic return for this project is negatively impacted to the point that locating the project in Polk County becomes unlikely. If Lone Spur Solar Energy LLC was not able to obtain a value limitation agreement for this project, the project would most likely be terminated and financial resources would be allocated to projects with more favorable economic returns.

Invenergy is currently considering alternative sites outside the State of Texas for solar developments, including locations in the following states: Oklahoma, Louisiana, Missouri, Kansas and New Mexico.



Lone Spur Solar Energy LLC
Chapter 313 Application to Livingston ISD

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 Lone Spur Solar Energy. The financial viability of the Lone Spur Solar Energy project is contingent on receiving the Chapter 313 Appraised Value Limitation, and the project cannot move forward without it.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller



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TRENDING

NEWS

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CDPQ to invest US\$1 billion in Invenergy Renewables

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Dec 18, 2020 1:36 pm GMT 257 views

Source: Canada Newswire

MONTREAL, Dec. 18, 2020 /CNW Telbec/ - Caisse de dépôt et placement du Québec (CDPQ), a global institutional investor, today announced a US\$1 billion commitment to Invenergy Re-



newables LLC (Invenergy), the largest private developer, owner and operator of wind and solar projects in North America, to further support the company in its expanded development activities and continued growth.

This commitment, in the form of new investment facilities, represents another important step in CDPQ's long-term partnership with Invenergy, which began nearly eight years ago with a stake in a portfolio of operating wind farms developed by the industry leader. In the year that followed, CDPQ acquired a direct stake in Invenergy, thus increasing its exposure to the development of renewable energy projects with a world-renowned partner. Over the years, CDPQ has gradually expanded its investments in the company.

Invenergy Renewables is an international leader in the development of wind, solar and energy storage projects. Invenergy has extensive expertise in the various segments of the industry's value chain, including in the development, construction, operations and maintenance of renewable energy projects.

"This new investment by CDPQ is the largest since we began our successful partnership with Invenergy in 2013," said Emmanuel Jaclot, Executive Vice-President and Head of Infrastructure at CDPQ. "CDPQ is thrilled to put its constructive capital behind the men and women at Invenergy who passionately develop new renewable projects and thereby contribute to the climate transition."



"These additional investment facilities will accelerate Invenergy Renewables' growth and secure its industry leading position," said Jim Murphy, Invenergy President and Chief Operating Officer. "CDPQ has been a trusted and valued investment partner in our renewables business and we look forward to working together to continue the affordable, reliable, and environmentally beneficial transformation of the power sector."

ABOUT CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

Caisse de dépôt et de placement du Québec (CDPQ) is a long-term institutional investor that manages funds for pension plans, as well as public and parapublic insurance plans. As at June 30, 2020, it held CAD 333.0 billion in net assets. As one of Canada's leading institutional fund managers, CDPQ invests globally in major financial markets, private equity, infrastructure, real estate and private debt. For more information, visit cdpq.com, follow us on Twitter @LaCDPQ or consult our Facebook or LinkedIn pages.

ABOUT INVENERGY RENEWABLES

We are innovators building a sustainable world. Invenergy Renewables and its affiliated companies develop, own, and operate large-scale sustainable energy generation and storage facilities in the Americas, Europe and Asia. Invenergy's home office is located in Chicago, and it has regional development offices in the United States, Canada, Mexico, Colombia, Japan, Poland and Scotland. Invenergy has successfully developed approximately



25,000 megawatts of projects that are in operation, construction or contracted, including wind, solar and advanced energy storage projects. For more information, please visit www.invenergy.com.

View original content:<http://www.prnewswire.com/news-releases/cdpq-to-invest-us1-billion-in-invenergy-renewables-301196092.html>

SOURCE Caisse de dépôt et placement du Québec

clean power generation north america renewables solar power
utility business wind power

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Midcontinent Independent System Operator
Generator Interconnection Interactive Queue

Project #	Request Status	Queue Date	Withdrawn Date	Done Date	Generating Facility	Post GIA Status	Negotiated In Service Date	Decision Point 1 ERIS MW	Decision Point 1 NRIS MW	Decision Point 2 ERIS MW	Decision Point 2 NRIS MW	Study Group	Study Phase
J1279	Active	4/29/2019										South	PHASE 2
J1442	Active	4/29/2019										South	PHASE 2
J1671	Active	12/23/2020										South	PHASE 1
J1760	Active	7/22/2020										South	PHASE 1
Service Type	POI Name	Summer MW	Winter MW	Fuel	Generating Facility	Post GIA Status	Negotiated In Service Date	Decision Point 1 ERIS MW	Decision Point 1 NRIS MW	Decision Point 2 ERIS MW	Decision Point 2 NRIS MW		
NRIS	Rye - Cypress 138kV Line	100	100	Solar	PV Photovoltaic	Not Started		100	100	0	0		
NRIS	Rich (SHECO) - Livingston 138 kV Line Tap	165	165	Solar	PV Photovoltaic	Not Started		105	105	0	0		
ERIS	Rocky Creek to Lewis Creek 230kV	150	150	Solar	Photovoltaic	Not Started		0	0	0	0		
NRIS	Timberland 230kV	250	250	Solar	Photovoltaic	Not Started		0	0	0	0		



Project Number
J1442

POI
Rich (SHECO) - Livingston
138 kV Line Tap

Fuel Type
Solar

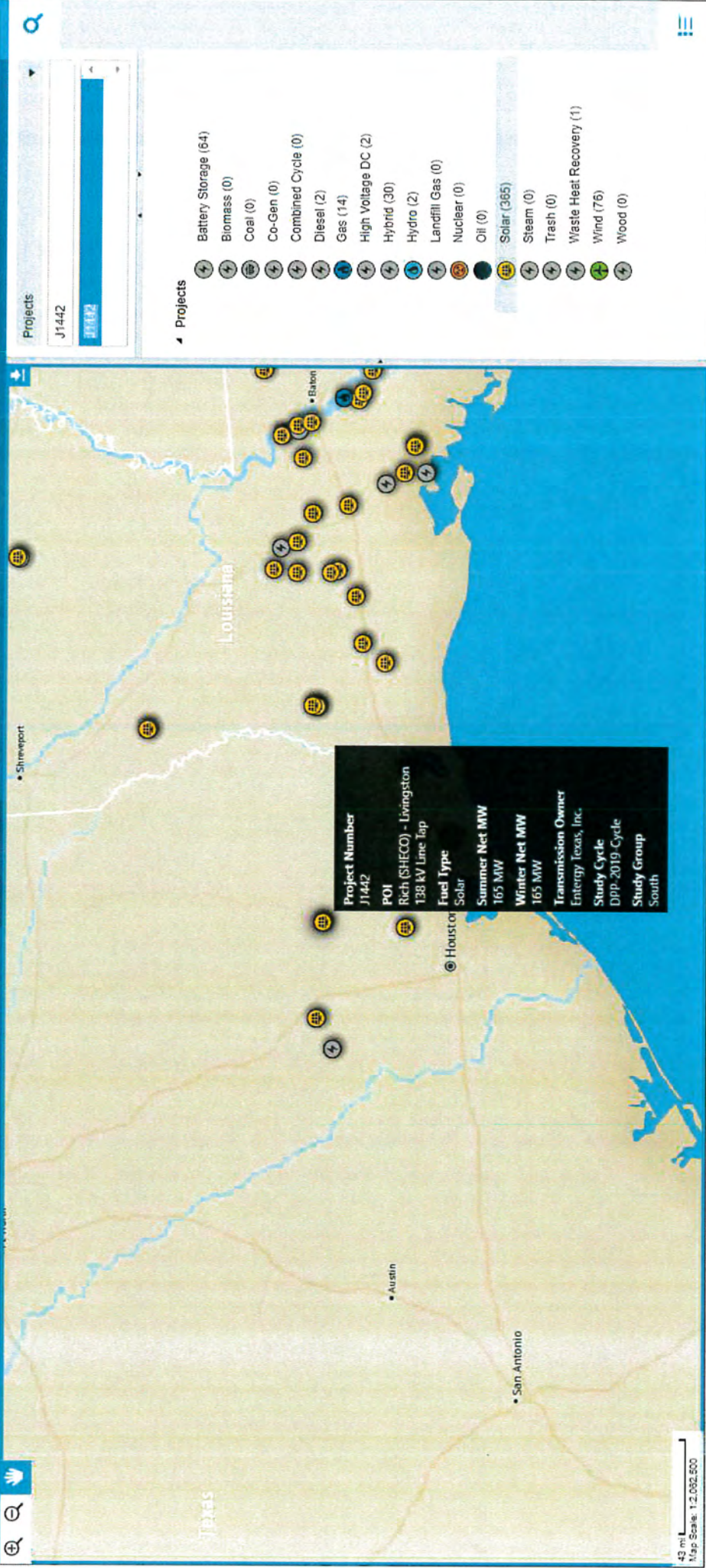
Summer Net MW
165 MW

Winter Net MW
165 MW

Transmission Owner
Entergy Texas, Inc.

Study Cycle
DPP-2019 Cycle

Study Group
South

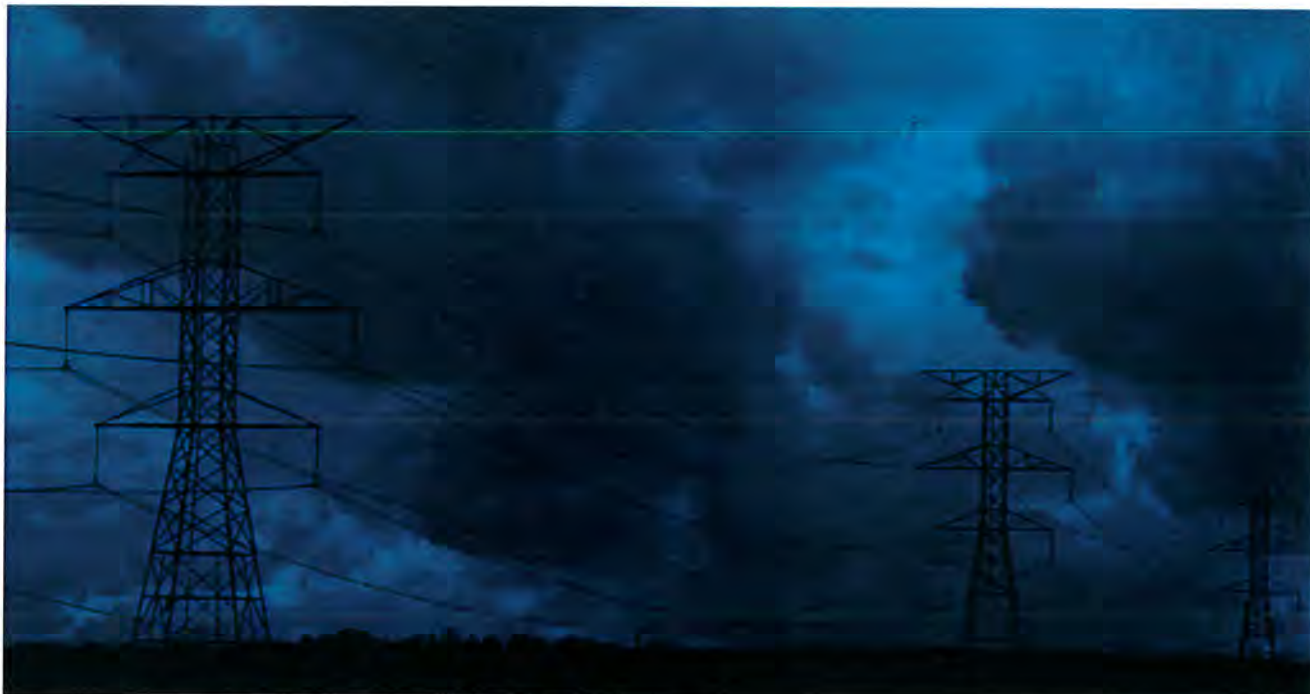


E&ENews

ENERGY TRANSITIONS

Transmission road map could help unlock renewables

Jeffrey Tomich, E&E News reporter • Published: Friday, April 16, 2021



Transmission lines are pictured under a dark, cloudy sky in Rochester, Mich., in this 2015 photo. Chris Clor Blend Images/Newscom

For the first time in a decade, the grid operator for much of the central United States has put forward a long-range transmission road map that calls for tens of billions of dollars in new projects to help states and utilities across the region unlock renewable energy potential and achieve their climate goals.

The [plan](#) developed by the Midcontinent Independent System Operator is less ambitious than what would be required under President Biden's vision for a carbon-free power sector by 2035. But it's seen by many as a necessary — and, by many accounts, overdue — first step toward a cleaner and more resilient bulk power grid. The process of implementing the plan also underscores the cost and timing challenges associated with reaching carbon-free power.

The road map, which looks at needs over a 20-year horizon, takes into account regional needs and represents the scope of new transmission that will be required to meet the existing energy and climate goals of states and utilities in MISO's 15-state territory. The approach is a departure from how most new transmission projects within MISO are planned — one that looks first at more localized needs.

Groups pushing for transmission expansion, including renewable energy developers, say they're encouraged by MISO's plan. But they also realize it's a small step in a marathon of a process, with numerous political challenges to overcome.

"I think we're hopeful it will result in real lines," said Beth Soholt, executive director of the Clean Grid Alliance, a Midwestern clean energy advocacy group. "But we know what a lift it is. Even if things go well, it's a long slog."

Turning vision into reality doesn't just take time. It also requires overcoming barriers that have historically delayed or altogether stalled transmission projects. Among those hurdles: how billions of dollars in costs are allocated among MISO members and getting approval from states to site projects.

MISO's last regional transmission planning effort, which resulted in a group of 17 so-called Multi-Value Projects aimed at helping states achieve their renewable goals, is an indicator of just how long of a process it is.

Discussion of the MVP lines began in 2007 after several Midwestern states adopted renewable energy targets that necessitated new transmission lines. The group of projects was approved by MISO's board in 2011 and came with plenty of controversy over how project costs were shared.

The last of those new transmission lines — the 102-mile, 345-kilovolt Cardinal-Hickory Creek line from just outside Madison, Wis., to Iowa — has yet to be built a decade later as parties continue to squabble in court over the project's siting.

Even as the MVPs were being built, states, utilities, cities and companies across the region have continued to adopt increasingly ambitious carbon goals.

Falling prices for wind, solar and battery storage technology; the election of new Democratic governors in Wisconsin, Illinois and Michigan; and, to a greater extent, Biden's election in November contributed momentum for the transmission road map unveiled last month.

Biden's \$2 trillion infrastructure plan announced earlier this month likewise boosts the momentum for the transition to cleaner energy, although MISO CEO John Bear indicated during a presentation to the Gulf Coast Power Association yesterday that the \$100 million set aside in the plan for energy infrastructure isn't enough.

The plan, he said, is "light on investment dollars for transmission."

By all accounts, a massive investment will be needed just within MISO. Projects contemplated to get MISO to 26% renewables could reach \$30 billion.



Aubrey Johnson, MISO
(Independent System Operator)

Besides cost, the timeline that Biden has laid out for achieving a carbon-free grid leaves little time to waste.

"In transmission terms, 2035 is like tomorrow," Jennifer Curran, MISO's vice president of system planning and chief compliance officer, said during yesterday's Gulf Coast Power Association meeting, "It feels challenging to me."

Aubrey Johnson, executive director of system planning and competitive transmission at MISO, estimates that 85% of the grid operator's footprint, an area covering all or part of 15 states and the Canadian province of Manitoba, has some type of clean energy goal.

MISO has no role in determining a state's energy policy or a utility's fuel mix.

But like a chef who is handed a random sack of groceries and is expected to cook a meal, MISO's job is to make everything work together to keep the lights on at the lowest possible cost.

"What we're trying to do is figure out the road map, the actual transmission, necessary to make that happen," Johnson said in an interview.

'The future that is in front of us'

The process has already been playing out for a few years with analysis of how the generation fleet in MISO is evolving and challenges that might be encountered as the grid develops from a network of large, centralized fossil fuel power plants to one made up of smaller, intermittent renewable energy sources located in remote areas.

MISO's long-range transmission plan is based on a series of future scenarios that consider utility long-range plans filed with state regulators as power projects under development that are in the grid operator's interconnection queue.

The plan is also being informed by an assessment that tries to evaluate the challenges associated with an increasing reliance on renewable energy. MISO concluded in the study that 50% renewable penetration is achievable, but not without technical challenges that additional transmission can help to overcome.

Currently, 13% of MISO's systemwide energy is generated with renewables, including 26 gigawatts of wind and 1 GW of solar.

MISO's plan considers renewable penetration reaching 26% to 50% over the next 20 years and various assumptions about increasing electrification of transportation and buildings.

The grid operator's goal, Johnson said, is to identify projects that provide benefits no matter how the future plays out.

"We want to identify solutions that would satisfy either one of those three options," he said.

Transmission expansion has been a topic of growing interest for developers of renewable energy projects in MISO, especially in the grid operator's northern states like Iowa and Minnesota.

Grid congestion in that region, especially, threatens to significantly slow or halt renewable expansion because costs for most MISO transmission upgrades are borne by the developer of the wind or solar project.

Sometimes the costs of those transmission upgrades can double the costs of renewable energy projects and make them economically infeasible.

Renewable developers, meanwhile, say it's critical to build out needed transmission if states and utilities are going to meet the goals they've already laid out.

It's a pivotal moment for the industry when a confluence of forces is helping accelerate the pace of change in a region of the country that has historically been dominated by fossil fuels.

What's more, developers say events such as the Texas blackouts in February only underscore the need for a more connected, resilient grid. That includes more transmission connecting different parts of MISO as well as interregional projects that connect the regional grid to its neighbors to the east and west.

"We have to build out the transmission system to realize the future that is in front of us," said Nicole Luckey, vice president of regulatory affairs for Invenergy, a Chicago-based energy developer.

Cost barriers

As of April 1, more than 83 GW of generation was in MISO's queue — 54 GW of it from solar and wind projects.

Andrew Witmeier, MISO's director of resource utilization, said the projects in the interconnection queue closely align with what is reflected in utility integrated resource plans — the long-range plans that utilities file with state regulators to indicate how they'll meet customer demand.

"The increase in costs associated with generator interconnection that's caused a lot of units to withdraw from the queue leads to the need for this type of long-range transmission planning," he said.

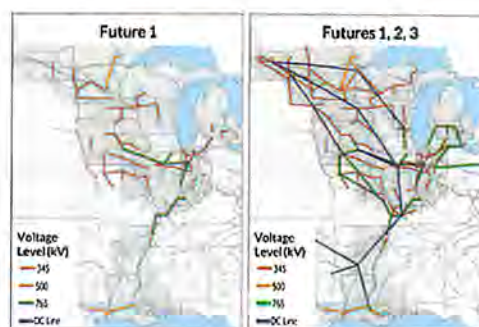
MISO will continue to do economic modeling and engineering analysis in the coming months with the possibility of advancing an initial tranche of projects to the board for approval in December.

The biggest immediate hurdle will be winning enough support for how the cost of transmission projects can be allocated broadly. Most project costs are shared more locally among utilities.

It's an issue among some MISO members, particularly in the grid operator's South region.

Utility regulators in Louisiana and Mississippi and the New Orleans City Council voted against a statement of principles adopted by all other state utility commissions in MISO's footprint, a swath of the central United States reaching from the Gulf Coast to Canada.

New Orleans Mayor LaToya Cantrell, however, urged MISO in a letter last month to push forward with its long-range transmission plan to better help the city.



[*] The Midcontinent Independent System Operator's long-range transmission plan shows the scope of new transmission needed to meet state and utility carbon goals under various future scenarios. MISO

"Collaborative long-range planning is the only way to expand transmission in a cost-effective way," the mayor wrote in a letter obtained by the nonprofit Energy and Policy Institute. "Given the lengthy process of transmission planning and development, and the looming threats of additional extreme weather, I am asking that you move as swiftly as possible to incorporate the climate and resilience goals of New Orleans in MISO's transmission planning process."

More recently, the Mississippi Public Service Commission opened an investigation looking into the costs and benefits of Entergy Mississippi's long-term membership in MISO.

The PSC cited data from Entergy showing MISO membership saved \$233 million for Mississippi customers from 2014 to 2019. But the commission order indicated that regulators have questions about the long-term benefits.

Among the topics the PSC is seeking comments on are "MISO's evolving transmission planning and cost allocation methodologies; including, but not limited to MISO's assumptions about future generation resource portfolios and assumed increased demand tied to electrification."

Officials at Entergy declined to be interviewed on the MISO plan.

But Dan Kline, director of transmission planning for the utility, raised questions during yesterday's Gulf Coast Power Association meeting about how the benefits of a regional transmission expansion program are determined.

Many of the projects contemplated by the plan are unnecessary under classical definitions of reliability as defined by North American Electric Reliability Corp., he said.

Soholt of the Clean Grid Alliance, meanwhile, stressed the need for MISO and its members to push forward, given the long lead time required to plan, get regulatory approvals and site new transmission lines.

"There are pressing time frames involved with getting this infrastructure built," she said. "We need to see the first tranche of projects."

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COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Livingston ISD – Lone Spur Solar Energy LLC App. #1569 –

Comptroller Questions (via email on March 23, 2021):

- 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) For most projects we ask if the project has project applied to ERCOT at this time and if so to provide the project's INR number and when was it assigned. Per Tab 4 of the application, [the applicant] submitted an application to MISO (Midcontinent Independent System Operator) for the project and received a unique identifier of J1442 in June 2019. As a follow-up question who is the approving governing body that approves the interconnection agreement that receive unique identifiers from MISO? Is it Public Utility Commission of Texas or another entity?

Consultant Response (via email on March 23, 2021):

- 1) *No.*
- 2) *N/A.*
- 3) *Any interconnection agreement executed in the MISO region is between the Interconnection Customer (e.g. Invenergy), the Transmission Owner (utility) and MISO. MISO is regulated by FERC and interconnection agreements will be filed with FERC.*

Comptroller Follow-up Questions (via email on April 13, 2021):

- 1) In Tab 4 it states, "In June 2019, the parent company of Lone Spur Solar Energy LLC (Invenergy Renewables LLC) submitted an application to MISO for the project and received a unique identifier of J1442. Lone Spur Solar Energy LLC was subsequently formed on December 29, 2020, and the unique identifier of J1442 was then assigned to Lone Spur Solar Energy LLC." When the application was submitted to MISO for the project and received the unique identifier, was the application filed under the name of Invenergy Renewables LLC?

- 2) When Lone Spur Solar Energy LLC was created this past December the application was modified (or re-submitted) under the project's name and the unique identifier was issued again – is that correct?

Company Response (via email on April 14, 2021):

- 1) *No, the application and the study Agreement was filed under Invenergy Solar Development North America LLC ("ISDNA").*
- 2) *No application modification and no re-issuance. Rather the Application and Study Agreement (J1442) of the project was transferred from ISDNA LLC to its sole, new project entity of Lone Spur Solar Energy LLC, which it is now referred to as.*

Attachment D

Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED
LONE SPUR SOLAR ENERGY LLC PROJECT IN THE
LIVINGSTON INDEPENDENT SCHOOL DISTRICT
(PROJECT # 1569)**

PREPARED BY



APRIL 27, 2021

Executive Summary

Lone Spur Solar Energy LLC (Company) has requested that the Livingston Independent School District (LISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to LISD on March 1, 2021 the Company plans to invest \$79.1 million in additional taxable value to construct a renewable solar energy electric generation facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

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

Under the provisions of Chapter 313, LISD may offer a minimum value limitation of \$20 million. This value limitation, under the proposed application, will begin in the 2025-26 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for up to ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

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

Total Revenue Loss Payment owed to LISD	\$711,957
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$1.6 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. A Completeness Letter was issued for this application on April 12, 2021.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of

the project and provide its certificate for a limitation on appraised value. After the certificate is received, the district has until the 150th day from the receipt of the Completeness Letter to adopt an agreement, although extensions may be requested by the Company and granted by the District.

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

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

How the 313 Agreement Interacts with Texas School Finance

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

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

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

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

Another significant school funding change is establishing current-year property values to determine state funding and recapture under the Foundation School Program. The traditional

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

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

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

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

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

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

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

Underlying School District Data Assumptions

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

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

ADA:	3,618
Local M&O Tax Base	\$1.78 billion
2020-21 M&O Tax Rate:	\$1.0547 per \$100 of Taxable Value
2021-22 Projected M&O Tax Rate:	\$1.0547 per \$100 of Taxable Value
I&S Tax Rate:	\$0.2550 per \$100 of Taxable Value

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

Table 1 - Base District Information with Lone Spur Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	Sec. 48.256(d) District Revenue Protection District Property Value with Project	Sec. 48.256(d) District Revenue Protection District Property Value with Limitation	DPV Value with Project per WADA	DPV Value with Limitation per WADA
QTP0	2023-24	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,772,624,552	\$1,772,624,552	\$354,494	\$354,494
QTP1	2024-25	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,772,624,552	\$1,772,624,552	\$354,494	\$354,494
QTP2/VL1	2025-26	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,772,624,552	\$1,772,624,552	\$354,494	\$354,494
VL2	2026-27	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,851,759,552	\$1,792,624,552	\$370,320	\$358,494
VL3	2027-28	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,841,136,552	\$1,792,624,552	\$368,195	\$358,494
VL4	2028-29	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,830,817,052	\$1,792,624,552	\$366,132	\$358,494
VL5	2029-30	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,820,847,552	\$1,792,624,552	\$364,138	\$358,494
VL6	2030-31	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,814,274,552	\$1,792,624,552	\$362,823	\$358,494
VL7	2031-32	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,807,176,552	\$1,792,624,552	\$361,404	\$358,494
VL8	2032-33	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,799,511,552	\$1,792,624,552	\$359,871	\$358,494
VL9	2033-34	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,791,230,552	\$1,791,230,552	\$358,215	\$358,215
VL10	2034-35	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,788,624,552	\$1,788,624,552	\$357,694	\$357,694
VP1	2035-36	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,788,624,552	\$1,788,624,552	\$357,694	\$357,694
VP2	2036-37	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,788,624,552	\$1,788,624,552	\$357,694	\$357,694
VP3	2037-38	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,788,624,552	\$1,788,624,552	\$357,694	\$357,694
VP4	2038-39	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,788,624,552	\$1,788,624,552	\$357,694	\$357,694
VP5	2039-40	3,617.58	5,000.43	\$1.0421	\$0.2550	\$1,788,624,552	\$1,788,624,552	\$357,694	\$357,694

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

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

M&O Impact of the Lone Spur Project on LISD

A model is established to make a calculation of the "Baseline Revenue Model" (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the "Value Limitation Revenue Model" (Table 3) by adding the project's limited value of \$20 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$711,957, with all the loss reflected in the first limitation year (2025-26).

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP0	2023-24	\$14,998,382	\$15,570,198	\$0	\$2,295,061	\$2,741,304	\$0	\$1,392,109	\$36,997,054
QTP1	2024-25	\$14,998,382	\$15,570,198	\$0	\$2,295,061	\$2,741,304	\$0	-\$5,897	\$35,599,048
QTP2/VL1	2025-26	\$15,709,989	\$15,570,198	\$0	\$2,403,951	\$2,869,738	\$0	-\$6,180	\$36,547,696
VL2	2026-27	\$15,613,979	\$14,854,976	\$0	\$2,389,260	\$2,628,369	\$0	-\$6,142	\$35,480,442
VL3	2027-28	\$15,520,711	\$14,950,987	\$0	\$2,374,988	\$2,642,073	\$0	-\$6,105	\$35,482,654
VL4	2028-29	\$15,430,607	\$15,044,254	\$0	\$2,361,201	\$2,655,385	\$0	-\$6,070	\$35,485,377
VL5	2029-30	\$15,371,200	\$15,134,359	\$0	\$2,352,110	\$2,671,998	\$0	-\$6,046	\$35,523,621
VL6	2030-31	\$15,307,048	\$15,193,765	\$0	\$2,342,294	\$2,679,840	\$0	-\$6,021	\$35,516,926
VL7	2031-32	\$15,237,772	\$15,257,917	\$0	\$2,331,693	\$2,685,881	\$0	-\$5,993	\$35,507,270
VL8	2032-33	\$15,163,180	\$15,327,193	\$0	\$2,320,278	\$2,695,769	\$0	-\$5,963	\$35,500,457
VL9	2033-34	\$15,140,098	\$15,402,037	\$0	\$2,316,746	\$2,713,400	\$0	-\$5,954	\$35,566,327
VL10	2034-35	\$15,140,098	\$15,425,590	\$0	\$2,316,746	\$2,720,584	\$0	-\$5,954	\$35,597,064
VP1	2035-36	\$15,140,098	\$15,425,590	\$0	\$2,316,746	\$2,720,584	\$0	-\$5,954	\$35,597,064
VP2	2036-37	\$15,140,098	\$15,425,590	\$0	\$2,316,746	\$2,720,584	\$0	-\$5,954	\$35,597,064
VP3	2037-38	\$15,140,098	\$15,425,590	\$0	\$2,316,746	\$2,720,584	\$0	-\$5,954	\$35,597,064
VP4	2038-39	\$15,140,098	\$15,425,590	\$0	\$2,316,746	\$2,720,584	\$0	-\$5,954	\$35,597,064
VP5	2039-40	\$15,140,098	\$15,425,590	\$0	\$2,316,746	\$2,720,584	\$0	-\$5,954	\$35,597,064
		\$259,331,936	\$260,429,622	\$0	\$39,683,119	\$46,048,565	\$0	\$1,296,014	\$606,789,256

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

M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$2.3 million over the life of the agreement. The LISD revenue losses are expected to total approximately \$711,957 over the course of the agreement. The total potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$1.6 million, prior to any negotiations with Lone Spur on supplemental payments.

It should be noted that a key element in the revenue-loss calculation appears to be linked to the retention of prior-year property values in the calculation of the revenue protection amount for the 2025-26 school year. Under the standard agreement, these calculations are based on whatever school finance and property tax laws are in effect each year. With a legislative session occurring this year, there could be changes made to current school finance law. While the District will still be protected against revenue losses, these calculations may be reduced below what we are projecting under what is now current law.

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP0	2023-24	\$14,998,382	\$15,570,198	\$0	\$2,295,061	\$2,741,304	\$0	\$1,392,109	\$36,997,054
QTP1	2024-25	\$14,998,382	\$15,570,198	\$0	\$2,295,061	\$2,741,304	\$0	-\$5,897	\$35,599,048
QTP2/VL1	2025-26	\$15,175,527	\$15,570,198	\$0	\$2,322,168	\$2,773,856	\$0	-\$6,010	\$35,835,739
VL2	2026-27	\$15,175,527	\$15,389,438	\$0	\$2,322,168	\$2,715,404	\$0	-\$6,003	\$35,596,534
VL3	2027-28	\$15,175,527	\$15,389,438	\$0	\$2,322,168	\$2,715,404	\$0	-\$5,995	\$35,596,542
VL4	2028-29	\$15,175,527	\$15,389,438	\$0	\$2,322,168	\$2,715,404	\$0	-\$5,988	\$35,596,549
VL5	2029-30	\$15,175,527	\$15,389,438	\$0	\$2,322,168	\$2,715,404	\$0	-\$5,984	\$35,596,553
VL6	2030-31	\$15,175,527	\$15,389,438	\$0	\$2,322,168	\$2,715,404	\$0	-\$5,979	\$35,596,558
VL7	2031-32	\$15,175,527	\$15,389,438	\$0	\$2,322,168	\$2,715,404	\$0	-\$5,973	\$35,596,564
VL8	2032-33	\$15,163,180	\$15,389,438	\$0	\$2,320,278	\$2,715,404	\$0	-\$5,963	\$35,582,337
VL9	2033-34	\$15,140,098	\$15,402,037	\$0	\$2,316,746	\$2,713,400	\$0	-\$5,954	\$35,566,327
VL10	2034-35	\$15,140,098	\$15,425,590	\$0	\$2,316,746	\$2,720,584	\$0	-\$5,954	\$35,597,064
VP1	2035-36	\$15,140,098	\$15,425,590	\$0	\$2,316,746	\$2,720,584	\$0	-\$5,954	\$35,597,064
VP2	2036-37	\$15,140,098	\$15,425,590	\$0	\$2,316,746	\$2,720,584	\$0	-\$5,954	\$35,597,064
VP3	2037-38	\$15,140,098	\$15,425,590	\$0	\$2,316,746	\$2,720,584	\$0	-\$5,954	\$35,597,064
VP4	2038-39	\$15,140,098	\$15,425,590	\$0	\$2,316,746	\$2,720,584	\$0	-\$5,954	\$35,597,064
VP5	2039-40	\$15,140,098	\$15,425,590	\$0	\$2,316,746	\$2,720,584	\$0	-\$5,954	\$35,597,064
		\$257,369,319	\$262,392,237	\$0	\$39,382,798	\$46,301,196	\$0	\$1,296,639	\$606,742,189

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

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP0	2023-24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2024-25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2025-26	-\$534,462	\$0	\$0	-\$81,783	-\$95,882	\$0	\$170	-\$711,957
VL2	2026-27	-\$438,452	\$534,462	\$0	-\$67,092	\$87,035	\$0	\$139	\$116,092
VL3	2027-28	-\$345,184	\$438,451	\$0	-\$52,820	\$73,331	\$0	\$110	\$113,888
VL4	2028-29	-\$255,080	\$345,184	\$0	-\$39,033	\$60,019	\$0	\$82	\$111,172
VL5	2029-30	-\$195,673	\$255,079	\$0	-\$29,942	\$43,406	\$0	\$62	\$72,932
VL6	2030-31	-\$131,521	\$195,673	\$0	-\$20,126	\$35,564	\$0	\$42	\$79,632
VL7	2031-32	-\$62,245	\$131,521	\$0	-\$9,525	\$29,523	\$0	\$20	\$89,294
VL8	2032-33	\$0	\$62,245	\$0	\$0	\$19,635	\$0	\$0	\$81,880
VL9	2033-34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VL10	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP1	2035-36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP2	2036-37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2037-38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2038-39	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2039-40	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		-\$1,962,617	\$1,962,615	\$0	-\$300,321	\$252,631	\$0	\$625	-\$47,067

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

Table 5 - Estimated Financial Impact of the Lone Spur Project Property Value Limitation Request Submitted to LISD at \$1.04210 per \$100 M&O Tax Rate

Year of Agreement	School Year	Project Taxable Value for M&O If No Limitation	Project Taxable Value for M&O with Limitation	Assumed M&O Tax Rate	Tax Savings to Company	School District Revenue Protection	Estimated Net Tax Benefits
QTP0	2023-24	\$0	\$0	\$1.04210	\$0	\$0	\$0
QTP1	2024-25	\$0	\$0	\$1.04210	\$0	\$0	\$0
QTP2/VL1	2025-26	\$79,135,000	\$20,000,000	\$1.04210	\$616,246	-\$711,957	-\$95,711
VL2	2026-27	\$68,512,000	\$20,000,000	\$1.04210	\$505,544	\$0	\$505,544
VL3	2027-28	\$58,192,500	\$20,000,000	\$1.04210	\$398,004	\$0	\$398,004
VL4	2028-29	\$48,223,000	\$20,000,000	\$1.04210	\$294,112	\$0	\$294,112
VL5	2029-30	\$41,650,000	\$20,000,000	\$1.04210	\$225,615	\$0	\$225,615
VL6	2030-31	\$34,552,000	\$20,000,000	\$1.04210	\$151,646	\$0	\$151,646
VL7	2031-32	\$26,887,000	\$20,000,000	\$1.04210	\$71,769	\$0	\$71,769
VL8	2032-33	\$18,606,000	\$18,606,000	\$1.04210	\$0	\$0	\$0
VL9	2033-34	\$16,000,000	\$16,000,000	\$1.04210	\$0	\$0	\$0
VL10	2034-35	\$16,000,000	\$16,000,000	\$1.04210	\$0	\$0	\$0
VP1	2035-36	\$16,000,000	\$16,000,000	\$1.04210	\$0	\$0	\$0
VP2	2036-37	\$16,000,000	\$16,000,000	\$1.04210	\$0	\$0	\$0
VP3	2037-38	\$16,000,000	\$16,000,000	\$1.04210	\$0	\$0	\$0
VP4	2038-39	\$16,000,000	\$16,000,000	\$1.04210	\$0	\$0	\$0
VP5	2039-40	\$16,000,000	\$16,000,000	\$1.04210	\$0	\$0	\$0
					\$2,262,936	-\$711,957	\$1,550,979

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

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

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

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with LISD currently levying a \$0.2550 per \$100 I&S rate. As shown in the Table 6 below, local taxpayers could see a very modest benefit from the addition of the Lone Spur project to the local I&S tax roll. Based on current data, LISD is not eligible for state support under the Existing Debt Allotment (EDA) or Instructional Facilities Allotment (IFA) state aid programs.

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

Table 6 - Estimated Impact of the Lone Spur Project Property Value Limitation Request on LISD I&S Tax Rate

Year of Agreement	School Year	I&S Rate w/out Project	Local Value w/out Project	I&S Taxes w/out Project	Project Full Taxable Value	I&S Rate with Project Value	Change in I&S Rate
QTP0	2023-24	\$0.2550	\$1,778,078,643	\$4,534,101	\$0	\$0.255000	\$0.0000
QTP1	2024-25	\$0.2550	\$1,778,078,643	\$4,534,101	\$0	\$0.255000	\$0.0000
QTP2/VL1	2025-26	\$0.2550	\$1,778,078,643	\$4,534,101	\$79,135,000	\$0.244135	-\$0.0109
VL2	2026-27	\$0.2550	\$1,778,078,643	\$4,534,101	\$68,512,000	\$0.245539	-\$0.0095
VL3	2027-28	\$0.2550	\$1,778,078,643	\$4,534,101	\$58,192,500	\$0.246919	-\$0.0081
VL4	2028-29	\$0.2550	\$1,778,078,643	\$4,534,101	\$48,223,000	\$0.248267	-\$0.0067
VL5	2029-30	\$0.2550	\$1,778,078,643	\$4,534,101	\$41,650,000	\$0.249164	-\$0.0058
VL6	2030-31	\$0.2550	\$1,778,078,643	\$4,534,101	\$34,552,000	\$0.250139	-\$0.0049
VL7	2031-32	\$0.2550	\$1,778,078,643	\$4,534,101	\$26,887,000	\$0.251201	-\$0.0038
VL8	2032-33	\$0.2550	\$1,778,078,643	\$4,534,101	\$18,606,000	\$0.252359	-\$0.0026
VL9	2033-34	\$0.2550	\$1,778,078,643	\$4,534,101	\$16,000,000	\$0.252726	-\$0.0023
VL10	2034-35	\$0.2550	\$1,778,078,643	\$4,534,101	\$16,000,000	\$0.252726	-\$0.0023
VP1	2035-36	\$0.2550	\$1,778,078,643	\$4,534,101	\$16,000,000	\$0.252726	-\$0.0023
VP2	2036-37	\$0.2550	\$1,778,078,643	\$4,534,101	\$16,000,000	\$0.252726	-\$0.0023
VP3	2037-38	\$0.2550	\$1,778,078,643	\$4,534,101	\$16,000,000	\$0.252726	-\$0.0023
VP4	2038-39	\$0.2550	\$1,778,078,643	\$4,534,101	\$16,000,000	\$0.252726	-\$0.0023
VP5	2039-40	\$0.2550	\$1,778,078,643	\$4,534,101	\$16,000,000	\$0.252726	-\$0.0023

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

Attachment E

Taxable Value of Property



Glenn Hegar
Texas Comptroller of Public Accounts



Property Tax Assistance

2020 ISD Summary Worksheet

187-Polk /Polk County

187-907/Livingston ISD

Category	Local Tax Roll Value	2020 WTD Mean Ratio	2020 PTAD Value Estimate	2020 Value Assigned
A - SINGLE-FAMILY	1,197,010,575	N/A	1,197,010,575	1,197,010,575
B - MULTIFAMILY	13,893,204	N/A	13,893,204	13,893,204
C1 - VACANT LOTS	72,490,728	N/A	72,490,728	72,490,728
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	37,104,050	N/A	37,104,050	37,104,050
D2 - FARM & RANCH IMP	7,784,092	N/A	7,784,092	7,784,092
E - NON-AG LAND AND IMPROVEMENTS	213,716,167	N/A	213,716,167	213,716,167
F1 - COMMERCIAL REAL	262,691,184	N/A	262,691,184	262,691,184
F2 - INDUSTRIAL REAL	2,526,416	N/A	2,526,416	2,526,416
G - ALL MINERALS	11,968,789	N/A	11,968,789	11,968,789
J - ALL UTILITIES	118,804,598	N/A	118,804,598	118,804,598
L1 - COMMERCIAL PERSONAL	85,527,501	N/A	85,527,501	85,527,501
L2 - INDUSTRIAL PERSONAL	46,056,829	N/A	46,056,829	46,056,829
M1 - MOBILE HOMES	59,651,460	N/A	59,651,460	59,651,460

N - INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0
O - RESIDENTIAL INVENTORY	724,520	N/A	724,520	724,520
S - SPECIAL INVENTORY	7,953,032	N/A	7,953,032	7,953,032
Subtotal	2,137,903,145	0	2,137,903,145	2,137,903,145
Less Total Deductions	365,278,593	0	365,278,593	365,278,593
Total Taxable Value	1,772,624,552	0	1,772,624,552	1,772,624,552

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M & O Purposes

T1	T2	T3	T4
1,826,200,670	1,772,624,552	1,826,200,670	1,772,624,552

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
53,576,118	0

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

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

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

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

Value Taxable For I & S Purposes

T7	T8	T9	T10
1,826,200,670	1,772,624,552	1,826,200,670	1,772,624,552

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

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

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

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

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

187-907-02/Livingston ISD

Category	Local Tax Roll Value	2020 WTD Mean Ratio	2020 PTAD Value Estimate	2020 Value Assigned
A - SINGLE-FAMILY	1,197,010,575	N/A	1,197,010,575	1,197,010,575
B - MULTIFAMILY	13,893,204	N/A	13,893,204	13,893,204
C1 - VACANT LOTS	72,490,728	N/A	72,490,728	72,490,728
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	37,104,050	N/A	37,104,050	37,104,050
D2 - FARM & RANCH IMP	7,784,092	N/A	7,784,092	7,784,092

E - NON-AG LAND AND IMPROVEMENTS	213,716,167	N/A	213,716,167	213,716,167
F1 - COMMERCIAL REAL	262,691,184	N/A	262,691,184	262,691,184
F2 - INDUSTRIAL REAL	2,526,416	N/A	2,526,416	2,526,416
G - ALL MINERALS	11,968,789	N/A	11,968,789	11,968,789
J - ALL UTILITIES	118,804,598	N/A	118,804,598	118,804,598
L1 - COMMERCIAL PERSONAL	85,527,501	N/A	85,527,501	85,527,501
L2 - INDUSTRIAL PERSONAL	46,056,829	N/A	46,056,829	46,056,829
M1 - MOBILE HOMES	59,651,460	N/A	59,651,460	59,651,460
N - INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0
O - RESIDENTIAL INVENTORY	724,520	N/A	724,520	724,520
S - SPECIAL INVENTORY	7,953,032	N/A	7,953,032	7,953,032
Subtotal	2,137,903,145		2,137,903,145	2,137,903,145
Less Total Deductions	365,278,593		365,278,593	365,278,593
Total Taxable Value	1,772,624,552		1,772,624,552	1,772,624,552

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M & O Purposes

T1	T2	T3	T4
1,826,200,670	1,772,624,552	1,826,200,670	1,772,624,552

Loss To the Additional \$10,000 Homestead Exemption	50 % of the loss to the Local Optional Percentage Homestead Exemption
53,576,118	0

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

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

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

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

Value Taxable For I & S Purposes

T7	T8	T9	T10
1,826,200,670	1,772,624,552	1,826,200,670	1,772,624,552

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

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

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

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

Attachment F

TEA's Facilities Value

Attachment G

Participation Agreement

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

by and between

LIVINGSTON INDEPENDENT SCHOOL DISTRICT

and

LONE SPUR SOLAR ENERGY LLC

(Texas Taxpayer ID # 32077251158)

Comptroller Application #1569

Dated

November 15, 2021

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

STATE OF TEXAS §

COUNTY OF POLK §

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 **LIVINGSTON 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 **LONE SPUR SOLAR ENERGY LLC**, Texas Taxpayer Identification Number [32077251158] 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 March 1, 2021, the Superintendent of Schools of the Livingston 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 March 1, 2021, 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 April 9, 2021, 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 Polk County Appraisal District established in Polk County, Texas (the “Polk 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 June 3, 2021, 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 Board vote ratified the Superintendent's August 9th, 2021 extension of the statutory deadline by which the District must consider the Application until October 31, 2021 and the Comptroller was provided notice of such extension as set out under 34 TEXAS ADMIN. CODE Section 9.1054(d);

WHEREAS, the District's Board of Trustees by Board vote ratified the Superintendent's September 24th, 2021 extension of the statutory deadline by which the District must consider the Application until June 2, 2022 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 November 15, 2021, 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 November 15, 2021, 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 November 15, 2021, 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 313.021(2)(A)(iv)(b) of the TEXAS TAX CODE;

WHEREAS, on October 27, 2021, 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 November 15, 2021, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary; or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized the Board Vice President to execute and deliver such Agreement to the Applicant; 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 Lone Spur Solar Energy LLC, (Texas Taxpayer ID #32077251158), 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 March 1, 2021. 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 Polk County Appraisal District.

"Board of Trustees" means the Board of Trustees of the Livingston Independent School District.

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

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

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

"County" means Polk County, Texas.

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

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

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

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

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

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

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

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

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

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

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

“State” means the State of Texas.

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

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

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

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.

"Annual Limit" means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District's average daily attendance for the previous school year, as calculated pursuant to Texas Education Code §42.005, times the greater of \$100, or any larger amount allowed by Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for Tax Year 2023, which includes the date on which the Qualifying Time Period begins under this Agreement.

"Applicable School Finance Law" means Chapters 41, 42, 48, and 49 of the TEXAS EDUCATION CODE, the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State for each and every year of this Agreement, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term includes any and all amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant's ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement. For each year of this Agreement, the "Applicable School Finance Law" shall be interpreted to include all provisions made applicable for any calculations made for the specific year for which calculations are being made.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace the District's M&O

Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE.

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

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

"Option to Terminate" means Applicant's written notice to the District which: (i) in the event that Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment prior to the beginning of the Tax Limitation Period notifies the District of Applicant's unilateral determination to terminate this Agreement; or, (ii) with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, where the sum of the maintenance and operations *ad valorem* taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed the amount of the maintenance and operations *ad valorem* taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The Applicant may exercise the Subsection (ii) option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year where the payment otherwise due exceeded the amount of taxes that Applicant would have paid had it not entered into the Agreement. Any termination of this Agreement under Subsection (ii) of this provision shall be effective immediately prior to the second Tax Year next following the Tax Year in which notice is given.

"Original M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property and/or Qualified Investment been subject to the *ad valorem* maintenance & operations tax at the tax rate actually adopted by the District for the applicable year. For purposes of this calculation, and as required by Tex. Educ. Code §48.256(d) as said statute existed on the date of this Agreement, the Third Party will base its calculations upon taxable values for the prior school year as certified by the County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property subject to this Agreement, plus the taxable value of the Qualified Property for the prior school year subject to this Agreement. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant's

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

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

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

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

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

Section 2.3. TERM OF THE AGREEMENT.

- A. The Application Review Start Date for this Agreement is April 9, 2021, 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 November 15, 2021.
- C. The Qualifying Time Period for this Agreement:
 - i. Starts on September 1, 2023, 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, 2025, 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, 2025, first complete Tax Year that begins after the date of the commencement of Commercial Operation; and
 - ii. Ends on December 31, 2034.
- E. The Final Termination Date for this Agreement is December 31, 2039.
- 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. \$20,000,000 Section 313.054 of the TEXAS TAX CODE

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 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 \$10,000,000 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 \$812.25 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
- E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III

QUALIFIED PROPERTY

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

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

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

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

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) property used for renewable energy electric generation.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. It is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was, in any manner, a sole and direct producing cause. Such payments shall be independent of, and in addition to, such other payments as set forth in Article V and Article VI in this Agreement. It is the intent of the Parties that the risk of any and all negative financial consequences to the District's total annual Maintenance and Operations Revenue, for which the execution of this Agreement was a sole and direct producing cause will be borne solely by Applicant and not by District.

The Parties hereto expressly understand and agree that, for all years to which this Agreement may apply, the calculation of negative financial consequences will be defined for each applicable year in

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

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

A. Calculation of the Revenue Protection Amount.

The amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement (the "Revenue Protection Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula: The Revenue Protection Amount owed by the Applicant to District means the Original M&O Revenue minus the New M&O Revenue (as such terms are defined in Section 1.2);

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

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for each year for which the calculation is made.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.
- iv. For All calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, Subsection ii of this subsection will reflect the Tax Limitation Amount for such year.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by a qualified and experienced independent third party (the "Third Party") approved each year by the District with Applicant's consent not to be unreasonably withheld. To the extent not inconsistent with a statutory change to Applicable School Finance Law, all calculations made by the Third Party under this Agreement shall be made using a methodology which

isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

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

Section 4.5. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Article IV, Article V and/or Article VI of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.6, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.6. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party, 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 which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Fifteen Thousand Dollars (\$15,000.00). For any Tax Year outside of the Tax Limitation Period and for which the Comptroller's Biennial Report is not required, Applicant shall

not be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Seven Thousand Five Hundred Dollars (\$7,500.00).

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

Section 4.8. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Property by the Appraisal District.

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

Section 4.9. STATUTORY CHANGES AFFECTING M&O 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 Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to District within thirty (30) dates of receipt of written notice that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a sole and direct 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 District.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following: all non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project during any project construction year. Applicant shall have the right to contest the findings of the District's external auditor in the same manner as described in Section 9.3 herein.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. STIPULATED SUPPLEMENTAL AMOUNT-SUBJECT TO SUPPLEMENTAL PAYMENT LIMITATION.

A. For each of Tax Years 2023 and 2024, District shall, subject to the limitations set forth in Subsection 6.2, below, be entitled to receive supplemental payments equal to \$50,000.

B. Beginning with the first year of the Tax Limitation Period, as defined in Section 2.3(D)(1), above, and continuing thereafter until December 31 of the third year following the end of the Tax Limitation Period, the supplemental payments owed by Applicant shall be limited to an amount not to exceed Thirty Five Percent (35%) of Applicant's Net Tax Benefit, as the term is defined in Section 1.2, above.

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

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

Notwithstanding the foregoing:

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

B. Supplemental Payments may only be made during the period starting the first year of

the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.

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

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. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.3, above.

B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6, above.

C. The payment of all amounts due under this Article shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6, above.

Section 6.4. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under Article VI of this agreement be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the district and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District's Board of Trustees at any time.

Any designation of a successor beneficiary under this Section shall not alter the Supplemental Payments calculated as described in Section 6.4, above.

ARTICLE VII

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

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

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

termination and shall survive such termination unless and until satisfied and discharged; and

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

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

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

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

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

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

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

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

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

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

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

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

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

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

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

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

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

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

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

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

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

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 sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within thirty (30) 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 Polk 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 Polk 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 sixty (60) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully

prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the

Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

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

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

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the sixty (60) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

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

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

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

Section 9.5. LIMITATION OF OTHER DAMAGES. Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant,

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

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$10,000,000 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:

Name: Dr. Brent Hawkins
Title: Superintendent
District: Livingston Independent School District
Physical: 1412 South Houston Ave
Mailing: P.O. Box 1297
Livingston, TX 77351
Phone: (936) 328-2100
Facsimile: (936) 328-2199
Email: bhawkins@livingstonisd.com

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

Name: James Williams
Title: Vice President of Development
Organization: Invenergy LLC
Physical: 1401 17th Street, Suite 1100
Denver, CO 80202
Phone: (303) 557-4488
Email: jwilliams@invenergyllc.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 TAXCODE;

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

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

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

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2

regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

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

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

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

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

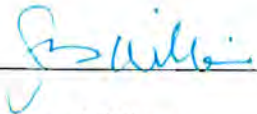
- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
- iii. When transmitted if sent by facsimile, provided a confirmation of 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).

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IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 15th day of November 2021.

LONE SPUR SOLAR ENERGY LLC

**LIVINGSTON INDEPENDENT
SCHOOL DISTRICT**

By: 

James Williams

Vice President

By: 

President,

Board of Trustees

ATTEST:



Secretary,
Board of Trustees

In Case of Conflict:

Vice President,
Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

On November 15th, 2021, the Board of Trustees of the Livingston Independent School District adopted an Order creating the *Livingston ISD Reinvestment Zone No. 001*. A legal description and map of *Livingston ISD Reinvestment Zone No. 001* is attached as the last page of this Exhibit 1 following the legal description of the zone. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the *Livingston ISD Reinvestment Zone No. 001* and the Livingston Independent School District.

LIVINGSTON INDEPENDENT SCHOOL DISTRICT

RESOLUTION CREATING LIVINGSTON ISD REINVESTMENT ZONE NO. 001

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

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

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TAYLOR INDEPENDENT SCHOOL DISTRICT:

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

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

(a) That the public hearing on the adoption of *LIVINGSTON ISD REINVESTMENT*

TAYLOR INDEPENDENT SCHOOL DISTRICT
RESOLUTION CREATING LIVINGSTON ISD REINVESTMENT ZONE NO. 001
November 15, 2021
Page 1

ZONE NO. 001 has been called, held and conducted, and that notices of such hearing have been published and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,

- (b) That the boundaries of *LIVINGSTON ISD REINVESTMENT ZONE NO. 001* be and, by the adoption of this Resolution, are declared and certified to be the area as described in the description attached hereto as "**Exhibit A**"; and,
- (c) That the map attached hereto as "**Exhibit B**" is declared to be and, by the adoption of this Resolution, is certified to accurately depict and show the boundaries of *LIVINGSTON ISD REINVESTMENT ZONE NO. 001* which is described in **Exhibit A**; and further certifies that the property described in **Exhibit A** is inside the boundaries shown on **Exhibit B**; and,
- (d) That creation of *LIVINGSTON ISD REINVESTMENT ZONE NO. 001* with boundaries as described in **Exhibit A** and **Exhibit B** will result in benefits to the Taylor Independent School District and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (e) That the *LIVINGSTON ISD REINVESTMENT ZONE NO. 001* described in **Exhibit A** and **Exhibit B** meets the criteria set forth in Texas Tax Code §312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract investment in the zone that will be a benefit to the property, and would contribute to economic development within the Taylor Independent School District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Taylor Independent School District hereby creates a reinvestment zone under the provisions of Texas Tax Code §312.0025, encompassing the area described by the descriptions in **Exhibit A** and **Exhibit B**, and such reinvestment zone is hereby designated and shall hereafter be referred to as *LIVINGSTON ISD REINVESTMENT ZONE NO. 001*.

SECTION 4. That the existence of the *LIVINGSTON ISD REINVESTMENT ZONE NO. 001* shall first take effect upon, November 15th, 2021, the date of the adoption of this Resolution by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such adoption.

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


TAYLOR INDEPENDENT SCHOOL DISTRICT
RESOLUTION CREATING *LIVINGSTON ISD REINVESTMENT ZONE NO. 001*
November 15, 2021
Page 2

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

PASSED, APPROVED AND ADOPTED on this 15th day of November 2021.

LIVINGSTON INDEPENDENT SCHOOL DISTRICT

By:


President
Board of Trustees

ATTEST:



Secretary
Board of Trustees

EXHIBIT A

LEGAL DESCRIPTION OF LIVINGSTON ISD REINVESTMENT ZONE NO. 001

LIVINGSTON ISD REINVESTMENT ZONE NO. 001

TAYLOR INDEPENDENT SCHOOL DISTRICT
RESOLUTION CREATING LIVINGSTON ISD REINVESTMENT ZONE NO. 001
November 15, 2021
Page 4

Agreement for Limitation on Appraised Value
Between Livingston ISD and Lone Spur Solar Energy LLC

*Texas Economic Development Act Agreement
Comptroller Form 50-826 (October 2020)*

Owner	API	Acres	Legal Description	School District
WILLIS BROTHERS LTD PARTNERSHIP	10063000102	250.251	ABST 63 JOHN T PINCKNEY SURVEY TRACT 5	Livingston ISD
CHARLES P ZIPPERER SR	80150002502	11.43	BALLAS 343 LOT 24	Livingston ISD
ANDREW JACKSON & ALBERTA HOWARD	80150003400	5.06	BALLAS 343 LOT 36 & 36 4 SERIAL 12320910A HUD# TEX0238414	Livingston ISD
CLYDE C & UNDA E ADAMS	80150003900	11.439	BALLAS 343 LOT 35	Livingston ISD
WILLIS BROTHERS LTD PARTNERSHIP	10063000110	20	ABST 63 JOHN T PINCKNEY SURVEY TRACT 7	Livingston ISD
R L (NUNNY) & PATRICIA SANDERS	10063001500	48.626	ABST 63 JOHN T PINCKNEY SURVEY TRACT 13	Livingston ISD
WILLIS BROTHERS LTD PARTNERSHIP	10063000210	154.436	ABST 63 JOHN T PINCKNEY SURVEY TRACT 6-1	Livingston ISD
DANCE B PARKER	10063000200	9	ABST 525 T STUBBLEFIELD SURVEY TRACT 61	Livingston ISD
ELISABETH A COCHRAN HUGHES	10063001200	48.09	ABST 63 JOHN T PINCKNEY SURVEY TRACT 12	Livingston ISD
ROBERT & BRINDA SMITH	10063000210	50	ABST 63 JOHN T PINCKNEY SURVEY TRACT 40	Livingston ISD
DALE R PARKER	10063001300	124.05	ABST 525 T STUBBLEFIELD SURVEY TRACT 15 & 26	Livingston ISD
WAYNE REED JR & SHERRY BAKER	10063000520	106.3	ABST 98 THOMAS BRADLEY SURVEY TRACT 6-A & 7-A	Livingston ISD
WAYNE REED JR & SHERRY BAKER	10063000620	3.9	ABST 60 WILLIAM PACE SURVEY TRACT 22-206	Livingston ISD
COLETTE MCMAURNEY MACE	10063001400	34.43	ABST 98 THOMAS BRADLEY SURVEY TRACT 15	Livingston ISD
JAMES D MCMAURNEY JR	10063000620	75	ABST 98 THOMAS BRADLEY SURVEY TRACT 6	Livingston ISD
JOACHIM R PARKER TRUST	10063000400	37.32	ABST 525 T STUBBLEFIELD SURVEY TRACT 27, 32, 33, 34, 34-B, 44 & 45	Livingston ISD
ELISABETH A COCHRAN HUGHES	10063000700	1.58	ABST 63 JOHN T PINCKNEY SURVEY TRACT 8	Livingston ISD
SAND DILL & LATIFA ELMAHARI	80150003000	19	BALLAS 343 LOT 31, 32 & 33	Livingston ISD
DEBRA NELSON	80150003400	16.77	BALLAS 343 LOT 21-A	Livingston ISD
GREGORY & INEZ DUNKER	80150003900	23	BALLAS 343 LOT 41	Livingston ISD
JAMES PAUL LAURENT	10063000500	1	ABST 60 WILLIAM PACE SURVEY TRACT 75-A	Livingston ISD
WILLIS BROTHERS LTD PARTNERSHIP	10074000200	62	ABST 874 R E DUNHAM SURVEY TRACT 2	Livingston ISD
JAMES PAUL LAURENT	10063000400	100.24	ABST 60 WILLIAM PACE SURVEY TRACT 77 & 78	Livingston ISD
WAYNE REED JR & SHERRY BAKER	10063000500	35.11	ABST 60 WILLIAM PACE SURVEY TRACT 74	Livingston ISD
WAYNE REED JR & SHERRY BAKER	10063000600	230.13	ABST 60 WILLIAM PACE SURVEY TRACT 72-30	Livingston ISD
WILLIS BROTHERS LTD PARTNERSHIP	10063000200	396	ABST 98 THOMAS BRADLEY SURVEY TRACT 1-3	Livingston ISD
WAYNE REED JR & SHERRY BAKER	10063000510	6.47	ABST 98 THOMAS BRADLEY SURVEY TRACT PT 6 & 7	Livingston ISD
ROBERT C WALLIS	10063000300	0.5	ABST 98 THOMAS BRADLEY SURVEY TRACT 4	Livingston ISD
DEBRA NELSON	80150002400	5	BALLAS 343 LOT 27	Livingston ISD
DEBRA NELSON	80150002400	16.77	BALLAS 343 LOT 26	Livingston ISD
WAYNE REED JR & SHERRY BAKER	10063000400	135.01	ABST 98 THOMAS BRADLEY SURVEY TRACT 5	Livingston ISD
PATSY SCHWAB	10074000100	55.561	ABST 874 R E DUNHAM SURVEY TRACT 1	Livingston ISD
WRIGHT BAKER	10063000500	212.25	ABST 98 THOMAS BRADLEY SURVEY TRACT 6 & PT 1	Livingston ISD
ALLEN NELSON	80150002000	13.18	BALLAS 343 LOT 25	Livingston ISD
MARY T CORIA	10063001800	1.608	ABST 63 JOHN T PINCKNEY SURVEY TRACT 12-2	Livingston ISD
ALVO WOODS	10063000200	1.608	ABST 63 JOHN T PINCKNEY SURVEY TRACT 19-2	Livingston ISD
EVELYN REESE	10063002100	1.608	ABST 63 JOHN T PINCKNEY SURVEY TRACT 20-3	Livingston ISD
BILLY T PAGE	80150002600	2.5	BALLAS 343 LOT 26-B 5/2	Livingston ISD
COLETTE MCMAURNEY MACE	10063000500	75	ABST 98 THOMAS BRADLEY SURVEY TRACT 6	Livingston ISD
HOMARD JR & MARILEE DANIEL	10063000100	10.9	ABST 63 JOHN T PINCKNEY SURVEY TRACT 1	Livingston ISD
PATRICIA SCHUBERTMAN DAVIS	80150002600	2.5	BALLAS 343 LOT 25-A 1/2 SERIAL 254994402 HUD# TXLS0061941	Livingston ISD
JAMES D MCMAURNEY	10063000100	94.43	ABST 98 THOMAS BRADLEY SURVEY TRACT 15	Livingston ISD
DEBRA NELSON	80150002400	13.61	BALLAS 343 LOT 24	Livingston ISD
DEBRA NELSON	80150002400	16.78	BALLAS 343 LOT 23	Livingston ISD
DEBRA NELSON	80150002400	5	BALLAS 343 LOT 29	Livingston ISD
DOYLE & MICHELE FINLEY TRUSTEES OF THE DOYLE FINLEY & MICHELE FINLEY	80150002500	5	BALLAS 343 LOT 30	Livingston ISD
WILLIS BROTHERS LTD PARTNERSHIP	10063001400	7.29.339	ABST 63 JOHN T PINCKNEY SURVEY TRACT 14	Livingston ISD
CHARLES D MCMAURNEY	10063000310	48.037	ABST 63 JOHN T PINCKNEY SURVEY TRACT 3	Livingston ISD
JOSE T REYNOLDS	80150002000	9.27	BALLAS 343 LOT 22	Livingston ISD
CLAUDE G & FRANCES HUGHES	10063000400	0.307	ABST 63 JOHN T PINCKNEY SURVEY TRACT 3-A	Livingston ISD
WILLIS BROTHERS LTD PARTNERSHIP	10063001410	1.42	ABST 63 JOHN T PINCKNEY SURVEY TRACT 14-A	Livingston ISD
JOHN LARRY PETERS	10063001500	1.8	ABST 525 T STUBBLEFIELD SURVEY TRACT 24	Livingston ISD
STATE OF TEXAS	10063000500	276.03	ABST 63 JOHN T PINCKNEY SURVEY TRACT 4	Livingston ISD
JOHN LARRY PETERS	10063002110	6.5	ABST 525 T STUBBLEFIELD SURVEY TRACT 16-C SERIAL #1 1XPL121A26788FD11 LABEL #1 RAD0913673	Livingston ISD
JOHN LARRY PETERS	10063002130	1.71	ABST 525 T STUBBLEFIELD SURVEY TRACT 16-E	Livingston ISD
TRULMAN WAYNE PETERS	10063001100	6.211	ABST 525 T STUBBLEFIELD SURVEY TRACT 16	Livingston ISD
SM FARMS FAMILY LIMITED PARTNERSHIP	10063000200	221.31	ABST 525 T STUBBLEFIELD SURVEY TRACT 14-A-4, 13-A, 43-A & 50TH RD 54 (NON-DROP BACKS DE)	Livingston ISD
HENRY & CAROLYN ISBELL	10063000600	4.6169	ABST 63 JOHN T PINCKNEY SURVEY TRACT 5	Livingston ISD
RONALD & DEBRA MCCLAIN	10063000400	101.09	ABST 525 T STUBBLEFIELD SURVEY TRACT 38	Livingston ISD
MURPHY CHILDREN TRUST	10063002400	2.2	ABST 525 T STUBBLEFIELD SURVEY TRACT 17 & 18	Livingston ISD
JAMES A & JONCE S WEAVER	10063000300	40.86	ABST 525 T STUBBLEFIELD SURVEY TRACT 42 SERIAL #1 ALWH0514003 LABEL #1 PF10100246	Livingston ISD
DEE & KATHY PERIS	10063000210	3.919	ABST 63 JOHN T PINCKNEY SURVEY TRACT 5-A	Livingston ISD
REBA & SIMMONS	10063002050	1	ABST 525 T STUBBLEFIELD SURVEY TRACT 16-B & 16-B-1, Undivided Interest 50.000000000074	Livingston ISD
CHRISTINA & DARRIN PETERS	10063002200	5	ABST 525 T STUBBLEFIELD SURVEY TRACT 16-A-3	Livingston ISD
LAKE LIVINGSTON BOAT & RV STORAGE LLC	10063000610	1.4	ABST 63 JOHN T PINCKNEY SURVEY TRACT 5-C	Livingston ISD
TERRY & WOOD FREDMAN	10063000630	30	ABST 63 JOHN T PINCKNEY SURVEY TRACT 5-D	Livingston ISD
DANNY & YVONNE GLOVER	10063000610	18.3	ABST 63 JOHN T PINCKNEY SURVEY TRACT 5-B	Livingston ISD
DANNY & YVONNE GLOVER	10063000450	11.091	ABST 63 JOHN T PINCKNEY SURVEY TRACT PT 5-B & PT 5B-3	Livingston ISD
DANNY & YVONNE GLOVER	10063000440	5.969	ABST 63 JOHN T PINCKNEY SURVEY TRACT 5B-1 & 5B-1A	Livingston ISD
HENRY & CAROLYN ISBELL	10063000620	8.4231	ABST 63 JOHN T PINCKNEY SURVEY TRACT 5A-1	Livingston ISD
HARVEY JR & VICKY DEMUNDO	10063000640	0.2641	ABST 63 JOHN T PINCKNEY SURVEY TRACT PT 5B-2 & PT 5B-3B	Livingston ISD
DANNY & YVONNE GLOVER	10063000630	5.26	ABST 63 JOHN T PINCKNEY SURVEY TRACT 5B-1C	Livingston ISD
DANNY & YVONNE GLOVER	10063000620	6.11	ABST 63 JOHN T PINCKNEY SURVEY TRACT 5-B-3	Livingston ISD
STEVE & MILLS RHETTA BEVER	10063000610	5	ABST 63 JOHN T PINCKNEY SURVEY TRACT 5-B-4	Livingston ISD
DANNY & YVONNE GLOVER	10063000610	10.144	ABST 63 JOHN T PINCKNEY SURVEY TRACT 5B-4	Livingston ISD
PAN AMERICAN PROPERTIES LLC	10063001420	10.667	ABST 63 JOHN T PINCKNEY SURVEY TRACT 14-1	Livingston ISD
STEVE & MILLS RHETTA BEVER	10063000620	5	ABST 63 JOHN T PINCKNEY SURVEY TRACT 5-B-6	Livingston ISD
JOHN LARRY PETERS	10063000600	1.5	ABST 525 T STUBBLEFIELD SURVEY TRACT 25	Livingston ISD
JOHN LARRY PETERS	10063000610	1.23	ABST 525 T STUBBLEFIELD SURVEY TRACT 35-1	Livingston ISD
GUADALUPE VILLASENOR	10063000620	33.622	ABST 2401 S FIELDS SURVEY TRACT 4	Livingston ISD
JAMES M MCMAURNEY	10063000700	14.7941	ABST 63 JOHN T PINCKNEY SURVEY TRACT 3-1	Livingston ISD
CHARLES RANDY PETERS	10063002140	6.211	ABST 525 T STUBBLEFIELD SURVEY TRACT 16-F	Livingston ISD
WILSON ARICE	10063002120	6.211	ABST 525 T STUBBLEFIELD SURVEY TRACT 16-D	Livingston ISD
CHRISTINA & DARRIN PETERS	10063002150	3.211	ABST 525 T STUBBLEFIELD SURVEY TRACT 16-G	Livingston ISD
PATSY SCHWAB	10063000210	5.411	ABST 2401 S FIELDS SURVEY TRACT 6-1	Livingston ISD
THESSA F MORGAN	10063001900	0.311	ABST 63 JOHN T PINCKNEY SURVEY TRACT 18-2	Livingston ISD
DOUGLAS LEE RANDOLPH ESTATE	10063001700	1.608	ABST 63 JOHN T PINCKNEY SURVEY TRACT 18	Livingston ISD
THESSA F MORGAN	10063001900	1.287	ABST 63 JOHN T PINCKNEY SURVEY TRACT 18-1	Livingston ISD
CHARLES SPARKS	10063000620	11.091	ABST 63 JOHN T PINCKNEY SURVEY TRACT 5-D	Livingston ISD
CLAUDE G & FRANCES HUGHES	10063000410	1	ABST 63 JOHN T PINCKNEY SURVEY TRACT 2-C	Livingston ISD
ACN INC.	10063000300	23.498	ABST 63 JOHN T PINCKNEY SURVEY TRACT 2	Livingston ISD
CLAUDE & JUNE HUGHES	10063000200	6.72	ABST 63 JOHN T PINCKNEY SURVEY TRACT 6-A	Livingston ISD
PATSY SCHWAB	10063000620	22.139	ABST 2401 S FIELDS SURVEY TRACT 6	Livingston ISD
ROGER RANDOLPH	10063000600	1.35	ABST 63 JOHN T PINCKNEY SURVEY TRACT 28-B & 3-1	Livingston ISD
MICHAEL PARKER	10063002000	1	ABST 525 T STUBBLEFIELD SURVEY TRACT 15-A	Livingston ISD

EXHIBIT B

SURVEY MAPS OF LIVINGSTON ISD REINVESTMENT ZONE NO. 001

TAYLOR INDEPENDENT SCHOOL DISTRICT
RESOLUTION CREATING LIVINGSTON ISD REINVESTMENT ZONE NO. 001
November 15, 2021
Page 5

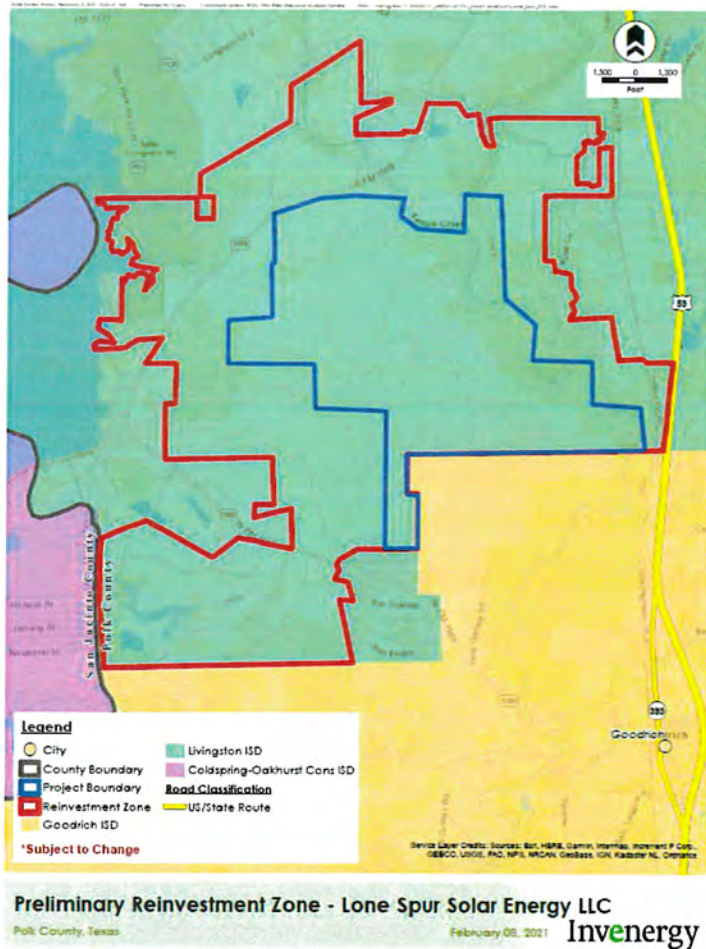
Agreement for Limitation on Appraised Value
Between Livingston ISD and Lone Spur Solar Energy LLC

Texas Economic Development Act Agreement
Comptroller Form 50-826 (October 2020)

Exhibit 1



Lone Spur Solar Energy LLC
Chapter 313 Application to Livingston ISD



ATTACHMENT TO APPLICATION FOR CHAPTER 313 APPRAISED VALUE
LIMITATION BY LONE SPUR SOLAR ENERGY LLC TO LIVINGSTON ISD

Agreement for Limitation on Appraised Value
Between Livingston ISD and Lone Spur Solar Energy LLC

Texas Economic Development Act Agreement
Comptroller Form 50-826 (October 2020)

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the *Livingston ISD Reinvestment Zone No. 001* and the Livingston Independent School District. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the legal description and maps attached to **Exhibit 1** and **Exhibit 4**.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment shall be all tangible personal property first placed in service during the Qualifying Time Period that is owned by the Applicant, as more fully described in Tab #7 of the Application and located within the boundaries of the Livingston Independent School District and the *Livingston ISD Reinvestment Zone No. 001* depicted by the map attached to Exhibit 4.

The Applicant anticipates constructing a utility scale single axis tracker photovoltaic facility designed to use solar power to generate electricity. The Project will be capable of generating approximately 105 MWac and will cover a surface area up to 1,200 acres. The exact capacity and specific technology will be determined during the design process, and so the exact location of the improvements cannot be specified at this time. In addition, 100% of the project is planned to be installed in Livingston ISD and Polk County. This application covers all qualified property in the reinvestment zone and project boundary within Livingston ISD necessary for the commercial operations of the proposed solar farm.

The facility may include eligible ancillary and necessary equipment, including the following improvements which will be considered qualified investment for this application:

- approximately 225,000 – 325,000 solar modules/panels
- 20 – 40 inverters
- metal mounting system with tracking capabilities
- battery or battery system
- underground conduit
- communications cables and electric system wiring
- combiner boxes
- a project substation including breakers
- a transformer and meters
- overhead transmission lines
- an operations and maintenance facility
- fencing for safety and security
- telephone and internet communication system
- meteorological equipment to measure solar irradiation and weather conditions.

Batteries or battery system included in the Qualified Investment will only be used to store electricity generated by the solar panels included in the Project.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Applicant's Qualified Property shall be all tangible personal property first placed in service after April 9, 2021, that is owned by the Applicant, as more fully described in Tab #8 of the Application and located within the boundaries of the Livingston Independent School District and the *Livingston ISD Reinvestment Zone No. 001* depicted by the map attached to this Exhibit 4.

The Applicant anticipates constructing a utility scale single axis tracker photovoltaic facility designed to use solar power to generate electricity. The Project will be capable of generating approximately 105 MWac and will cover a surface area up to 1,200 acres. The exact capacity and specific technology will be determined during the design process, and so the exact location of the improvements cannot be specified at this time. In addition, 100% of the project is planned to be installed in Livingston ISD and Polk County. This application covers all qualified property in the reinvestment zone and project boundary within Livingston ISD necessary for the commercial operations of the proposed solar farm.

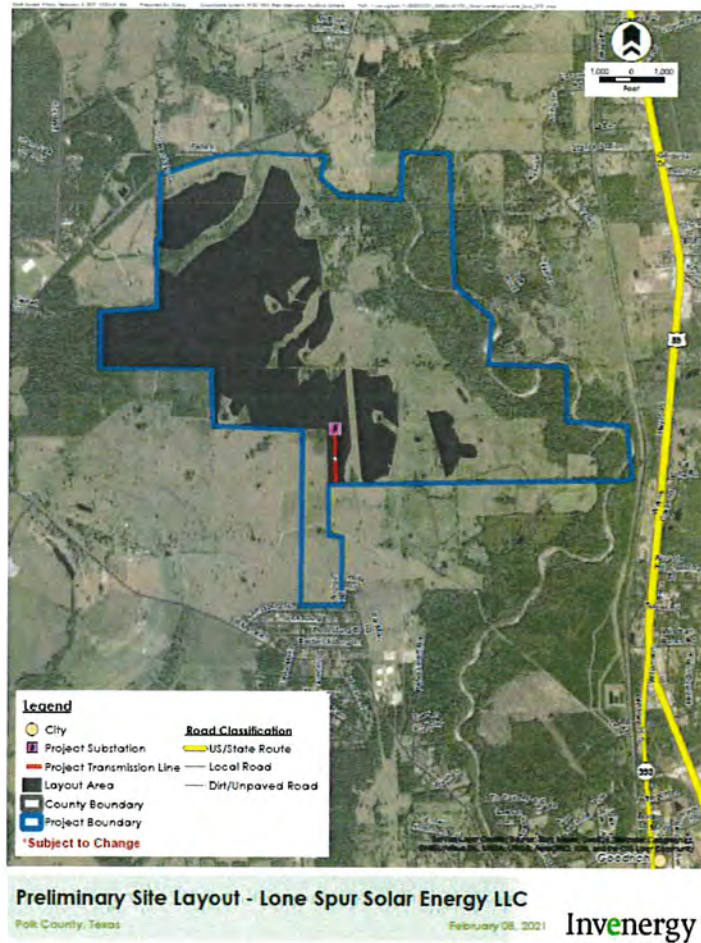
The facility may include eligible ancillary and necessary equipment, including the following improvements which will be considered qualified property for this application:

- approximately 225,000 – 325,000 solar modules/panels
- 20 – 40 inverters
- metal mounting system with tracking capabilities
- battery or battery system
- underground conduit
- communications cables and electric system wiring
- combiner boxes
- a project substation including breakers
- a transformer and meters
- overhead transmission lines
- an operations and maintenance facility
- fencing for safety and security
- telephone and internet communication system
- meteorological equipment to measure solar irradiation and weather conditions.

Batteries or battery system included in the Qualified Property will only be used to store electricity generated by the solar panels included in the Project.



Lone Spur Solar Energy LLC
Chapter 313 Application to Livingston ISD



ATTACHMENT TO APPLICATION FOR CHAPTER 313 APPRAISED VALUE
LIMITATION BY LONE SPUR SOLAR ENERGY LLC TO LIVINGSTON ISD

Agreement for Limitation on Appraised Value
Between Livingston ISD and Lone Spur Solar Energy LLC

Texas Economic Development Act Agreement
Comptroller Form 50-826 (October 2020)

Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

November 15, 2021

President and Members
Board of Trustees
Livingston Independent School District
1412 South Houston Ave.
Livingston, Texas 77351

Re: Recommendations and Findings of the firm Concerning Application of Lone Spur Solar Energy LLC (#1569) for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

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

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

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

Sincerely,

Daniel T. Casey

www.moakcasey.com

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW

808 WEST AVE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

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

JUSTIN DEMERATH
BENJAMIN CASTILLO

November 15, 2021

President and Members
Board of Trustees
Livingston Independent School District
1412 South Houston Ave.
Livingston, Texas 77351

Re: Recommendations and Findings of the Firm Concerning the Application of Lone Spur Solar Energy LLC (#1569) for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

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

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

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

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

Sincerely,

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

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 27, 2021

Brent Hawkins
Superintendent
Livingston Independent School District
P.O. Box 1297
Livingston, Texas 77351

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Livingston Independent School District and Lone Spur Solar Energy LLC, Application 1569

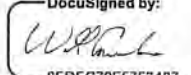
Dear Superintendent Hawkins:

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

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

Should you have any questions, please contact Michelle Luera with our office. She can be reached by email at michelle.luera@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-6053, or at 512-463-6053.

Sincerely,

DocuSigned by:

8FDFC70F5753487...

Will Counihan

Director

Data Analysis & Transparency Division

cc: Kevin O'Hanlon, O'Hanlon, Demerath & Castillo
James Williams, Invenergy LLC
Chad Sawyer, Invenergy LLC
Evan Horn, Ernst & Young LLP

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

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

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

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

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

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

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