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808 WEST AVENUE
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KEVIN O'HANLON
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Rio Grande Valley Office
426 W. Caffery Ave.
Pharr, Texas 78577

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

January 6, 2022

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

RE: Value Limitation Agreement between Angleton Independent School District and Cottonwood Bayou Solar II, LLC (#1595)

To the Local Government Assistance & Economic Analysis Division:

Enclosed please find a final copy each of the materials submitted to, and approved by, the Angleton ISD Board of Trustees on December 14, 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

William Eggleston
Legal Assistant to Kevin O'Hanlon

FINDINGS OF THE ANGLETON INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY COTTONWOOD BAYOU SOLAR II, LLC (#1595)

December 14, 2021

FINDINGS OF THE
ANGLETON INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
COTTONWOOD BAYOU SOLAR II, LLC (#1595)

DECEMBER 14, 2021

FINDINGS OF THE ANGLETON INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY COTTONWOOD BAYOU SOLAR II, LLC (#1595)

STATE OF TEXAS §

COUNTY OF BRAZORIA §

On the 14th day of December 2021, a public meeting of the Board of Trustees of the Angleton 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 Cottonwood Bayou Solar II, 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 April 20, 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. 32071493152), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

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

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Brazoria County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054. On May 14, 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 July 28, 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 District. A copy of the report prepared by Moak, Casey & Associates, Inc., is attached to these findings as **Attachment D**. An updated summary reflecting the terms of the Agreement is also included.

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:

> Cottonwood Bayou Solar II, LLC is requesting an appraised value limitation from Angleton Independent School District for the Cottonwood Bayou Solar II Project (Project). The Project is a solar-powered electric generating facility in Brazoria County and will be constructed within a Reinvestment Zone. The Project is anticipated to have a capacity of approximately 500 MW/AC located in Angleton and Danbury ISDs. There will be 325 MW/AC located in Angleton ISD with approximately 836,633 photovoltaic panels and 109 central inverters.
>
> The application covers all qualified property in the reinvestment zone and project boundary within Angleton ISD and includes the following:
>
> - A Substation
> - Transmission Lines
> - Inverters and Transformers
> - Foundations
> - Roadways, Paving, & Fencing
> - Posts & Racking Equipment
> - Meteorological Towers & Equipment
> - Interconnection Facilities
> - Solar Modules & Panels
> - Power Conditioning Equipment
> - Combiner Boxes
> - Operation & Maintenance Buildings
> - DC and AC collection wires, cables, and equipment
> - SCADA equipment
> - Energy Storage Systems
> - Mounting & Tracker Equipment

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 two (2) new qualifying jobs. The average salary level of qualifying jobs will be at least $66,017 per year. The review of the application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that

qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

(A) requires at least 1,600 hours of work a year;

(B) is not transferred from one area in this state to another area in this state;

(C) is not created to replace a previous employee;

(D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and

(E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Board Finding Number 6.

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

Board Finding Number 7.

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

In its Application, Applicant has indicated that it does not intend to create any non-qualifying jobs. For any non-qualifying jobs the Applicant does create, the Applicant will be required to pay at least the county average wage of $59,085 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

Board Finding Number 8.

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add $266.5 million to the tax base that would be available for debt service purposes at the peak investment level for the 2024-25 school year, which could provide a modest benefit to the District and its 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 (Local), implemented in conformance with both Comptroller and Texas Education Agency Rules governing Chapter 313 Agreements, it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.**

Board Finding Number 11.

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

The Board has developed a written policy CCGB (Local) which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is

true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

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

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

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

Board Finding Number 12.

> **The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Thirty Million Dollars, which is consistent with the minimum values currently set out by Tax Code, § 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 $1.879 billion. The District is categorized as a Subchapter C district. Given that the value of industrial property is $200 million or more, it is classified as a Category I district which can offer a minimum value limitation of $30 million.

Board Finding Number 13.

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

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

Board Finding Number 14.

> **The Applicant (Taxpayer No. 32071493152) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.**

The Applicant, (Texas Taxpayer No. 32071493152), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 15.

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

Board Finding Number 16.

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

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the initial 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/217, 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.

Board Finding Number 19.

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

Board Finding Number 20.

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

It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and herby 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 14th day of December 2021.

ANGLETON INDEPENDENT SCHOOL DISTRICT

By: Tommy Gaines
President, Board of Trustees

ATTEST:

By: Dana Albert
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
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 26, 2021

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

RE: Application to the Angleton Independent School District from Cottonwood Bayou Solar II, 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 Angleton Independent School District is notifying Cottonwood Bayou Solar II, 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 April 20, 2021. The Board voted to accept the application on April 20, 2021. The application has been determined complete as of April 26, 2021.

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

Sincerely,

Kevin O'Hanlon
School District Consultant

Cc: Brazoria CAD
Cottonwood Bayou Solar II, LLC

KEANDREWS
VALUATION•TAX•SOLUTIONS

April 20, 2021

Angleton Independent School District
ATT: Phil Edwards
1900 N. Downing Road
Angleton, Texas 77515

RE: Cottonwood Bayou Solar II, LLC Application for Appraised Value Limitation on Qualified Property

Superintendent Edwards:

In accordance with Section 313 of the Texas Property Tax Code, please find attached an application for an appraised value limitation on qualified property between Cottonwood Bayou Solar II, LLC and Angleton Independent School District.

Cottonwood Bayou Solar II, LLC is a 500 MW/AC solar energy generation project with 325 MW/AC within Angleton ISD. The facility will be located within a proposed reinvestment zone in Brazoria County and Angleton Independent School District.

Enclosed are additional details and further information regarding the description, location, qualified investment, and job creation associated with the development of Cottonwood Bayou Solar II, LLC.

If you have any questions or would like to request further information, please do not hesitate to contact us.

Sincerely,

Mike Fry

Mike Fry-Director, Energy Services
mfry@keatax.com

Cottonwood Bayou Solar II, LLC

Application for Appraised Value Limitation on Qualified Property with Angleton Independent School District

2424 Ridge Road
Rockwall, TX 75087

469.298.1594

www.keatax.com

Tab 1: Pages 1 through 11 of Application

2424 Ridge Road
Rockwall, TX 75087
469.298.1594
www.keatax.com

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

April 20, 2021
Date Application Received by District

Phil
First Name

Edwards
Last Name

Superintendent
Title

Angleton Independent School District
School District Name

1900 N. Downing Road, Angleton, TX 77515
Street Address

1900 N. Downing Road
Mailing Address

Angleton
City

TX
State

77515
ZIP

979-864-8000
Phone Number

979-964-8070
Fax Number

N/A
Mobile Number (optional)

phil.edwards@angletonisd.net
Email Address

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

SECTION 1: School District Information *(continued)*

3. Authorized School District Consultant *(If Applicable)*

First Name	Last Name
Kevin	O'Hanlon

Title: Partner

Firm Name: O' Hanlon, Demerath,

Phone Number	Fax Number
512-494-9949	N/A

Mobile Number *(optional)*	Email Address
N/A	kohanlon@808west.com

4. On what date did the district determine this application complete? ..... April 26, 2021

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

First Name	Last Name
Heather	Otten

Title	Organization
Manager	SunChase Power, LLC

Street Address: 4300 Speedway, #4617, Austin, TX 78765

Mailing Address: 4300 Speedway, #4617

City	State	ZIP
Austin	TX	78765

Phone Number	Fax Number
512-963-6181	N/A

Mobile Number *(optional)*	Business Email Address
N/A	heather@sunchasepower.com

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

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

First Name	Last Name
Will	Furgeson

Title	Organization
Vice President	SunChase Power, LLC

Street Address: 4300 Speedway, #4617, Austin, TX 78765

Mailing Address: 4300 Speedway, #4617

City	State	ZIP
Austin	TX	78765

Phone Number	Fax Number
512-460-9158	N/A

Mobile Number *(optional)*	Business Email Address
N/A	will@sunchasepower.com

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)*

Mike
First Name

Fry
Last Name

Director-Energy Services
Title

KE Andrews
Firm Name

469-298-1618
Phone Number

469-298-1617
Fax Number

mfry@keatax.com
Business Email Address

SECTION 3: Fees and Payments

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

The total fee shall be paid at 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.

$ 75,000.00
Payment Amount

check
Transaction Type

SunChase Power, LLC
Payor

Angleton ISD
Payee

April 12, 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? Cottonwood Bayou Solar II, LLC
2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 *(11 digits)* 32071493152
3. Parent Company Name Brazos Renewable Energy, LLC
4. Parent Company Tax ID 32073603956
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

App# Not Assigned Yet; Danbury ISD; 2024

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

Cottonwood Bayou Solar II, LLC

2c. Reporting Entity Taxpayer Number

32071493152

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: October 1, 2021
2. Estimated commencement of construction: October 1, 2022
3. Beginning of qualifying time period (MM/DD/YYYY): January 1, 2022
4. First year of limitation (YYYY): January 1, 2024

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: December 31, 2023

SECTION 10: The Property

1. County or counties in which the proposed project will be located: Brazoria County
2. Central Appraisal District (CAD) that will be responsible for appraising the property: Brazoria CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☑ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

M&O (ISD): Angleton, .9161; 100% *(Name, tax rate and percent of project)*

I&S (ISD): Angleton, .4152; 100% *(Name, tax rate and percent of project)*

County: Brazoria County, .415233; 100% *(Name, tax rate and percent of project)*

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

Hospital District: Hospital District,.242259;100 % *(Name, tax rate and percent of project)*

Water District: Drainage District, .130352; 100% *(Name, tax rate and percent of project)*

Other *(describe)*: Alvin Comm. College, .185862; 100% *(Name, tax rate and percent of project)*

Other *(describe)*: ESD#1, .072528; 100% *(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: Abatement; net 63%; 2024-2030 *(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 yeart)*

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? $ 30,000,000.00

2. What is the amount of appraised value limitation for which you are applying? $ 30,000,000.00

   Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.

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

4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
   a. a specific and detailed description of the qualified investment you propose to make within the project boundary for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
   b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
   c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).

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

SECTION 12: 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:
   1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
   1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**);
   1c. 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
   1d. 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:
   - a. legal description of the land (**Tab 9**);
   - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
   - c. owner (**Tab 9**);
   - d. the current taxable value of the land, attach estimate if land is part of larger parcel (**Tab 9**); and
   - e. a detailed map showing the location of the land with vicinity map (**Tab 11**).

3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☐ Yes ☑ No

   3a. If yes, attach the applicable supporting documentation:
   - a. evidence that the area qualifies as an enterprise zone as defined by the Governor's Office (**Tab 16**);
   - b. legal description of reinvestment zone (**Tab 16**);
   - c. order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
   - d. guidelines and criteria for creating the zone (**Tab 16**); and
   - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**)

   3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date.

   What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? Please See Tab 16

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

1. In **Tab 10**, attach a specific and detailed description of all **existing property 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**:
   - a. maps and/or detailed site plan;
   - b. surveys;
   - c. appraisal district values and parcel numbers;
   - d. inventory lists;
   - e. existing and proposed property lists;
   - f. model and serial numbers of existing property; or
   - g. other information of sufficient detail and description.

4. Total estimated market value of existing property 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? 2
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 ..... $ 1,135.25
   b. Qualifying job wage minimum option §313.021(5)(A)
      -110% of the average weekly wage for manufacturing jobs in the county is ..... $ 2,344.93
   c. Qualifying job wage minimum option §313.021(5)(B)
      -110% of the average weekly wage for manufacturing jobs in the region is ..... $ 1,269.55
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? ..... $ 66,016.50
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... $ 66,016.50
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**.

Tab 2: Proof of Payment Application Fee

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)

Tab 3: Documentation of Combined Group Membership Under Texas Tax Code 171.0001 (7), history of tax default, delinquencies and/or material litigation (if applicable)

Please See Attached.

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

Tab 4: Detailed Description of the Project

In its entirety, Cottonwood Bayou Solar, LLC will be a 500MW/AC solar energy generation facility that will be located primarily in Angleton ISD, with portions in Danbury ISD.There will be 325MWac located in Angleton ISD with approximately 836,633 photovoltaic panels and 109 central inverters.

Cottonwood Bayou Solar II, LLC is being developed by Brazos Renewable Energy, LLC. Brazos Renewable Energy is a joint venture managed by SunChase Power, LLC, focused on developing utility-scale solar projects. They have over 2GW of projects in development, and over 1GW of projects currently under construction or slated to be in construction before the end of the year

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Angleton ISD including the following:

- Substation
- Transmission Line
- Inverter and Transformers
- Foundations
- Roadways, Paving, & Fencing
- Posts & Racking Equipment
- Meteorological Towers & Equipment
- Mounting & Tracker Equipment
- Interconnection Facilities
- Solar Modules & Panels
- Power Conditioning Equipment
- Combiner Boxes
- Operation & Maintenance Buildings
- DC and AC collection wires, cables, and equipment
- SCADA equipment
- Energy Storage Systems

Generation of Solar Energy:
When sunlight strikes photovoltaic panels, photons from the sun's energy are absorbed by the semiconductors that compose the photovoltaic cells in the panel. After the semiconductor absorbs enough of these photons, electrons are dislodged from the atoms. These electrons then flow to the front of the cell, creating an imbalance in charge due to their negative properties. This imbalance creates a voltage potential which in turn is collected by electrical conductors in the cell and carried to either storage batteries or circuits to provide power.

Tab 5: Documentation to Assist in Determining if Limitation is a Determining Factor

Throughout the United States the production of renewable energy has been increasing as the cost of these systems has decreased and technological advancements have improved efficiency. In 2020, Texas ranked 2nd in installed solar capacity.[1] The state's geographic position and containment of several large population centers has made Texas a favorable location for renewable energy development.

Renewable energy developers face many challenges in the determination of project location—one of these factors being the selection of an area where the greatest return on investment can be achieved. There are several factors that contribute to Texas favorability for development, one however that does not is the state's notoriously high property tax burden—ranking in the top 10 across the United States.

An appraised value limitation on qualified property allows developers to significantly diminish the property tax liability that composes a substantial ongoing cost of operation that directly impacts the economic rate of return for the project. In the absence of an appraised value limitation, the development of renewable energy facilities becomes financially uncertain as the rate of return often fails to meet the minimum return required to proceed. In the event an appraised value limitation agreement is not received by Cottonwood Bayou Solar II, LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where either the property tax burden is lower or economic incentives can be secured, namely locations where Brazos Renewable Energy, LLC is currently active including Oklahoma, Louisiana, Arkansas, Mississippi and other areas throughout Texas. Thus, an appraised value limitation agreement between Cottonwood Bayou Solar II, LLC and Angleton Independent School District is the determining factor in the decision to locate this facility within the state of Texas.

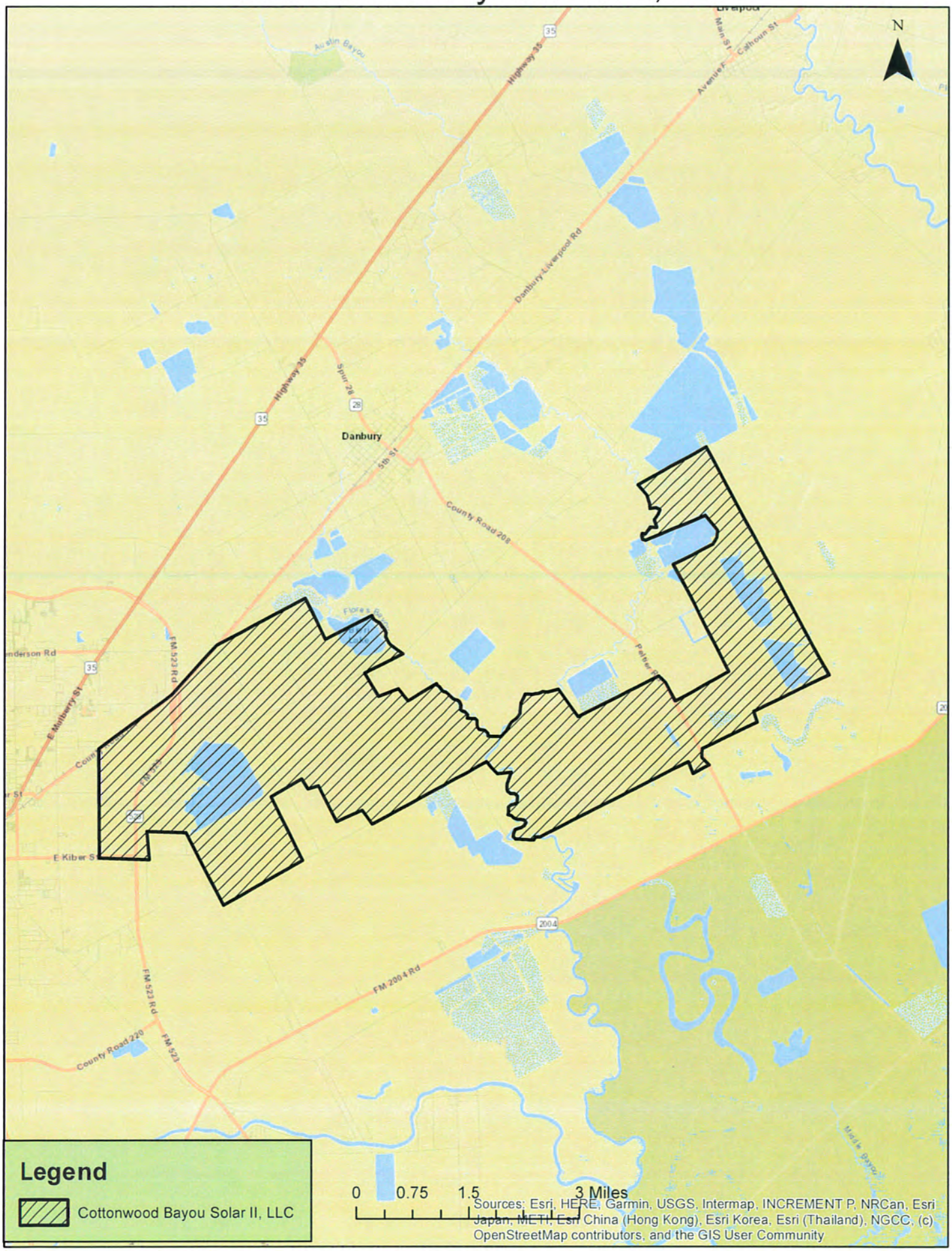
Please note: The IGNR# for this project is 21INR0256 and this number were assigned on 2/4/2019. Additionally, this project has been referred to as Amsterdam Solar, LLC.

[1] Solar Energy Industries Association

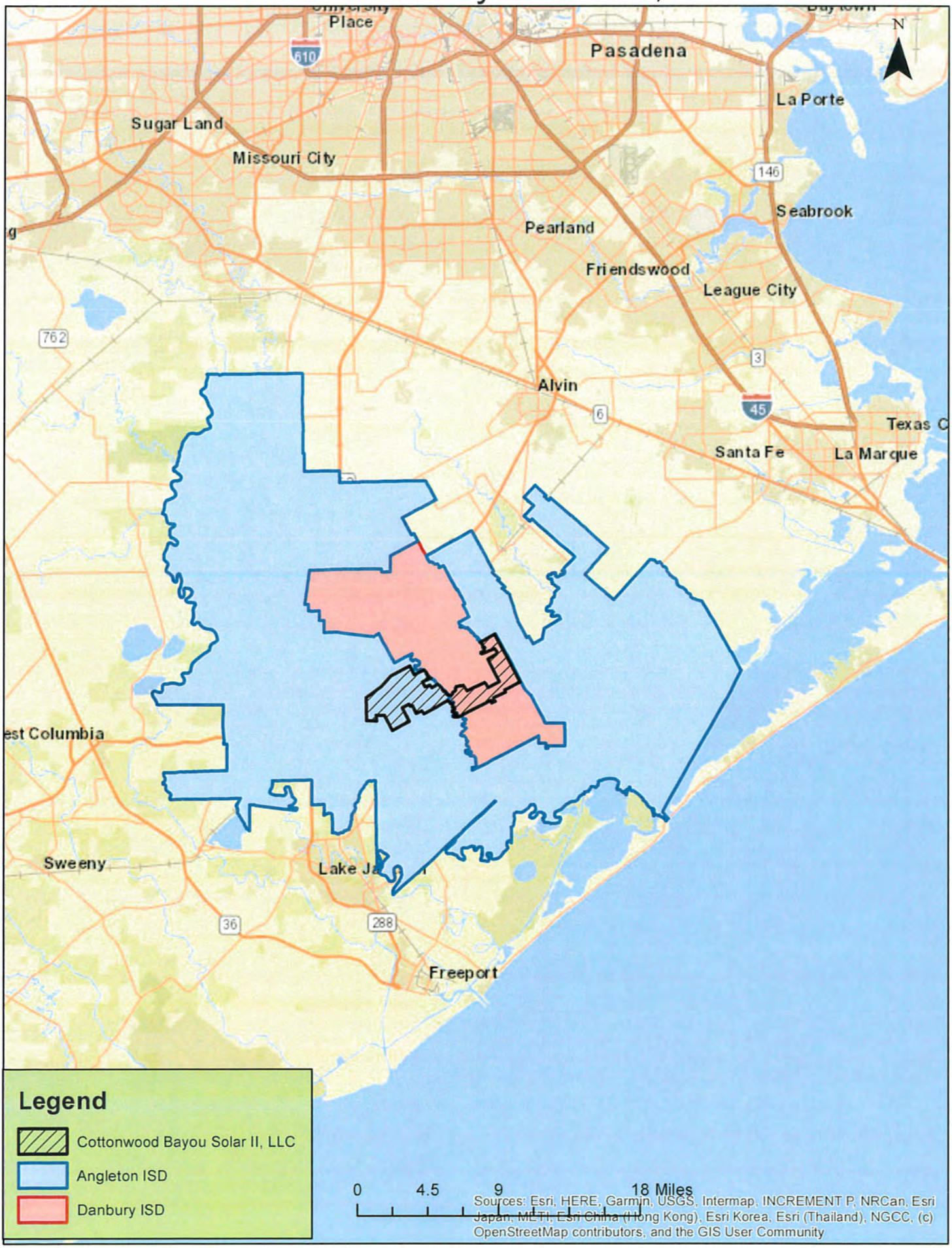
Tab 6: Description of how Project is Located in More than One District, Including List of Percentage in Each District and, if Determined to be a Single Unified Project, Documentation from the Office of the Governor (if applicable)

Angleton ISD	*65%*
Danbury ISD	*35%*
Brazoria County	*100%*
Brazoria County Drainage District	*100%*
Brazoria County Hospital District	*100%*
Alvin Community College	*100%*
Emergency Services District #1	*100%*

Cottonwood Bayou Solar II, LLC



Cottonwood Bayou Solar II, LLC



Tab 7: Description of Qualified Investment

In its entirety, Cottonwood Bayou Solar, LLC will be a 500MW/AC solar energy generation facility that will be located primarily in Angleton ISD, with portions in Danbury ISD. There will be 325MW/AC located in Angleton ISD with approximately 836,633 photovoltaic panels and 109 central inverters.

Cottonwood Bayou Solar II, LLC requests that the limitation covers all qualified investment and qualified property located within Angleton ISD. It is our request that the limitation includes all eligible and ancillary equipment including the following:

- Substation
- Transmission Line
- Inverter and Transformers
- Foundations
- Roadways, Paving, & Fencing
- Posts & Racking Equipment
- Meteorological Towers & Equipment
- Mounting & Tracker Equipment
- Interconnection Facilities
- Solar Modules & Panels
- Power Conditioning Equipment
- Combiner Boxes
- Operation & Maintenance Buildings
- DC and AC collection wires, cables, and equipment
- SCADA equipment

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Angleton ISD.

Tab 8: Description of Qualified Property

In its entirety, Cottonwood Bayou Solar, LLC will be a 500MW/AC solar energy generation facility that will be located primarily in Angleton ISD, with portions in Danbury ISD. There will be 325MW/AC located in Angleton ISD with approximately 836,633 photovoltaic panels and 109 central inverters.

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- Transmission Line
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- Posts & Racking Equipment
- Meteorological Towers & Equipment
- Mounting & Tracker Equipment
- Interconnection Facilities
- Solar Modules & Panels
- Power Conditioning Equipment
- Combiner Boxes
- Operation & Maintenance Buildings
- DC and AC collection wires, cables, and equipment
- SCADA equipment

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Angleton ISD.

Tab 9: Description of Land

Not Applicable.

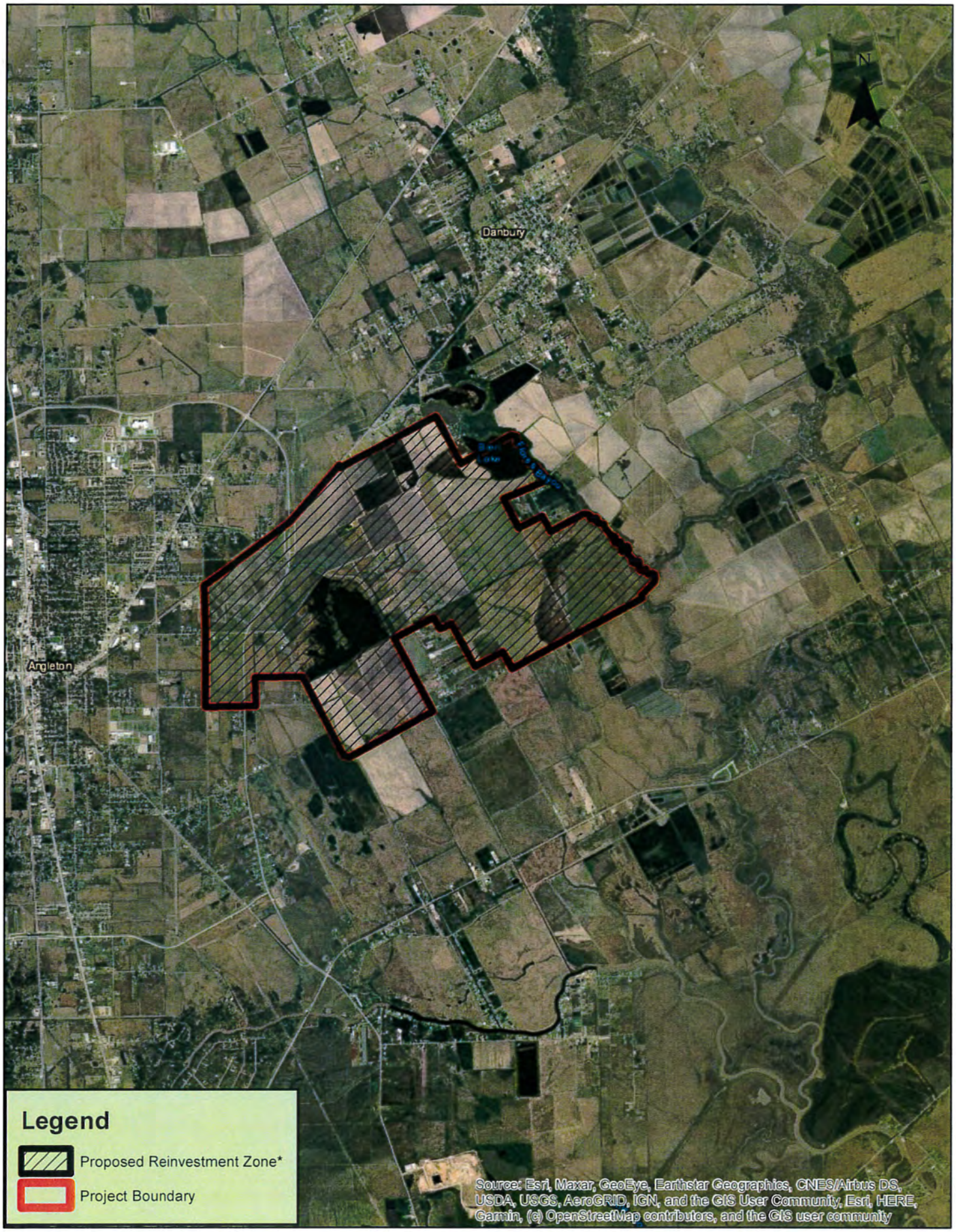
Tab 10: Description of All Property Not Eligible to Become Qualified Property (if applicable)

Not Applicable.

Tab 11: Maps

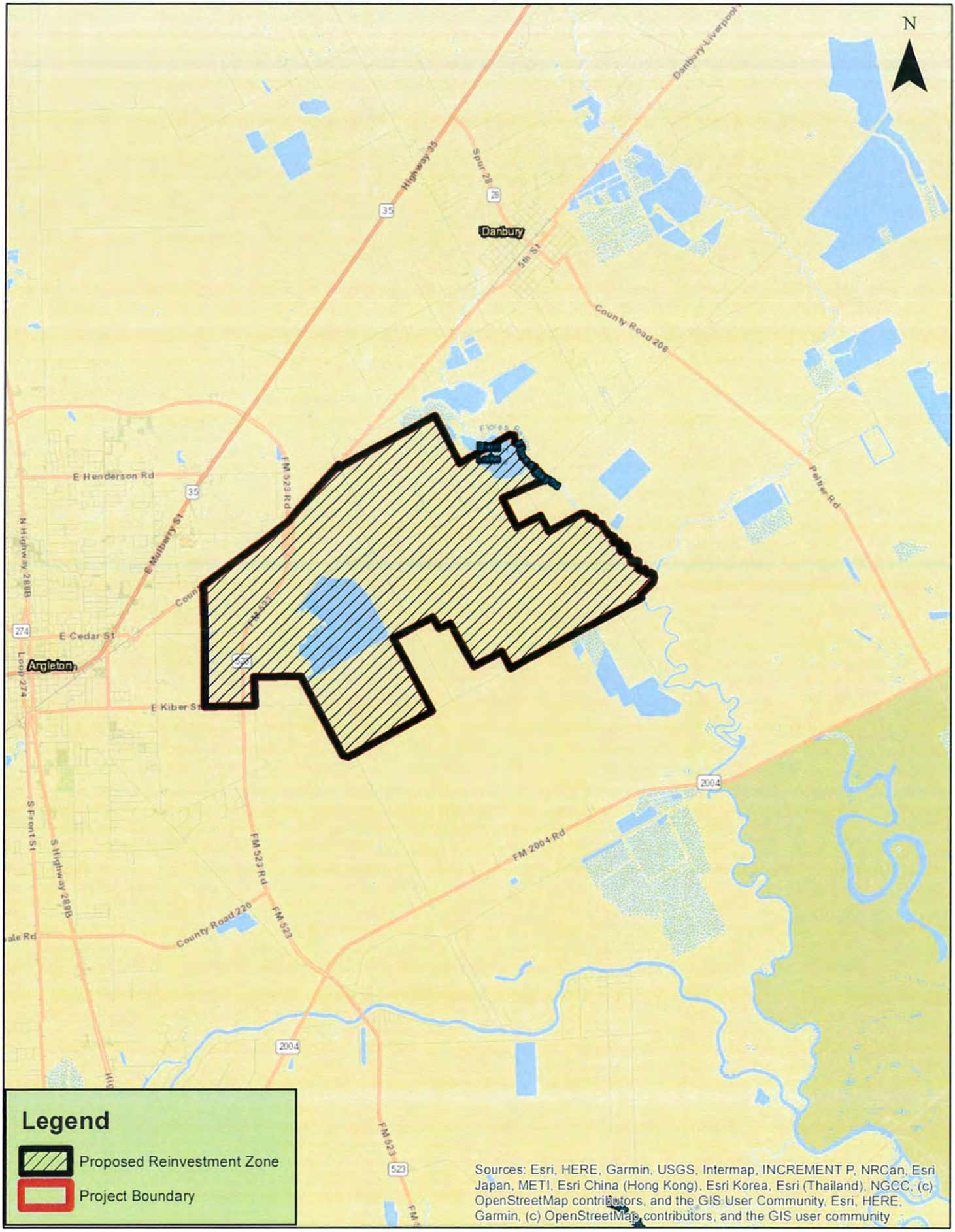
Please See Attached.

Cottonwood Bayou Solar II, LLC



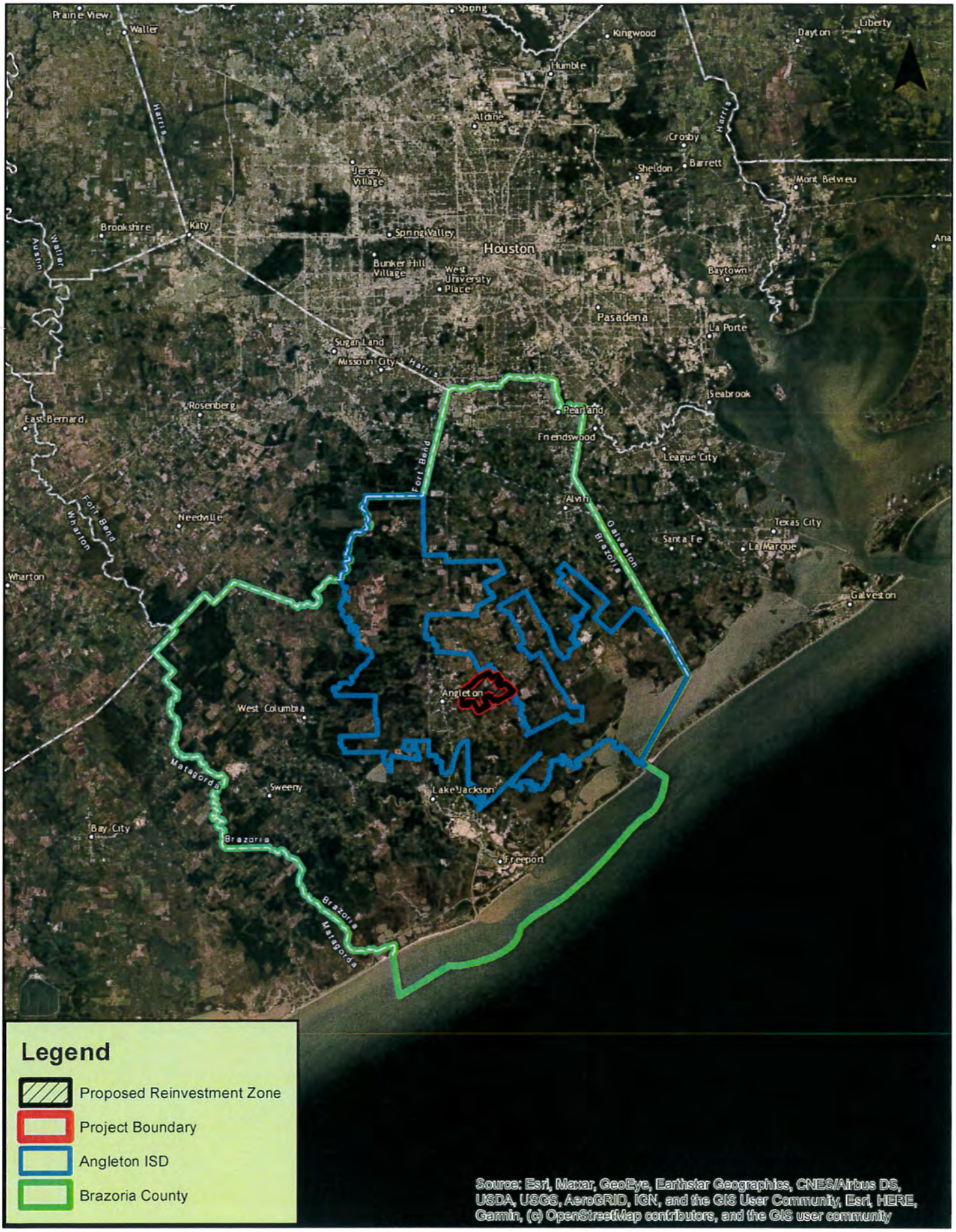
*The proposed reinvestment zone boundary extends to the eastern boundary dividing Danbury and Angleton ISD.

Cottonwood Bayou Solar II, LLC



Cottonwood Bayou Solar II, LLC

Cottonwood Bayou Solar II, LLC



Tab 12: Request for Waiver of Job Creation Requirement and Supporting Information (if applicable)

Please See Attached.

Angleton Independent School District
ATT: Phil Edwards
1900 N. Downing Road
Angleton, Texas 77515

April 20, 2021

RE: Cottonwood Bayou Solar II, LLC Application for Appraised Value Limitation on Qualified Property Job Waiver Request

Dear Superintendent Edwards:

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

Cottonwood Bayou Solar II, LLC requests that Angleton ISD makes such finding and waive the job creation requirement for 10 permanent jobs. Cottonwood Bayou Solar II, LLC has committed to create 2 full time permanent position for the operation and maintenance of the facility. The qualifying position will be compensated at the rate of 110% of the regional manufacturing wage as well as offer company benefits. Such positions shall be employed by Cottonwood Bayou Solar II, LLC or by the contractor it employs to operate and maintain the facility.

Renewable energy project create many jobs during the development of the facility. It is anticipated that 300 construction jobs will be created by Cottonwood Bayou Solar II, LLC; however, once construction is complete the facility will require a relatively low number of permanent workers. The current industry standard for solar energy sites is 1 worker per 200 MW.

Cottonwood Bayou Solar II, LLC kindly requests that you consider the approval of the job waiver request for this project. Undoubtedly, the establishment of this facility will be very beneficial to Angleton ISD, Brazoria County, and the advancement of renewable energy in Texas.

Your consideration of this request is greatly appreciated. If you have any questions, please contact us.

Sincerely,

Mike Fry

Mike Fry
Director, Energy Services
mfry@keatax.com

Tab 13: Calculation of Three Possible Wage Requirements and Supporting Information (if applicable)

Calculation 1: Brazoria County Average Weekly Wage: $1,135.25

Quarter	*Area*	*Ownership*	*Industry*	*Average Weekly Wage*
Q4 2019	*Brazoria County, TX*	*Total All*	*All Industries*	*$1,122.00*
Q1 2020	*Brazoria County, TX*	*Total All*	*All Industries*	*$1,184.00*
Q2 2020	*Brazoria County, TX*	*Total All*	*All Industries*	*$1,136.00*
Q3 2020	*Brazoria County, TX*	*Total All*	*All Industries*	*$1,099.00*

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	Brazoria	Total All	10	Total, All Industries	1,210
2019	02	Brazoria	Total All	10	Total, All Industries	1,097
2019	03	Brazoria	Total All	10	Total, All Industries	1,092
2019	04	Brazoria	Total All	10	Total, All Industries	1,122
2020	01	Brazoria	Total All	10	Total, All Industries	1,184
2020	02	Brazoria	Total All	10	Total, All Industries	1,136
2020	03	Brazoria	Total All	10	Total, All Industries	1,099

Calculation 2: 110% Brazoria County Average Manufacturing Weekly: $2,344.93

Quarter	*Area*	*Ownership*	*Industry*	*Average Weekly Wage*
Q4 2019	*Brazoria County, TX*	*Private*	*Manufacturing*	*$1,993.00*
Q1 2020	*Brazoria County, TX*	*Private*	*Manufacturing*	*$2,433.00*
Q2 2020	*Brazoria County, TX*	*Private*	*Manufacturing*	*$2,035.00*
Q3 2020	*Brazoria County, TX*	*Private*	*Manufacturing*	*$2,066.00*

Quarterly Census of Employment and Wages (QCEW) Report

Customize the report/Help with Accessibility

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

Year	Period	Area	Ownership	Industry	Average Weekly Wage
2019	01	Brazoria	Private	Manufacturing	2,666
2019	02	Brazoria	Private	Manufacturing	2,044
2019	03	Brazoria	Private	Manufacturing	2,034
2019	04	Brazoria	Private	Manufacturing	1,993
2020	01	Brazoria	Private	Manufacturing	2,433
2020	02	Brazoria	Private	Manufacturing	2,035
2020	03	Brazoria	Private	Manufacturing	2,066

Calculation 3: 110% Regional Manufacturing Wage: $1,269.55 weekly or $66,016.50 annually

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.

Tab 14: Schedules A1, A2, B, C and D completed and signed Economic Impact (if applicable)

Please See Attached.

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

Date 4/11/2021

Applicant Name Cottonwood Bayou Solar II, LLC

ISD Name Angleton ISD

Form 50-296A

Revised October 2020

PROPERTY INVESTMENT AMOUNTS

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

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	Column B: New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Column C: Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Column D: Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E: **Total Investment** (Sum of Columns A+B+C+D)
Investment made before filing complete application with district		2021-2022	2021	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period								
Complete tax years of qualifying time period	QTP1	2022-2023	2022	$ 3,900,000.00				$ 3,900,000.00
	QTP2	2023-2024	2023	$ 262,100,000.00	$ 500,000.00			$ 262,600,000.00
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				$ 266,000,000.00	$ 500,000.00			$ 266,500,000.00

Enter amounts from TOTAL row above in Schedule A2

Total Qualified Investment (sum of green cells) $ 266,500,000.00

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

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

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

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

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

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

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

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

Date 4/11/2021

Applicant Name Cottonwood Bayou Solar II, LLC

ISD Name Angleton ISD

Form 50-296A

Revised October 2020

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)
				Enter amounts from TOTAL row in Schedule A1 in the row below				
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		$ 266,000,000.00	$ 500,000.00			$ 266,500,000.00
Each year prior to start of value limitation period	0	2021-2022	2021					
Each year prior to start of value limitation period	0	2022-2023	2022	$ 3,900,000.00				$ 3,900,000.00
Each year prior to start of value limitation period	0	2023-2024	2023	$ 262,100,000.00	$ 500,000.00			$ 262,600,000.00
Value limitation period***	1	2024-2025	2024					
	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				$ 266,000,000.00	$ 500,000.00			$ 266,500,000.00
Continue to maintain viable presence	11	2034-2035	2034	[redacted]			[redacted]	
	12	2035-2036	2035					
	13	2036-2037	2036					
	14	2037-2038	2037					
	15	2038-2039	2038					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2039-2040	2039					
	17	2040-2041	2040					
	18	2041-2042	2041					
	19	2042-2043	2042					
	20	2043-2044	2043					
	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 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.
Only tangible personal property that is specifically described in the application can become qualified property.

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

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

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

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

Date: 4/11/2021
Applicant Name: Cottonwood Bayou Solar II, LLC
ISD Name: Angleton ISD

Cottonwood Bayou Solar, LLC
Angleton ISD

Form 50-296A
Revised October 2020

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period	0	2021-2022	2021						
Each year prior to start of Value Limitation Period	0	2022-2023	2022						
Each year prior to start of Value Limitation Period	0	2023-2024	2023			$ 3,900,000.00	$ 3,900,000.00	$ 3,900,000.00	$ 3,900,000.00
Value Limitation Period	1	2024-2025	2024		$ 500,000.00	$ 266,000,000.00	$ 266,500,000.00	$ 266,500,000.00	$ 30,000,000.00
	2	2025-2026	2025		$ 485,000.00	$ 242,060,000.00	$ 242,545,000.00	$ 242,545,000.00	$ 30,000,000.00
	3	2026-2027	2026		$ 475,000.00	$ 218,120,000.00	$ 218,595,000.00	$ 218,595,000.00	$ 30,000,000.00
	4	2027-2028	2027		$ 465,000.00	$ 194,180,000.00	$ 194,645,000.00	$ 194,645,000.00	$ 30,000,000.00
	5	2028-2029	2028		$ 455,000.00	$ 170,240,000.00	$ 170,695,000.00	$ 170,695,000.00	$ 30,000,000.00
	6	2029-2030	2029		$ 445,000.00	$ 146,300,000.00	$ 146,745,000.00	$ 146,745,000.00	$ 30,000,000.00
	7	2030-2031	2030		$ 435,000.00	$ 122,360,000.00	$ 122,795,000.00	$ 122,795,000.00	$ 30,000,000.00
	8	2031-2032	2031		$ 425,000.00	$ 98,420,000.00	$ 98,845,000.00	$ 98,845,000.00	$ 30,000,000.00
	9	2032-2033	2032		$ 415,000.00	$ 74,480,000.00	$ 74,895,000.00	$ 74,895,000.00	$ 30,000,000.00
	10	2033-2034	2033		$ 405,000.00	$ 53,200,000.00	$ 53,605,000.00	$ 53,605,000.00	$ 30,000,000.00
Continue to maintain viable presence	11	2034-2035	2034		$ 395,000.00	$ 53,200,000.00	$ 53,595,000.00	$ 53,595,000.00	$ 53,595,000.00
	12	2035-2036	2035		$ 385,000.00	$ 53,200,000.00	$ 53,585,000.00	$ 53,585,000.00	$ 53,585,000.00
	13	2036-2037	2036		$ 375,000.00	$ 53,200,000.00	$ 53,575,000.00	$ 53,575,000.00	$ 53,575,000.00
	14	2037-2038	2037		$ 365,000.00	$ 53,200,000.00	$ 53,565,000.00	$ 53,565,000.00	$ 53,565,000.00
	15	2038-2039	2038		$ 355,000.00	$ 53,200,000.00	$ 53,555,000.00	$ 53,555,000.00	$ 53,555,000.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2039-2040	2039		$ 345,000.00	$ 53,200,000.00	$ 53,545,000.00	$ 53,545,000.00	$ 53,545,000.00
	17	2040-2041	2040		$ 335,000.00	$ 53,200,000.00	$ 53,535,000.00	$ 53,535,000.00	$ 53,535,000.00
	18	2041-2042	2041		$ 325,000.00	$ 53,200,000.00	$ 53,525,000.00	$ 53,525,000.00	$ 53,525,000.00
	19	2042-2043	2042		$ 315,000.00	$ 53,200,000.00	$ 53,515,000.00	$ 53,515,000.00	$ 53,515,000.00
	20	2043-2044	2043		$ 305,000.00	$ 53,200,000.00	$ 53,505,000.00	$ 53,505,000.00	$ 53,505,000.00
	21	2044-2045	2044		$ 295,000.00	$ 53,200,000.00	$ 53,495,000.00	$ 53,495,000.00	$ 53,495,000.00
	22	2045-2046	2045		$ 285,000.00	$ 53,200,000.00	$ 53,485,000.00	$ 53,485,000.00	$ 53,485,000.00
	23	2046-2047	2046		$ 275,000.00	$ 53,200,000.00	$ 53,475,000.00	$ 53,475,000.00	$ 53,475,000.00
	24	2047-2048	2047		$ 265,000.00	$ 53,200,000.00	$ 53,465,000.00	$ 53,465,000.00	$ 53,465,000.00
	25	2048-2049	2048		$ 255,000.00	$ 53,200,000.00	$ 53,455,000.00	$ 53,455,000.00	$ 53,455,000.00

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

Schedule C: Employment Information

Date 4/11/2021

Applicant Name Cottonwood Bayou Solar II, LLC

ISD Name Angleton ISD

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				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Actual tax year) YYYY	Number of Construction FTE's	**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)	**A**nnual wage of new qualifying jobs
Each year prior to start of Value Limitation Period	0	2021-2022	2021					
Each year prior to start of Value Limitation Period	0	2022-2023	2022	300	$ 40,000.00			
Each year prior to start of Value Limitation Period	0	2023-2024	2023	300	$ 40,000.00			
Value Limitation Period *The qualifying time period could overlap the value limitation period*	1	2024-2025	2024				2	$ 66,016.50
	2	2025-2026	2025				2	$ 66,016.50
	3	2026-2027	2026				2	$ 66,016.50
	4	2027-2028	2027				2	$ 66,016.50
	5	2028-2029	2028				2	$ 66,016.50
	6	2029-2030	2029				2	$ 66,016.50
	7	2030-2031	2030				2	$ 66,016.50
	8	2031-2032	2031				2	$ 66,016.50
	9	2032-2033	2032				2	$ 66,016.50
	10	2033-2034	2033				2	$ 66,016.50
Years Following Value Limitation Period	11 through 25	2034-2049	2034-2049				2	$ 66,016.50

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

Tab 15: Economic Impact Analysis, other payments made in the state or other economic information (if applicable)

Not Applicable.

2424 Ridge Road
Rockwall, TX 75087
469.298.1594
www.keatax.com

Tab 16: Description of Reinvestment or Enterprise Zone

Currently, it is anticipated that Angleton Independent School District will create the reinvestment zone prior to the execution of the agreement. Please find attached their letter of intent.

ANGLETON INDEPENDENT SCHOOL DISTRICT

RESOLUTION CREATING COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2

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 Angleton 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 Brazoria 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 ANGLETON 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 Angleton 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 *COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2* 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 *COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2* 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 *COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2* 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 *COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2* with boundaries as described in **Exhibit A** and **Exhibit B** will result in benefits to the Brookesmith Independent School District and to land included in the zone, and that the improvements sought are feasible and practical; and,

(e) That the *COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2* 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 Brookesmith Independent School District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Angleton 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 *COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2.*

SECTION 4. That the existence of the *COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2* shall first take effect upon, XXXX XX, 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 beheld to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this

Resolution.

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

PASSED, APPROVED AND ADOPTED on this XX day of May, XXXX.

ANGLETON INDEPENDENT SCHOOL DISTRICT

By: _____
President
Board of Trustees

ATTEST: _____
Secretary
Board of Trustees

EXHIBIT A

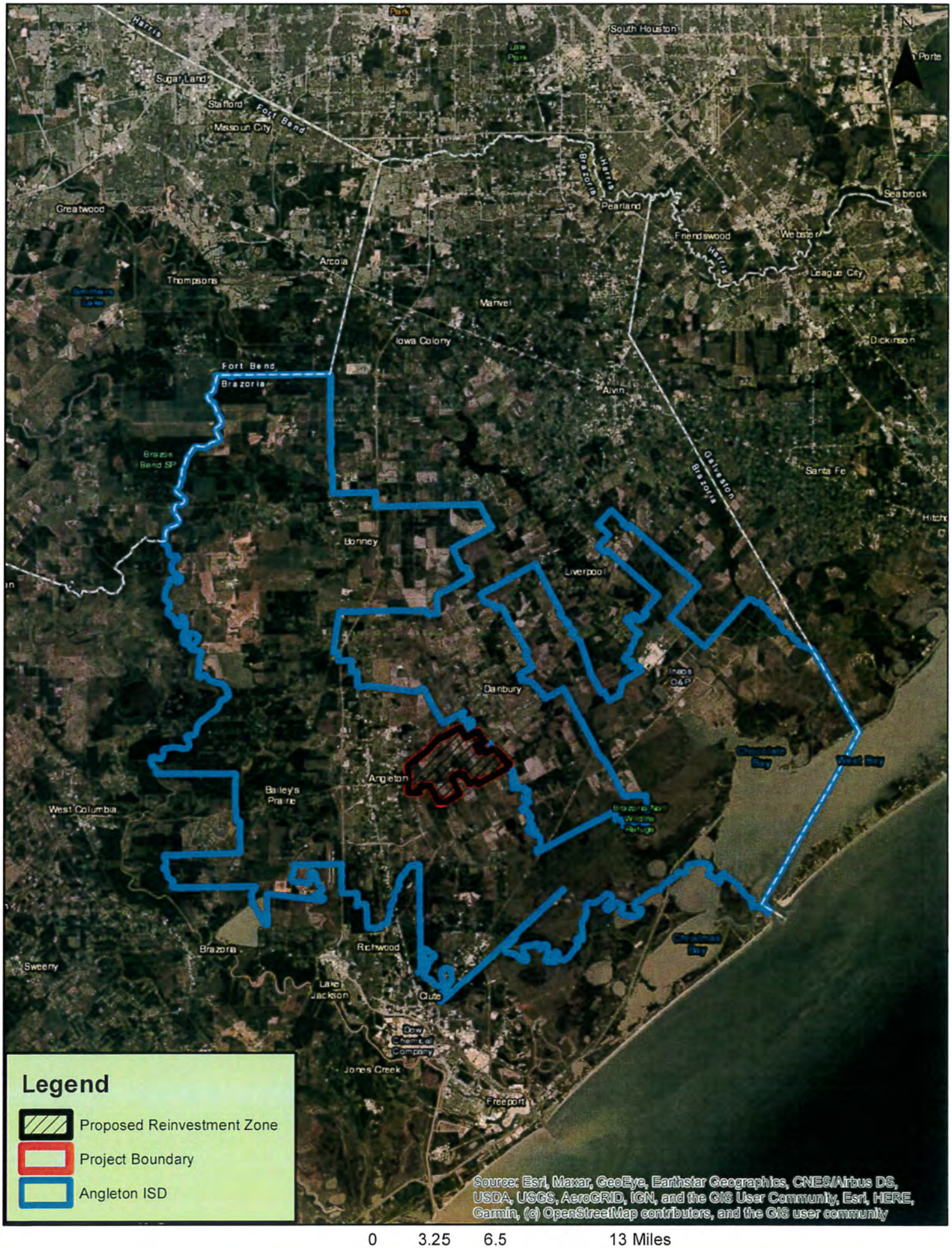
LEGAL DESCRIPTION OF COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2

COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2

EXHIBIT B

SURVEY MAPS OF COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2

Cottonwood Bayou Solar II, LLC



Tab 17: Signature and Certification Page, Signed and Dated by Authorized School District Representative and Authorized Company Representative (applicant)

Please See Attached.

SECTION 16: Authorized Signatures and Applicant Certification

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

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

1. Authorized School District Representative Signature

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

print here Phillip Edwards
Print Name *(Authorized School District Representative)*

Superintendent
Title

sign here
Signature *(Authorized School District Representative)*

April 20, 2021
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here HEATHER OTTEN
Print Name *(Authorized Company Representative (Applicant))*

MANAGER
Title

sign here
Signature *(Authorized Company Representative (Applicant))*

04/15/2021
Date

NOTARY PUBLIC STATE OF TEXAS
William Anderson Furgeson
My Commission Expires
03/19/2022
ID No. 126436014

(Notary Seal)

GIVEN under my hand and seal of office this, the

15TH day of APRIL, 2021

Notary Public in and for the State of Texas

My Commission expires: 03/19/22

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

June 2, 2021

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

RE: 1595-Supplement One of the Application to the Angleton Independent School District from Cottonwood Bayou Solar II, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed. Please find Supplement One of the Application to the Angleton Independent School District from Cottonwood Bayou Solar II, LLC. The following changes have been made:

1. Tab 3. Can you please provide the Texas Franchise Affiliate List? Resolved.
2. In Tab 4 "Energy Storage System" is listed but not listed in Tab 8. For clarification, will this project have a battery? Will this battery be claimed as qualified property? If not, please state this battery is not qualified property. If it will be claimed as qualified property you will need to state that the battery will only be used for this App 1595.Yes, this project will potentially have battery storage as part of the qualified property. The potential storage will only be used for Application #1595.
3. Answer the following questions
    a. Is this project known by any other names? This project has been referred to as "Amsterdam Solar."
    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. This project has been referred to as "Amsterdam Solar."
    c. Has this project applied to ERCOT at this time? **If so, please provide the project's IGNR number and when was it assigned**. Yes, this project applied to ERCOT on 2/4/2019 and was assigned IGNR# 21INR0256

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

Sincerely,

Kevin O'Hanlon
School District Consultant

Cc: Brazoria CAD
Cottonwood Bayou Solar II, LLC

Tab 4: Detailed Description of the Project

In its entirety, Cottonwood Bayou Solar II, LLC will be a 500MW/AC solar energy generation facility that will be located primarily in Angleton ISD, with portions in Danbury ISD.There will be 325MWac located in Angleton ISD with approximately 836,633 photovoltaic panels and 109 central inverters.

Cottonwood Bayou Solar II, LLC is being developed by Brazos Renewable Energy, LLC. Brazos Renewable Energy is a joint venture managed by SunChase Power, LLC, focused on developing utility-scale solar projects. They have over 2GW of projects in development, and over 1GW of projects currently under construction or slated to be in construction before the end of the year

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Angleton ISD including the following:

- Substation
- Transmission Line
- Inverter and Transformers
- Foundations
- Roadways, Paving, & Fencing
- Posts & Racking Equipment
- Meteorological Towers & Equipment
- Mounting & Tracker Equipment
- Interconnection Facilities
- Solar Modules& Panels
- PowerConditioning Equipment
- Combiner Boxes
- Operation & Maintenance Buildings
- DC and AC collection wires, cables, and equipment
- SCADA equipment
- Energy Storage Systems*

Generation of Solar Energy:
When sunlight strikes photovoltaic panels, photons from the sun's energy are absorbed by the semiconductors that compose the photovoltaic cells in the panel. After the semiconductor absorbs enough of these photons, electrons are dislodged from the atoms. These electrons then flow to the front of the cell, creating an imbalance in charge due to their negative properties. This imbalance creates a voltage potential which in turn is collected by electrical conductors in the cell and carried to either storage batteries or circuits to provide power.

*The potential energy storage system associated with this application will be used to store energy solely generated from the qualified property related to this application.

Tab 7: Description of Qualified Investment

In its entirety, Cottonwood Bayou Solar II, LLC will be a 500MW/AC solar energy generation facility that will be located primarily in Angleton ISD, with portions in Danbury ISD. There will be 325MW/AC located in Angleton ISD with approximately 836,633 photovoltaic panels and 109 central inverters.

Cottonwood Bayou Solar II, LLC requests that the limitation covers all qualified investment and qualified property located within Angleton ISD. It is our request that the limitation includes all eligible and ancillary equipment including the following:

- Substation
- Transmission Line
- Inverter and Transformers
- Foundations
- Roadways, Paving, & Fencing
- Posts & Racking Equipment
- Meteorological Towers & Equipment
- Mounting & Tracker Equipment
- Interconnection Facilities
- Solar Modules & Panels
- Power Conditioning Equipment
- Combiner Boxes
- Operation & Maintenance Buildings
- DC and AC collection wires, cables, and equipment
- SCADA equipment
- Energy Storage Systems*

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Angleton ISD.

*The potential energy storage system associated with this application will be used to store energy solely generated from the qualified property related to this application.

Tab 8: Description of Qualified Property

In its entirety, Cottonwood Bayou Solar II, LLC will be a 500MW/AC solar energy generation facility that will be located primarily in Angleton ISD, with portions in Danbury ISD. There will be 325MW/AC located in Angleton ISD with approximately 836,633 photovoltaic panels and 109 central inverters.

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- Mounting & Tracker Equipment
- Interconnection Facilities
- Solar Modules & Panels
- Power Conditioning Equipment
- Combiner Boxes
- Operation & Maintenance Buildings
- DC and AC collection wires, cables, and equipment
- SCADA equipment
- Energy Storage Systems*

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Angleton ISD.

*The potential energy storage system associated with this application will be used to store energy solely generated from the qualified property related to this application.

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

June 10, 2021

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

RE: 1595-Supplement Two of the Application to the Angleton Independent School District from Cottonwood Bayou Solar II, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed. Please find Supplement Two of the Application to the Angleton Independent School District from Cottonwood Bayou Solar II, LLC. The following changes have been made:

1. Updated tabs 7 and 8

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

Sincerely,

Kevin O'Hanlon
School District Consultant

Cc: Brazoria CAD
Cottonwood Bayou Solar II, LLC

Tab 7: Description of Qualified Investment

In its entirety, Cottonwood Bayou Solar II, LLC will be a 500MW/AC solar energy generation facility that will be located primarily in Angleton ISD, with portions in Danbury ISD. There will be 325MW/AC located in Angleton ISD with approximately 836,633 photovoltaic panels and 109 central inverters.

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- Transmission Line*
- Inverter and Transformers
- Foundations
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- Meteorological Towers & Equipment
- Mounting & Tracker Equipment
- Interconnection Facilities
- Solar Modules& Panels
- PowerConditioning Equipment
- Combiner Boxes
- Operation & MaintenanceBuildings
- DC and AC collection wires, cables, and equipment
- SCADA equipment
- Energy Storage Systems**

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Angleton ISD.

*Transmission line is the interconnection between qualified property of App.#1591 and App.#1595

**The potential energy storage system associated with this application will be used to store energy solely generated from the qualified property related to this application.

Tab 8: Description of Qualified Property

In its entirety, Cottonwood Bayou Solar II, LLC will be a 500MW/AC solar energy generation facility that will be located primarily in Angleton ISD, with portions in Danbury ISD. There will be 325MW/AC located in Angleton ISD with approximately 836,633 photovoltaic panels and 109 central inverters.

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- Foundations
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- Solar Modules& Panels
- PowerConditioning Equipment
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- Operation & Maintenance Buildings
- DC and AC collection wires, cables, and equipment
- SCADA equipment
- Energy Storage Systems**

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Angleton ISD.

*Transmission line is the interconnection between qualified property of App.#1591 and App.#1595

**The potential energy storage system associated with this application will be used to store energy solely generated from the qualified property related to this application.

Attachment B

Franchise Tax Account Status

Franchise Tax Account Status

As of : 11/16/2021 10:55:11

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

COTTONWOOD BAYOU SOLAR II, LLC

Texas Taxpayer Number	32071493152
Mailing Address	988 HOWARD AVE STE 200 BURLINGAME, CA 94010-8019
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	07/30/2019
Texas SOS File Number	0803382199
Registered Agent Name	CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701

Attachment C

State Comptroller's Certification

DocuSign Envelope ID: 8E0A5B02-2A89-4C41-B174-48A2FA958D89

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

July 28, 2021

Phil Edwards
Superintendent
Angleton Independent School District
1900 N. Downing Road
Angleton, TX 77515

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Angleton Independent School District and Cottonwood Bayou Solar II, LLC, Application 1595

Dear Superintendent Edwards:

On May 14, 2021, the Comptroller issued written notice that Cottonwood Bayou Solar II, LLC (applicant) submitted a completed application (Application 1595) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on April 20, 2021, to the Angleton 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.

DocuSign Envelope ID: 8E0A5B02-2A89-4C41-B174-48A2FA958D89

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 1595.

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

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

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

Determination required by 313.026(c)(2)

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

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

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

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2021.

Note that any building or improvement existing as of the application review start date of May 14, 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.

DocuSign Envelope ID: 8E0A5B02-2A89-4C41-B174-48A2FA958D89

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

DocuSigned by:
Lisa Craven
11EA6DEF0EC441E...

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Cottonwood Bayou Solar II, LLC (project) applying to Angleton 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 Cottonwood Bayou Solar II, LLC.

Applicant	Cottonwood Bayou Solar II, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Wind
School District	Angleton ISD
2019-2020 Average Daily Attendance	6,319
County	Brazoria
Proposed Total Investment in District	$266,500,000
Proposed Qualified Investment	$266,500,000
Limitation Amount	$30,000,000
Qualifying Time Period (Full Years)	2022-2023
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	$1,270
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$1,270
Minimum annual wage committed to by applicant for qualified jobs	$66,017
Minimum weekly wage required for non-qualifying jobs	$1,136.25
Minimum annual wage required for non-qualifying jobs	$59,085
Investment per Qualifying Job	$133,250,000
Estimated M&O levy without any limit (15 years)	$17,054,484
Estimated M&O levy with Limitation (15 years)	$5,238,031
Estimated gross M&O tax benefit (15 years)	$11,816,453

** 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 Cottonwood Bayou Solar II, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2022	300	259	559	$12,000,000	$25,000,000	$37,000,000
2023	300	1,259	1559	$12,000,000	$101,000,000	$113,000,000
2024	2	61	63	$132,033	$15,867,967	$16,000,000
2025	2	14	16	$132,033	$9,867,967	$10,000,000
2026	2	(18)	-16	$132,033	$4,867,967	$5,000,000
2027	2	(33)	-31	$132,033	$1,867,967	$2,000,000
2028	2	(43)	-41	$132,033	-$132,033	$0
2029	2	(43)	-41	$132,033	-$1,132,033	-$1,000,000
2030	2	(33)	-31	$132,033	-$2,132,033	-$2,000,000
2031	2	(31)	-29	$132,033	-$1,132,033	-$1,000,000
2032	2	(18)	-16	$132,033	-$1,132,033	-$1,000,000
2033	2	(12)	-10	$132,033	-$1,132,033	-$1,000,000
2034	2	(8)	-6	$132,033	-$132,033	$0
2035	2	(4)	-2	$132,033	-$132,033	$0
2036	2	2	4	$132,033	$867,967	$1,000,000
2037	2	4	6	$132,033	$867,967	$1,000,000

Source: CPA REMI, Cottonwood Bayou Solar II, 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		Angleton ISD I&S Tax Levy	Angleton ISD M&O Tax Levy	Angleton ISD M&O and I&S Tax Levies	Brazoria County Tax Levy	Hospital District Tax Levy	Alvin Community College Tax Levy	Drainage District Tax Levy	ESD #1 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.4152	0.9161		0.4152	0.2423	0.1859	0.1304	0.0725	
2023	$3,900,000	$3,900,000		$16,193	$35,728	$51,921	$16,194	$9,448	$7,249	$5,084	$2,829	$92,724
2024	$266,500,000	$266,500,000		$1,106,508	$2,441,407	$3,547,915	$1,106,596	$645,620	$495,322	$347,388	$193,287	$6,336,128
2025	$242,545,000	$242,545,000		$1,007,047	$2,221,955	$3,229,002	$1,007,127	$587,587	$450,799	$316,162	$175,913	$5,766,590
2026	$218,595,000	$218,595,000		$907,606	$2,002,549	$2,910,155	$907,679	$529,566	$406,285	$284,943	$158,543	$5,197,170
2027	$194,645,000	$194,645,000		$808,166	$1,783,143	$2,591,309	$808,230	$471,545	$361,771	$253,724	$141,172	$4,627,751
2028	$170,695,000	$170,695,000		$708,726	$1,563,737	$2,272,463	$708,782	$413,524	$317,257	$222,504	$123,802	$4,058,332
2029	$146,745,000	$146,745,000		$609,285	$1,344,331	$1,953,616	$609,334	$355,503	$272,743	$191,285	$106,431	$3,488,912
2030	$122,795,000	$122,795,000		$509,845	$1,124,925	$1,634,770	$509,885	$297,482	$228,229	$160,066	$89,061	$2,919,493
2031	$98,845,000	$98,845,000		$410,404	$905,519	$1,315,923	$410,437	$239,461	$183,715	$128,846	$71,690	$2,350,073
2032	$74,895,000	$74,895,000		$310,964	$686,113	$997,077	$310,989	$181,440	$139,201	$97,627	$54,320	$1,780,654
2033	$53,605,000	$53,605,000		$222,568	$491,075	$713,643	$222,586	$129,863	$99,631	$69,875	$38,879	$1,274,477
2034	$53,595,000	$53,595,000		$222,526	$490,984	$713,510	$222,544	$129,839	$99,613	$69,862	$38,871	$1,274,239
2035	$53,585,000	$53,585,000		$222,485	$490,892	$713,377	$222,503	$129,814	$99,594	$69,849	$38,864	$1,274,002
2036	$53,575,000	$53,575,000		$222,443	$490,801	$713,244	$222,461	$129,790	$99,576	$69,836	$38,857	$1,273,764
2037	$53,565,000	$53,565,000		$222,402	$490,709	$713,111	$222,420	$129,766	$99,557	$69,823	$38,850	$1,273,526
2038	$53,555,000	$53,555,000		$222,360	$490,617	$712,978	$222,378	$129,742	$99,538	$69,810	$38,842	$1,273,288
			Total	$7,729,529	$17,054,484	$24,784,013	$7,730,144	$4,509,990	$3,460,081	$2,426,685	$1,350,210	$44,261,124

Source: CPA, Cottonwood Bayou Solar II, LLC
*Tax Rate per $100 Valuation

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

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Angleton ISD I&S Tax Levy	Angleton ISD M&O Tax Levy	Angleton ISD M&O and I&S Tax Levies	Brazoria County Tax Levy	Hospital District Tax Levy	Alvin Community College Tax Levy	Drainage District Tax Levy	ESD #1 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.4152	0.9161		0.4152	0.2423	0.1859	0.1304	0.0725	
2023	$3,900,000	$3,900,000		$16,193	$35,728	$51,921	$16,194	$9,448	$7,249	$5,084	$2,829	$92,724
2024	$266,500,000	$30,000,000		$1,106,508	$274,830	$1,381,338	$409,440	$645,620	$495,322	$347,388	$193,287	$3,472,396
2025	$242,545,000	$30,000,000		$1,007,047	$274,830	$1,281,877	$372,637	$587,587	$450,799	$316,162	$175,913	$3,184,975
2026	$218,595,000	$30,000,000		$907,606	$274,830	$1,182,436	$335,841	$529,566	$406,285	$284,943	$158,543	$2,897,614
2027	$194,645,000	$30,000,000		$808,166	$274,830	$1,082,996	$299,045	$471,545	$361,771	$253,724	$141,172	$2,610,253
2028	$170,695,000	$30,000,000		$708,726	$274,830	$983,556	$262,249	$413,524	$317,257	$222,504	$123,802	$2,322,892
2029	$146,745,000	$30,000,000		$609,285	$274,830	$884,115	$225,453	$355,503	$272,743	$191,285	$106,431	$2,035,531
2030	$122,795,000	$30,000,000		$509,845	$274,830	$784,675	$188,658	$297,482	$228,229	$160,066	$89,061	$1,748,170
2031	$98,845,000	$30,000,000		$410,404	$274,830	$685,234	$410,437	$239,461	$183,715	$128,846	$71,690	$1,719,384
2032	$74,895,000	$30,000,000		$310,964	$274,830	$585,794	$310,989	$181,440	$139,201	$97,627	$54,320	$1,369,371
2033	$53,605,000	$30,000,000		$222,568	$274,830	$497,398	$222,586	$129,863	$99,631	$69,875	$38,879	$1,058,232
2034	$53,595,000	$53,595,000		$222,526	$490,984	$713,510	$222,544	$129,839	$99,613	$69,862	$38,871	$1,274,239
2035	$53,585,000	$53,585,000		$222,485	$490,892	$713,377	$222,503	$129,814	$99,594	$69,849	$38,864	$1,274,002
2036	$53,575,000	$53,575,000		$222,443	$490,801	$713,244	$222,461	$129,790	$99,576	$69,836	$38,857	$1,273,764
2037	$53,565,000	$53,565,000		$222,402	$490,709	$713,111	$222,420	$129,766	$99,557	$69,823	$38,850	$1,273,526
2038	$53,555,000	$53,555,000		$222,360	$490,617	$712,978	$222,378	$129,742	$99,538	$69,810	$38,842	$1,273,288
			Total	$7,729,529	$5,238,031	$12,967,560	$4,165,835	$4,509,990	$3,460,081	$2,426,685	$1,350,210	$28,880,362
			Diff	$0	$11,816,453	$11,816,453	$3,564,309	$0	$0	$0	$0	$15,380,762
Assumes School Value Limitation and Tax Abatements with the County.												

Source: CPA, Cottonwood Bayou Solar II, 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 Cottonwood Bayou Solar II, 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 and direct, indirect and induced tax effects from project employment 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	2021	$0	$0	$0	$0
	2022	$0	$0	$0	$0
	2023	$35,728	$35,728	$0	$0
Limitation Period (10 Years)	2024	$274,830	$310,558	$2,166,577	$2,166,577
	2025	$274,830	$585,388	$1,947,125	$4,113,701
	2026	$274,830	$860,218	$1,727,719	$5,841,420
	2027	$274,830	$1,135,048	$1,508,313	$7,349,733
	2028	$274,830	$1,409,878	$1,288,907	$8,638,640
	2029	$274,830	$1,684,708	$1,069,501	$9,708,141
	2030	$274,830	$1,959,538	$850,095	$10,558,236
	2031	$274,830	$2,234,368	$630,689	$11,188,925
	2032	$274,830	$2,509,198	$411,283	$11,600,208
	2033	$274,830	$2,784,028	$216,245	$11,816,453
Maintain Viable Presence (5 Years)	2034	$490,984	$3,275,012	$0	$11,816,453
	2035	$490,892	$3,765,904	$0	$11,816,453
	2036	$490,801	$4,256,704	$0	$11,816,453
	2037	$490,709	$4,747,413	$0	$11,816,453
	2038	$490,617	$5,238,031	$0	$11,816,453
Additional Years as Required by 313.026(c)(1) (10 Years)	2039	$490,526	$5,728,557	$0	$11,816,453
	2040	$490,434	$6,218,991	$0	$11,816,453
	2041	$490,343	$6,709,333	$0	$11,816,453
	2042	$490,251	$7,199,584	$0	$11,816,453
	2043	$490,159	$7,689,743	$0	$11,816,453
	2044	$490,068	$8,179,811	$0	$11,816,453
	2045	$489,976	$8,669,787	$0	$11,816,453
	2046	$489,884	$9,159,672	$0	$11,816,453
	2047	$489,793	$9,649,465	$0	$11,816,453
	2048	$489,701	$10,139,166	$0	$11,816,453

	$10,139,166	is less than	**$11,816,453**	

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?	No

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, Cottonwood Bayou Solar II, LLC

	Employment			Personal Income			Revenue & Expenditure		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2022	300	259	559	$12,000,000	$25,000,000	$37,000,000	1900000	-1050000	$2,950,000
2023	300	1,259	1559	$12,000,000	$101,000,000	$113,000,000	10540000	-2490000	$13,030,000
2024	2	61	63	$132,033	$15,867,967	$16,000,000	720000	1500000	-$780,000
2025	2	14	16	$132,033	$9,867,967	$10,000,000	590000	1510000	-$920,000
2026	2	(18)	-16	$132,033	$4,867,967	$5,000,000	400000	1450000	-$1,050,000
2027	2	(33)	-31	$132,033	$1,867,967	$2,000,000	240000	1360000	-$1,120,000
2028	2	(43)	-41	$132,033	-$132,033	$0	160000	1210000	-$1,050,000
2029	2	(43)	-41	$132,033	-$1,132,033	-$1,000,000	120000	1120000	-$1,000,000
2030	2	(33)	-31	$132,033	-$2,132,033	-$2,000,000	110000	990000	-$880,000
2031	2	(31)	-29	$132,033	-$1,132,033	-$1,000,000	110000	900000	-$790,000
2032	2	(18)	-16	$132,033	-$1,132,033	-$1,000,000	100000	810000	-$710,000
2033	2	(12)	-10	$132,033	-$1,132,033	-$1,000,000	90000	700000	-$610,000
2034	2	(8)	-6	$132,033	-$132,033	$0	40000	630000	-$590,000
2035	2	(4)	-2	$132,033	-$132,033	$0	30000	560000	-$530,000
2036	2	2	4	$132,033	$867,967	$1,000,000	20000	490000	-$470,000
2037	2	4	6	$132,033	$867,967	$1,000,000	-20000	430000	-$450,000
2038	2	2	4	$132,033	$867,967	$1,000,000	-20000	420000	-$440,000
2039	2	10	12	$132,033	$1,867,967	$2,000,000	-50000	340000	-$390,000
2040	2	6	8	$132,033	$1,867,967	$2,000,000	-60000	290000	-$350,000
2041	2	10	12	$132,033	$1,867,967	$2,000,000	-60000	250000	-$310,000
2042	2	12	14	$132,033	$2,867,967	$3,000,000	-50000	240000	-$290,000
2043	2	6	8	$132,033	$2,867,967	$3,000,000	-80000	210000	-$290,000
2044	2	2	4	$132,033	$2,867,967	$3,000,000	-80000	200000	-$280,000
2045	2	8	10	$132,033	$2,867,967	$3,000,000	-110000	120000	-$230,000
2046	2	6	8	$132,033	$3,867,967	$4,000,000	20000	140000	-$120,000
2047	2	16	18	$132,033	$4,867,967	$5,000,000	110000	110000	$0
2048	2	18	20	$132,033	$5,867,967	$6,000,000	140000	120000	$20,000
						Total	**$14,910,000**	**$12,560,000**	**$2,350,000**
							$12,489,166	is greater than	**$11,816,453**

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

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 Cottonwood Bayou Solar II, 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 Cottonwood Bayou Solar II, LLC. in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "Renewable energy developers face many challenges in the determination of project location—one of these factors being the selection of an area where the greatest return on investment can be achieved. There are several factors that contribute to Texas favorability for development, one however that does not is the state's notoriously high property tax burden—ranking in the top 10 across the United States."
  B. "In the event an appraised value limitation agreement is not received by Cottonwood Bayou Solar, LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where either the property tax burden is lower or economic incentives can be secured, namely locations where Red River Renewable Energy, LLC is currently active including Oklahoma, Louisiana, Arkansas, Mississippi and other areas throughout Texas. Thus, an appraised value limitation agreement between Cottonwood Bayou Solar, LLC and Angleton Independent School District is the determining factor in the decision to locate this facility within the state of Texas"
- Comptroller Research
  A. In August 28, 2018, *The facts* reported that SunChase Power was seeking a tax abatement for a solar Project in Danbury ISD. Will Furgeson, Vice president of SunChase Power said, "there is a growing interest in solar in Southeast Texas due to the large population and industrial demand in the Houston metropolitan region, but it only has become economically viable to develop projects of this size in the last two or three years."
  B. The qualified property for Cottonwood Bayou Solar, LLC located in Angleton ISD (Application #1594) is placed adjacent to the qualified property of Cottonwood Bayou Solar II, LLC located in Angleton ISD (Application #1595) and adjacent to the qualified property of Cottonwood Bayou

Solar II, LLC located in Danbury ISD (Application #1591). Construction for App #1591, App #1594, and App #1595 is anticipated to begin in the 3rd Quarter of 2022. (Proximity Map provided)

- Provided by Applicant
  A. Cotton Bayou Solar, LLC is being developed by Red River Renewables Energy, LLC. Red River Renewable Energy is a joint venture managed by SunChase Power, LLC, focused on developing utility-scale solar projects. They have over 2GW of projects in development, and over 1GW of projects currently under construction or slated to be in construction before the of the year.
  B. The Project has been referred to as "Amsterdam Solar."
  C. This project applied to ERCOT and was assigned IGNR# 21INR0256 on 2/4/2019.
  D. In regard to interconnections between agreements: App #1591 (Danbury portion of CBII) will share qualified property with App #1595 (Angleton portion of CBII) because they are two portions of the same project. App #1594 (Angleton portion of CB) will be freestanding and will have its own interconnection location.

Supporting Information

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

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

Supporting Information

Section 8 of the Application for a Limitation on Appraised Value

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

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

1. Estimated school board ratification of final agreement: October 1, 2021
2. Estimated commencement of construction: October 1, 2022
3. Beginning of qualifying time period (MM/DD/YYYY): January 1, 2022
4. First year of limitation (YYYY): January 1, 2024

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: December 31, 2023

SECTION 10: The Property

1. County or counties in which the proposed project will be located: Brazoria County
2. Central Appraisal District (CAD) that will be responsible for appraising the property: Brazoria CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☑ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

M&O (ISD): Angleton, .9161; 100% *(Name, tax rate and percent of project)*

I&S (ISD): Angleton, .4152; 100% *(Name, tax rate and percent of project)*

County: Brazoria County, .415233; 100% *(Name, tax rate and percent of project)*

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

Hospital District: Hospital District,.242259;100 % *(Name, tax rate and percent of project)*

Water District: Drainage District, .130352; 100% *(Name, tax rate and percent of project)*

Other *(describe)*: Alvin Comm. College, .185862; 100% *(Name, tax rate and percent of project)*

Other *(describe)*: ESD#1, .072528; 100% *(Name, tax rate and percent of project)*

Supporting Information

Attachments provided in Tab 4 of the Application for a Limitation on Appraised Value

Tab 4: Detailed Description of the Project

In its entirety, Cottonwood Bayou Solar II, LLC will be a 500MW/AC solar energy generation facility that will be located primarily in Angleton ISD, with portions in Danbury ISD.There will be 325MWac located in Angleton ISD with approximately 836,633 photovoltaic panels and 109 central inverters.

Cottonwood Bayou Solar II, LLC is being developed by Brazos Renewable Energy, LLC. Brazos Renewable Energy is a joint venture managed by SunChase Power, LLC, focused on developing utility-scale solar projects. They have over 2GW of projects in development, and over 1GW of projects currently under construction or slated to be in construction before the end of the year

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Angleton ISD including the following:

- Substation
- Transmission Line
- Inverter and Transformers
- Foundations
- Roadways, Paving, & Fencing
- Posts & Racking Equipment
- Meteorological Towers & Equipment
- Mounting & Tracker Equipment
- Interconnection Facilities
- Solar Modules& Panels
- PowerConditioning Equipment
- Combiner Boxes
- Operation & Maintenance Buildings
- DC and AC collection wires, cables, and equipment
- SCADA equipment
- Energy Storage Systems*

Generation of Solar Energy:
When sunlight strikes photovoltaic panels, photons from the sun's energy are absorbed by the semiconductors that compose the photovoltaic cells in the panel. After the semiconductor absorbs enough of these photons, electrons are dislodged from the atoms. These electrons then flow to the front of the cell, creating an imbalance in charge due to their negative properties. This imbalance creates a voltage potential which in turn is collected by electrical conductors in the cell and carried to either storage batteries or circuits to provide power.

*The potential energy storage system associated with this application will be used to store energy solely generated from the qualified property related to this application.

Supporting Information

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

Tab 5: Documentation to Assist in Determining if Limitation is a Determining Factor

Throughout the United States the production of renewable energy has been increasing as the cost of these systems has decreased and technological advancements have improved efficiency. In 2020, Texas ranked 2nd in installed solar capacity.[1] The state's geographic position and containment of several large population centers has made Texas a favorable location for renewable energy development.

Renewable energy developers face many challenges in the determination of project location—one of these factors being the selection of an area where the greatest return on investment can be achieved. There are several factors that contribute to Texas favorability for development, one however that does not is the state's notoriously high property tax burden—ranking in the top 10 across the United States.

An appraised value limitation on qualified property allows developers to significantly diminish the property tax liability that composes a substantial ongoing cost of operation that directly impacts the economic rate of return for the project. In the absence of an appraised value limitation, the development of renewable energy facilities becomes financially uncertain as the rate of return often fails to meet the minimum return required to proceed. In the event an appraised value limitation agreement is not received by Cottonwood Bayou Solar II, LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where either the property tax burden is lower or economic incentives can be secured, namely locations where Brazos Renewable Energy, LLC is currently active including Oklahoma, Louisiana, Arkansas, Mississippi and other areas throughout Texas. Thus, an appraised value limitation agreement between Cottonwood Bayou Solar II, LLC and Angleton Independent School District is the determining factor in the decision to locate this facility within the state of Texas.

Please note: The IGNR# for this project is 21INR0256 and this number were assigned on 2/4/2019. Additionally, this project has been referred to as Amsterdam Solar, LLC.

[1] Solar Energy Industries Association

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Angleton ISD– Cottonwood Bayou Solar II, LLC App. #1595

Comptroller Questions (via email on May 21, 2021):

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

Applicant Response (via email on June 2, 2021):

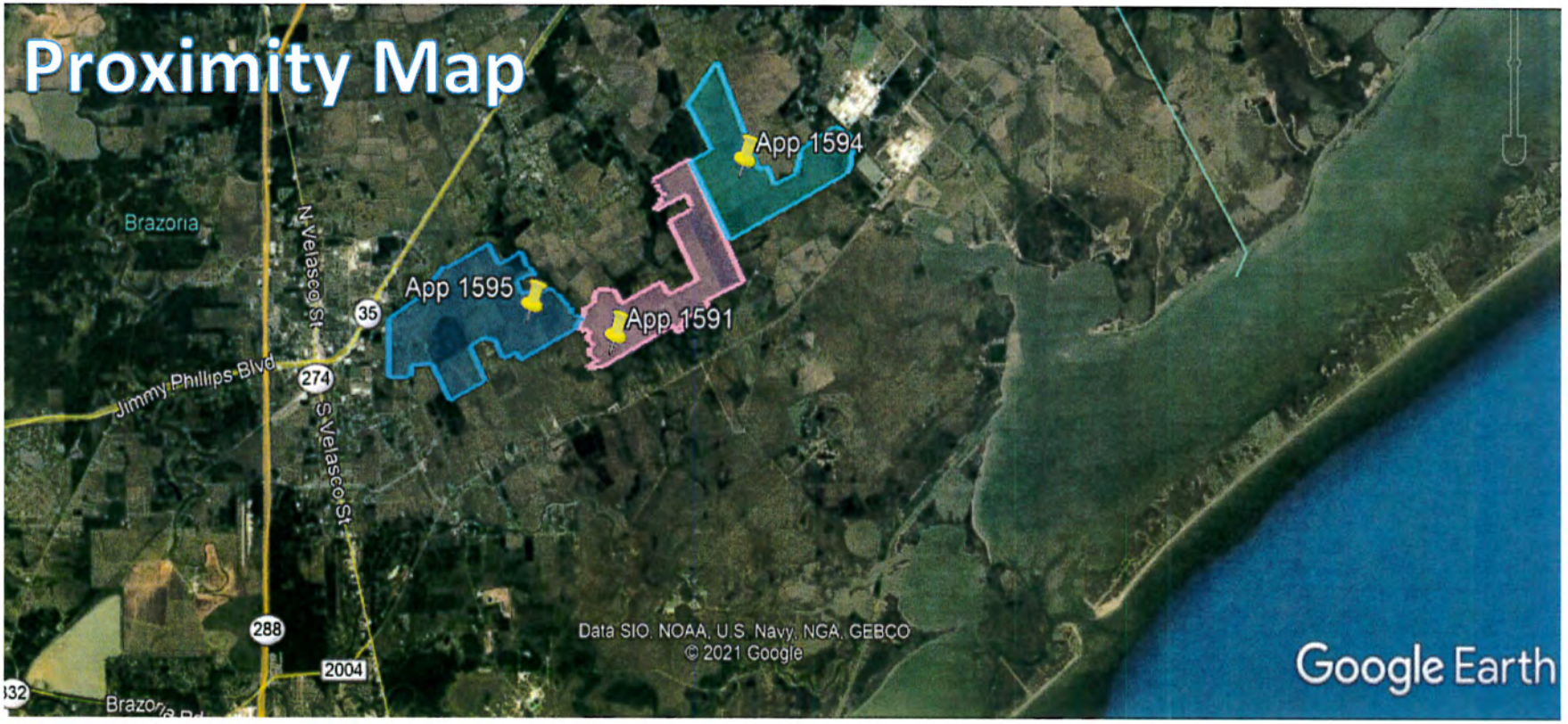
1. This project has been referred to as "Amsterdam Solar."
2. This project has been referred to as "Amsterdam Solar."
3. Yes, this project applied to ERCOT and was assigned IGNR# 21INR0256 on 2/4/2019.

Comptroller Questions (via email on May 25, 2021):

1. Because of App #1591 proximity to App #1594 and App #1595, will there be any interconnections? i.e. will these projects share any qualified property

Applicant Response (via email on June 1, 2021):

1. In regard to interconnections between agreements: App #1591 (Danbury portion of CBII) will share qualified property with App #1595 (Angleton portion of CBII) because they are two portions of the same project. App #1594 (Angleton portion of CB) will be freestanding and will have its own interconnection location.


Proximity Map
App 1594
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Major solar project seeks tax abatement from Danbury ISD

By Codi Kozacek codi.kozacek@thefacts.com
Aug 28, 2018

DANBURY — A large-scale solar farm proposed for construction within Danbury ISD is seeking tax incentives from the school district.

Austin-based renewable energy developer SunChase Power plans to build a 200-megawatt photovoltaic solar farm northwest of Danbury. The company, through its subsidiary Myrtle Solar, is asking the school district for an agreement to limit the amount of property taxes it will pay on the $180 million project, which would be one of the first utility-scale solar farms in Southeast Texas.

The district's Board of Trustees voted last week to move forward with an application to form the deal and to retain consultants to help with the process. The vote does not approve the agreement, and the cost of the consultants is paid by the company.

The project could bring in new revenue to help the district pay down bonds and service its debt, and securing the deal — known as a Chapter 313 agreement — likely will play a role in determining whether construction moves forward.

"This project is by no means a done deal," Will Furgeson, a vice president at SunChase Power, told the board at its meeting last week. "One of the requirements the project has to meet at the comptroller level is to prove the acceptance of this agreement, because it is a critical part of the facility's ability to operate."

About 80 percent of the proposed solar farm would lie within the school district, or an estimated $152 million of its projected property value, according to documents shared with the board. The company is seeking a tax limitation of $30 million that would apply for the 2021 to 2030 tax years.

In other words, for the first 10 years of the project's life, the company would pay taxes to the district on $30 million of property value, rather than the whole $152 million.

The limitation, however, applies only to the district's tax rate for maintenance and operations, Superintendent Greg Anderson said. It does not apply to the portion of the tax rate that goes toward paying off the district's bonds and debts — a portion the district increased by 35 cents this year to service a $18.7 million bond voters approved to build a new elementary school.

Under a 313 agreement, the company still would have to pay those debt service taxes on the entire $152 million of property value throughout the life of the project. The agreement could also require the company to provide up to $100 per student in supplemental payments, though those terms are subject to negotiation.

"It's a win for the district in terms of additional funds coming in, especially on the debt side," Anderson said. "And it's a win for the business because they're not applying the full tax value on that particular facility."

Still, the 313 agreement is not the project's only hurdle. Developers are working on engineering and environmental assessments and confirming data on the area's potential for solar power, Furgeson told the board.

They also are looking to secure a utility to buy the power generated by the solar farm. Furgeson said there is growing interest in solar in Southeast Texas due to the large population and industrial demand in the Houston metropolitan region, but it only has become economically viable to develop projects of this size in the last two or three years.

https://thefacts.com/free_share/article_1bd1977a-3df3-5262-9ee7-9c3dd09444d8.html-Retrieved 7/1/21

If all goes well, he said, developers hope to begin construction on the project by the end of 2019 and bring it online by the end of 2020.

Codi Kozacek is a reporter for The Facts. Contact her at 979-237-0152.

codikozacek

Attachment D

Summary of Financial Impact

CHAPTER 313 PROPERTY VALUE LIMITATION FINANCIAL IMPACT OF THE PROPOSED COTTONWOOD BAYOU SOLAR II, LLC PROJECT IN THE ANGLETON INDEPENDENT SCHOOL DISTRICT (PROJECT # 1595)

PREPARED BY

MAY 25, 2021

Executive Summary

Cottonwood Bayou Solar II, LLC (Company) has requested that the Angleton Independent School District (AISD) 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 AISD on April 20, 2021 the Company plans to invest $266.5 million in additional taxable value to 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 Cottonwood Bayou Solar II 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, AISD may offer a minimum value limitation of $30 million. This value limitation, under the proposed application, will begin in the 2024-25 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

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

Total Revenue Loss Payment owed to AISD	$2.39 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	$9.4 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 May 14, 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 AISD, 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:	6,421
Local M&O Tax Base	$3.59 billion
2020-21 M&O Tax Rate:	$0.9161 per $100 of Taxable Value
2021-22 Projected M&O Tax Rate:	$0.9161 per $100 of Taxable Value
I&S Tax Rate:	$0.4152 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 Cottonwood Bayou II 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	2021-22	6,421.22	8,943.88	$0.9161	$0.4152	$3,593,052,182	$3,593,052,182	$401,733	$401,733
QTP1	2022-23	6,421.22	8,943.88	$0.9161	$0.4152	$3,593,052,182	$3,593,052,182	$401,733	$401,733
QTP2	2023-24	6,421.22	8,943.88	$0.9161	$0.4152	$3,593,052,182	$3,593,052,182	$401,733	$401,733
VL1	2024-25	6,421.22	8,943.88	$0.9161	$0.4152	$3,596,952,182	$3,602,182,182	$402,169	$402,754
VL2	2025-26	6,421.22	8,943.88	$0.9161	$0.4152	$3,859,552,182	$3,623,052,182	$431,530	$405,087
VL3	2026-27	6,421.22	8,943.88	$0.9161	$0.4152	$3,865,597,182	$3,653,052,182	$432,206	$408,442
VL4	2027-28	6,421.22	8,943.88	$0.9161	$0.4152	$3,841,647,182	$3,653,052,182	$429,528	$408,442
VL5	2028-29	6,421.22	8,943.88	$0.9161	$0.4152	$3,817,697,182	$3,653,052,182	$426,850	$408,442
VL6	2029-30	6,421.22	8,943.88	$0.9161	$0.4152	$3,793,747,182	$3,653,052,182	$424,172	$408,442
VL7	2030-31	6,421.22	8,943.88	$0.9161	$0.4152	$4,046,390,982	$3,929,645,982	$452,420	$439,367
VL8	2031-32	6,421.22	8,943.88	$0.9161	$0.4152	$4,067,495,182	$3,974,700,182	$454,780	$444,404
VL9	2032-33	6,421.22	8,943.88	$0.9161	$0.4152	$4,027,486,582	$3,958,641,582	$450,306	$442,609
VL10	2033-34	6,421.22	8,943.88	$0.9161	$0.4152	$3,988,161,882	$3,943,266,882	$445,910	$440,890
VP1	2034-35	6,421.22	8,943.88	$0.9161	$0.4152	$3,952,152,382	$3,928,547,382	$441,883	$439,244
VP2	2035-36	6,421.22	8,943.88	$0.9161	$0.4152	$3,938,047,208	$3,932,389,208	$440,306	$439,674
VP3	2036-37	6,421.22	8,943.88	$0.9161	$0.4152	$4,364,391,361	$4,358,733,361	$487,975	$487,343
VP4	2037-38	6,421.22	8,943.88	$0.9161	$0.4152	$4,327,964,152	$4,322,306,152	$483,902	$483,270
VP5	2038-39	6,421.22	8,943.88	$0.9161	$0.4152	$4,293,260,010	$4,287,602,010	$480,022	$479,389

***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 Cottonwood Bayou II Project on AISD

A model is established to make a calculation of the "Baseline Revenue Model" (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the "Value Limitation Revenue Model" (Table 3) by adding the project's limited value of $30 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of $2.39 million over the course of the Agreement, with all the loss reflected in the first limitation year (2024-25).

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	2021-22	$30,243,351	$24,663,607	$0	$1,745,950	$2,537,910	$0	-$7,596	$59,183,222
QTP1	2022-23	$30,243,351	$24,663,607	$0	$1,745,950	$2,537,910	$0	$3,433,016	$62,623,834
QTP2	2023-24	$30,276,454	$24,663,607	$0	$1,747,861	$2,537,910	$0	-$7,574	$59,218,258
VL1	2024-25	$32,546,311	$24,629,829	$0	$1,878,900	$2,723,867	$0	-$8,104	$61,770,803
VL2	2025-26	$32,593,470	$22,355,451	$0	$1,881,623	$2,418,302	$0	-$8,329	$59,240,517
VL3	2026-27	$32,386,039	$22,303,095	$0	$1,869,648	$2,395,554	$0	-$8,347	$58,945,989
VL4	2027-28	$32,178,608	$22,510,526	$0	$1,857,673	$2,407,146	$0	-$8,417	$58,945,536
VL5	2028-29	$31,971,177	$22,717,957	$0	$1,845,698	$2,413,740	$0	-$8,332	$58,940,240
VL6	2029-30	$34,111,414	$22,925,388	$0	$1,969,254	$2,606,076	$0	-$8,644	$61,603,488
VL7	2030-31	$34,286,393	$20,737,240	$0	$1,979,355	$2,331,893	$0	-$8,627	$59,326,254
VL8	2031-32	$33,942,660	$20,554,456	$0	$1,959,512	$2,288,339	$0	-$8,525	$58,736,442
VL9	2032-33	$33,604,732	$20,900,971	$0	$1,940,003	$2,307,623	$0	-$8,425	$58,744,904
VL10	2033-34	$33,295,404	$21,241,562	$0	$1,922,145	$2,326,578	$0	-$8,332	$58,777,357
VP1	2034-35	$33,123,569	$21,553,440	$0	$1,912,225	$2,353,661	$0	-$8,286	$58,934,609
VP2	2035-36	$36,742,285	$21,675,605	$0	$2,121,134	$2,628,726	$0	-$8,870	$63,158,880
VP3	2036-37	$36,433,099	$17,983,039	$0	$2,103,285	$2,145,235	$0	-$8,794	$58,655,864
VP4	2037-38	$36,138,537	$18,298,535	$0	$2,086,280	$2,162,793	$0	-$8,722	$58,677,423
VP5	2038-39	$35,857,901	$18,599,107	$0	$2,070,079	$2,179,521	$0	-$8,654	$58,697,954
		$599,974,755	*$392,977,022*	*$0*	*$34,636,575*	*$43,302,784*	*$0*	*$3,290,438*	*$1,074,181,574*

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 $11.8 million over the life of the agreement. The AISD revenue losses are expected to total approximately $2.39 million. The total potential net tax benefits (after hold-harmless payments are made) are estimated to total $9.4 million, prior to any negotiations with Cottonwood Bayou Solar II on supplemental payments. (See Table 5.)

It should be noted that a key element in the revenue-loss calculation appears to be linked to the retention of prior-year property values in the calculation of the revenue protection amount for the 2024-25 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	2021-22	$30,243,351	$24,663,607	$0	$1,745,950	$2,537,910	$0	-$7,596	$59,183,222
QTP1	2022-23	$30,243,351	$24,663,607	$0	$1,745,950	$2,537,910	$0	$3,433,016	$62,623,834
QTP2	2023-24	$30,320,845	$24,663,607	$0	$1,750,424	$2,543,132	$0	-$7,584	$59,270,424
VL1	2024-25	$30,497,985	$24,584,532	$0	$1,760,650	$2,549,111	$0	-$7,748	$59,384,530
VL2	2025-26	$30,752,618	$24,403,777	$0	$1,775,350	$2,544,097	$0	-$8,009	$59,467,833
VL3	2026-27	$30,752,618	$24,143,947	$0	$1,775,350	$2,508,750	$0	-$8,062	$59,172,603
VL4	2027-28	$30,752,618	$24,143,947	$0	$1,775,350	$2,508,750	$0	-$8,169	$59,172,496
VL5	2028-29	$30,752,618	$24,143,947	$0	$1,775,350	$2,508,750	$0	-$8,120	$59,172,545
VL6	2029-30	$33,100,285	$24,143,947	$0	$1,910,881	$2,699,745	$0	-$8,468	$61,846,390
VL7	2030-31	$33,482,696	$21,748,368	$0	$1,932,958	$2,403,637	$0	-$8,487	$59,559,172
VL8	2031-32	$33,346,394	$21,358,154	$0	$1,925,089	$2,342,748	$0	-$8,420	$58,963,965
VL9	2032-33	$33,215,897	$21,497,237	$0	$1,917,556	$2,350,520	$0	-$8,356	$58,972,854
VL10	2033-34	$33,090,961	$21,630,398	$0	$1,910,343	$2,357,962	$0	-$8,295	$58,981,369
VP1	2034-35	$33,123,569	$21,757,883	$0	$1,912,225	$2,379,745	$0	-$8,275	$59,165,147
VP2	2035-36	$36,742,285	$21,724,609	$0	$2,121,134	$2,631,775	$0	-$8,858	$63,210,945
VP3	2036-37	$36,433,099	$18,032,043	$0	$2,103,285	$2,152,420	$0	-$8,783	$58,712,064
VP4	2037-38	$36,138,537	$18,347,539	$0	$2,086,280	$2,170,014	$0	-$8,711	$58,733,659
VP5	2038-39	$35,857,901	$18,648,111	$0	$2,070,079	$2,186,776	$0	-$8,642	$58,754,225
		$588,847,628	*$404,299,260*	*$0*	*$33,994,204*	*$43,913,752*	*$0*	*$3,292,433*	*$1,074,347,277*

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	2021-22	$0	$0	$0	$0	$0	$0	$0	$0
QTP1	2022-23	$0	$0	$0	$0	$0	$0	$0	$0
QTP2	2023-24	$44,391	$0	$0	$2,563	$5,222	$0	-$10	$52,166
VL1	2024-25	-$2,048,326	-$45,297	$0	-$118,250	-$174,756	$0	$356	-$2,386,273
VL2	2025-26	-$1,840,852	$2,048,326	$0	-$106,273	$125,795	$0	$320	$227,316
VL3	2026-27	-$1,633,421	$1,840,852	$0	-$94,298	$113,196	$0	$285	$226,614
VL4	2027-28	-$1,425,990	$1,633,421	$0	-$82,323	$101,604	$0	$248	$226,960
VL5	2028-29	-$1,218,559	$1,425,990	$0	-$70,348	$95,010	$0	$212	$232,305
VL6	2029-30	-$1,011,129	$1,218,559	$0	-$58,373	$93,669	$0	$176	$242,902
VL7	2030-31	-$803,697	$1,011,128	$0	-$46,397	$71,744	$0	$140	$232,918
VL8	2031-32	-$596,266	$803,698	$0	-$34,423	$54,409	$0	$105	$227,523
VL9	2032-33	-$388,835	$596,266	$0	-$22,447	$42,897	$0	$69	$227,950
VL10	2033-34	-$204,443	$388,836	$0	-$11,802	$31,384	$0	$37	$204,012
VP1	2034-35	$0	$204,443	$0	$0	$26,084	$0	$11	$230,538
VP2	2035-36	$0	$49,004	$0	$0	$3,049	$0	$12	$52,065
VP3	2036-37	$0	$49,004	$0	$0	$7,185	$0	$11	$56,200
VP4	2037-38	$0	$49,004	$0	$0	$7,221	$0	$11	$56,236
VP5	2038-39	$0	$49,004	$0	$0	$7,255	$0	$12	$56,271
		-$11,127,127	*$11,322,238*	*$0*	*-$642,371*	*$610,968*	*$0*	*$1,995*	*$165,703*

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

Table 5 - Estimated Financial Impact of the Cottonwood Bayou II Project Property Value Limitation Request Submitted to AISD at $0.91610 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	2021-22	$0	$0	$0.91610	$0	$0	$0
QTP1	2022-23	$0	$0	$0.91610	$0	$0	$0
QTP2	2023-24	$3,900,000	$3,900,000	$0.91610	$0	$0	$0
VL1	2024-25	$266,500,000	$30,000,000	$0.91610	$2,166,577	-$2,386,273	-$219,697
VL2	2025-26	$242,545,000	$30,000,000	$0.91610	$1,947,125	$0	$1,947,125
VL3	2026-27	$218,595,000	$30,000,000	$0.91610	$1,727,719	$0	$1,727,719
VL4	2027-28	$194,645,000	$30,000,000	$0.91610	$1,508,313	$0	$1,508,313
VL5	2028-29	$170,695,000	$30,000,000	$0.91610	$1,288,907	$0	$1,288,907
VL6	2029-30	$146,745,000	$30,000,000	$0.91610	$1,069,501	$0	$1,069,501
VL7	2030-31	$122,795,000	$30,000,000	$0.91610	$850,095	$0	$850,095
VL8	2031-32	$98,845,000	$30,000,000	$0.91610	$630,689	$0	$630,689
VL9	2032-33	$74,895,000	$30,000,000	$0.91610	$411,283	$0	$411,283
VL10	2033-34	$53,605,000	$30,000,000	$0.91610	$216,245	$0	$216,245
VP1	2034-35	$53,595,000	$53,595,000	$0.91610	$0	$0	$0
VP2	2035-36	$53,585,000	$53,585,000	$0.91610	$0	$0	$0
VP3	2036-37	$53,575,000	$53,575,000	$0.91610	$0	$0	$0
VP4	2037-38	$53,565,000	$53,565,000	$0.91610	$0	$0	$0
VP5	2038-39	$53,555,000	$53,555,000	$0.91610	$0	$0	$0
					$11,816,453	**-$2,386,273**	**$9,430,180**

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 AISD currently levying a $0.4152 per $100 I&S rate. As shown in the Table 6 below, local taxpayers could benefit from the addition of the Cottonwood Bayou II project to the local I&S tax roll. Given AISD's I&S tax base per ADA, AISD is not eligible for state facilities support under either the Existing Debt Allotment (EDA) or the Instructional Facilities Allotment (IFA).

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 Cottonwood Bayou II Project Property Value Limitation Request on AISD I&S Tax Rate of $0.4152 per $100

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	2021-22	$0.4152	$4,092,446,575	$16,991,838	$0	$0.415200	$0.0000
QTP1	2022-23	$0.4152	$4,068,660,975	$16,893,080	$0	$0.415200	$0.0000
QTP2	2023-24	$0.4152	$4,045,893,575	$16,798,550	$3,900,000	$0.414800	-$0.0004
VL1	2024-25	$0.4152	$4,024,100,275	$16,708,064	$266,500,000	$0.389411	-$0.0258
VL2	2025-26	$0.4152	$4,383,238,575	$18,199,207	$242,545,000	$0.393430	-$0.0218
VL3	2026-27	$0.4152	$4,486,768,575	$18,629,063	$218,595,000	$0.395911	-$0.0193
VL4	2027-28	$0.4152	$4,672,376,775	$19,399,708	$194,645,000	$0.398595	-$0.0166
VL5	2028-29	$0.4152	$4,618,665,175	$19,176,698	$170,695,000	$0.400402	-$0.0148
VL6	2029-30	$0.4152	$4,567,503,875	$18,964,276	$146,745,000	$0.402276	-$0.0129
VL7	2030-31	$0.4152	$4,518,772,075	$18,761,942	$122,795,000	$0.404216	-$0.0110
VL8	2031-32	$0.4152	$4,472,352,475	$18,569,207	$98,845,000	$0.406222	-$0.0090
VL9	2032-33	$0.4152	$4,428,134,775	$18,385,616	$74,895,000	$0.408294	-$0.0069
VL10	2033-34	$0.4152	$4,386,015,275	$18,210,735	$53,605,000	$0.410187	-$0.0050
VP1	2034-35	$0.4152	$4,345,890,101	$18,044,136	$53,595,000	$0.410142	-$0.0051
VP2	2035-36	$0.4152	$4,307,664,254	$17,885,422	$53,585,000	$0.410099	-$0.0051
VP3	2036-37	$0.4152	$4,271,247,045	$17,734,218	$53,575,000	$0.410057	-$0.0051
VP4	2037-38	$0.4152	$4,236,552,903	$17,590,168	$53,565,000	$0.410016	-$0.0052
VP5	2038-39	$0.4152	$4,203,499,321	$17,452,929	$53,555,000	$0.409977	-$0.0052

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

COMPTROLLER.TEXAS.GOV

Glenn Hegar
Texas Comptroller of Public Accounts

Taxes

Property Tax Assistance

2020 ISD Summary Worksheet

020-Brazoria /Brazoria County

020-902/Angleton ISD

Category	Local Tax Roll Value	2020 WTD Mean Ratio	2020 PTAD Value Estimate	2020 Value Assigned
A - SINGLE-FAMILY	1,492,889,265	0.9578	1,558,664,925	1,492,889,265
B - MULTIFAMILY	64,395,919	N/A	64,395,919	64,395,919
C1 - VACANT LOTS	104,287,869	N/A	104,287,869	104,287,869
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	18,096,713	1.1876	15,238,380	18,096,713
D2 - FARM & RANCH IMP	2,955,178	N/A	2,955,178	2,955,178
E - NON-AG LAND AND IMPROVEMENTS	194,522,982	0.9892	196,646,767	194,522,982
F1 - COMMERCIAL REAL	292,570,841	0.8529	343,030,650	292,570,841
F2 - INDUSTRIAL REAL	1,602,268,910	N/A	1,602,268,910	1,602,268,910
G - ALL MINERALS	25,258,795	N/A	25,258,795	25,258,795
J - ALL UTILITIES	274,499,660	0.8194	335,000,805	274,499,660
L1 - COMMERCIAL PERSONAL	139,944,480	0.9480	147,620,759	139,944,480
L2 - INDUSTRIAL PERSONAL	276,907,040	N/A	276,907,040	276,907,040
M1 - MOBILE HOMES	29,576,780	N/A	29,576,780	29,576,780

N - INTANGIBLE PERSONAL PROPERT Y	0	N/A	0	0
O - RESIDENTIAL INVENTORY	8,740,820	N/A	8,740,820	8,740,820
S - SPECIAL INVENTORY	17,741,650	N/A	17,741,650	17,741,650
Subtotal	4,544,656,902	0	4,728,335,247	4,544,656,902
Less Total Deductions	951,604,720	0	972,358,141	951,604,720
Total Taxable Value	3,593,052,182	0	3,755,977,106	3,593,052,182

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
3,661,253,465	3,593,052,182	3,661,253,465	3,593,052,182

Loss To the Additional $10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
68,201,283	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
4,078,876,965	4,010,675,682	4,078,876,965	4,010,675,682

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 INVALID, BUT LOCAL VALUE WAS CERTIFIED BECAUSE YOUR SCHOOL DISTRICT IS IN YEAR ONE OF THE GRACE PERIOD

020-902-02/Angleton ISD

Category	Local Tax Roll Value	2020 WTD Mean Ratio	2020 PTAD Value Estimate	2020 Value Assigned
A - SINGLE-FAMILY	1,492,889,265	0.9578	1,558,664,925	1,492,889,265
B - MULTIFAMILY	64,395,919	N/A	64,395,919	64,395,919
C1 - VACANT LOTS	104,287,869	N/A	104,287,869	104,287,869
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	18,096,713	1.1876	15,238,380	18,096,713

D2 - FARM & RANCH IMP	2,955,178	N/A	2,955,178	2,955,178
E - NON-AG LAND AND IMPROVEMENTS	194,522,982	0.9892	196,646,767	194,522,982
F1 - COMMERCIAL REAL	292,570,841	0.8529	343,030,650	292,570,841
F2 - INDUSTRIAL REAL	1,602,268,910	N/A	1,602,268,910	1,602,268,910
G - ALL MINERALS	25,258,795	N/A	25,258,795	25,258,795
J - ALL UTILITIES	274,499,660	0.8194	335,000,805	274,499,660
L1 - COMMERCIAL PERSONAL	139,944,480	0.9480	147,620,759	139,944,480
L2 - INDUSTRIAL PERSONAL	276,907,040	N/A	276,907,040	276,907,040
M1 - MOBILE HOMES	29,576,780	N/A	29,576,780	29,576,780
N - INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0
O - RESIDENTIAL INVENTORY	8,740,820	N/A	8,740,820	8,740,820
S - SPECIAL INVENTORY	17,741,650	N/A	17,741,650	17,741,650
Subtotal	4,544,656,902		4,728,335,247	4,544,656,902
Less Total Deductions	951,604,720		972,358,141	951,604,720
Total Taxable Value	3,593,052,182		3,755,977,106	3,593,052,182

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

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Value Taxable For I & S Purposes

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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

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by and between

ANGLETON INDEPENDENT SCHOOL DISTRICT

and

COTTONWOOD BAYOU SOLAR II, LLC

(Texas Taxpayer ID #32071493152)

Comptroller Application #1595

Dated

December 14, 2021

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

STATE OF TEXAS §

COUNTY OF BRAZORIA §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **ANGLETON INDEPENDENT SCHOOOL 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 **COTTONWOOD BAYOU SOLAR II, LLC**, Texas Taxpayer Identification Number *32071493152* 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 April 20, 2021, the Superintendent of Schools of the Angleton 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 April 20, 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 May 14, 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 Brazoria County Appraisal District established in Brazoria County, Texas (the "Brazoria County Appraisal District"), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on July 28, 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 October 1, 2021, extension of the statutory deadline by which the District must consider the Application until December 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 Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, on December 14th, 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 December 14th, 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 December 14th, 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 *Section 313.051(b)* of the TEXAS TAX CODE;

WHEREAS, on November 10, 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 December 14th, 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 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 Cottonwood Bayou Solar II, LLC, *(Texas Taxpayer ID #32071493152)*, 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 April 26, 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 Brazoria County Appraisal District.

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

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

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

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

"*County*" means Brazoria County, Texas.

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

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

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

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

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

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

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

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

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

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

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

"*State*" means the State of Texas.

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

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

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

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

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

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

"*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.

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

"*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.

"*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.

"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 s 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 May 14, 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 December 14, 2021.

C. The Qualifying Time Period for this Agreement:

i. Starts on January 1, 2022, 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, 2023, the last day of the second complete Tax Year following the Qualifying Time Period start date

D. The Tax Limitation Period for this Agreement:

i. Starts on January 1, 2024, first complete Tax Year that begins after the end of Qualifying Time Period; and

ii. Ends on December 31, 2033.

E. The Final Termination Date for this Agreement is December 31, 2038.

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. $30,000,000 based on Section 313.054 of the TEXAS TAX CODE

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by *"Section 313.052"* 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 $30,000,000 during the Qualifying Time Period;

B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and

C. pay an average weekly wage of at least $1,136.25 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. Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was, 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. Subject only to the limitations contained in Section 7.1 of 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;

Where:

1. *"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.)

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

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. 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 Sections 4.2, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.6, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the

Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.6. PAYMENT BY APPLICANT. 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 Tax Limitation Period shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Fifteen Thousand Dollars ($15,000.00). Except that, for any Tax Year outside of the Tax Limitation Period and for which the required Comptroller's Biennial Report is not due, Applicant shall not be responsible for the payment of an aggregate amount of fees and expenses under the Section 4.6 which exceeds Eight Thousand Dollars ($8,000.00).

Section 4.7. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records and other information in accordance with Section 4.5 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, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to District within thirty (30) dates of receipt of written notice, up to the limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a sole and direct 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 PAYMENT AMOUNT - SUBJECT TO ANNUAL PAYMENT LIMIT.

1. In any year during the term of this Agreement, the District shall be entitled to receive a payment in an amount equal to the lesser of:

(a) the Applicant's Stipulated Supplemental Payment Amount, defined as Forty-Five Percent (45%) of the Applicant's Net Tax Benefit, as the term is defined in Section 1.2, above; or,

(b) the Net Aggregate Limit, as the term is defined in Section 1.2, above.

Each such payment shall be referred to herein as a *"Supplemental Payment."*

2. 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 4.5, 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 4.8, above.

C. The payment of all amounts due under this Article shall be made shall be paid on the dates set forth in 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 Brazoria County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that

payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Brazoria County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the 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 $30,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

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

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

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

Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

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

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

ARTICLE X.
MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

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

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

Name: Phil Edwards
Title: Superintendent
District: Angleton ISD
Physical: 1900 N. Downing Road
Angleton, TX 77515
Phone: (979) 864-8000
Email: phil.edwards@angletonisd.net

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

Name: Heather Otten
Title: Manager
Organization: SunChase Power, LLC
Physical: 4300 Speedway, #4617
Austin, TX 78765
Phone: (512) 963-6181
Facsimile: NA
Email: heather@sunchasepower.com

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

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

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

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

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

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

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

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

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

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

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

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

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

ii. clearly identify the property, investment, and employment information added

by amendment from the property, investment, and employment information in the original Agreement; and

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

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

Section10.3. ASSIGNMENT.

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

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

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

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

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

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

Section 10.7. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term,

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

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

Section 10.9. INTERPRETATION.

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

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

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

i. The Act;

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

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

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

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

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

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

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

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District and Comptroller's office in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

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

Section 10.14. CONFLICTS OF INTEREST.

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

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

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

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

A. all payments, including liquidated damage and tax payments, have been made;

B. all reports have been submitted;

C. all records have been maintained in accordance with Section 8.6.A; and

D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

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

B. Delivery is deemed complete as follows:

i. When delivered if delivered personally or sent by express courier service;

ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;

iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or

iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 14th day of December, 2021.

COTTONWOOD BAYOU SOLAR II, LLC

By: _____

Name: Heather Otten

Title: Manager

ANGLETON INDEPENDENT SCHOOL DISTRICT

By: _____

President,

Board of Trustees

ATTEST:

_____

Secretary,
Board of Trustees

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 14th day of December 2021.

COTTONWOOD BAYOU SOLAR II, LLC

By: _____

Name: Heather Otten
Manager

ANGLETON INDEPENDENT SCHOOL DISTRICT

By: Tommy Gaines

President,

Board of Trustees

ATTEST: Dana Dalkert

Secretary,
Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

On December 14th, 2021, at a duly-called meeting of the *Angleton Independent School District*, and after a properly conducted Public Hearing concerning the matter, the *Angleton Independent School District* adopted an Order creating *Cottonwood Bayou Reinvestment Zone No. 02,* in Brazoria County consisting of all land contained within the boundaries described in **Exhibit 1** and **Exhibit 4** below:

ANGLETON INDEPENDENT SCHOOL DISTRICT

RESOLUTION CREATING COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2

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 Angleton 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 Brazoria 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 ANGLETON 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 Angleton 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 *COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2* 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 *COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2* 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 *COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2* 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 *COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2* with boundaries as described in **Exhibit A** and **Exhibit B** will result in benefits to the Brookesmith Independent School District and to land included in the zone, and that the improvements sought are feasible and practical; and,

(e) That the *COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2* 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 Brookesmith Independent School District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Angleton 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 *COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2.*

SECTION 4. That the existence of the *COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2* shall first take effect upon, December 14, 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 beheld to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this

Resolution.

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

PASSED, APPROVED AND ADOPTED on this 14 day of December 2021.

ANGLETON INDEPENDENT SCHOOL DISTRICT

By: Tommy Gaines
President
Board of Trustees

ATTEST: Dana Dalhart
Secretary
Board of Trustees

EXHIBIT A

LEGAL DESCRIPTION OF COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2

COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2

ANGLETON ISD REINVESTMENT ZONE PARCELS (COTTONWOOD BAYOU II)

Landowner	Within Project Boundary?	PID	Abstract	Tract/Lot	Acreage
Henderson-Wessendorff Foundation	Yes	171058	375 I. T. Tinsley	Tracts 136 to 148, 150 to 154	318.329
Henderson-Wessendorff Foundation	Yes	168873	318 T. S. Lee	Tract 44A	189.169
Bailes, Robert	Yes	171018	375 I. T. Tinsley	Tracts 118, 118B, 119, 120, 120A, 155 to 158 (partial)	187.838
Russell, Richard & Kilpatrick, Rebecca & Russell, Helen	Yes	171081	375 I. T. Tinsley	Tracts 163C, 164B, 165B, 166B (partial)	29.961
Bailey, Rex III	Yes (easement)	171082	375 I. T. Tinsley	Tracts 163B, 164A, 165A, 166A (partial)	34.961
Bailey, Rex III	Yes (easement)	171079	375 I. T. Tinsley	Tracts 163, 164, 165, 166	34.961
Bieri Farms Inc.	Yes (easement)	151153	23 S. F. Austin	BLOCK 10, TRACTS 374 to 396 (partial), LOTS 476 to 501 BLOCK 13, LOTS 603 to 633 BLOCK 16, LOTS 733 to 746 BLOCK 19, ALL	555.79
Tigner, Marcella & Gray, Benjamin	Yes	151267	23 S. F. Austin	BLOCK 14 TRACTS 455, 456A, 456B, 456C, 456D, 457 to 462, W/2 463, 464 to 475, 502 to 524 BLOCK 15, TRACTS 435, 438, 445 to 447, 452 to 454, 525 to 552	424.949
Tigner, Marcella & Gray, Benjamin	Yes	151259	23 S. F. Austin	BLOCK 18, ALL BLOCK 21, ALL BLOCK 23, ALL BLOCK 11, TRACTS 351, 397 to 400, 400A, 401 to 406, 409 to 418	905.809

				BLOCK 12, TRACTS 350, 420 to 423, 424C, 426	
Tigner, Marcella & Gray, Benjamin	Yes	151228	23 S. F. Austin	BLOCK 17, TRACTS 581 to 597, 601, 602, 634 to 655 BLOCK 20, TRACTS 712 to 722 BLOCK 22, TRACTS 751-752	315.61
Tigner, Marcella	Yes	151209	23 S. F. Austin	BLOCK 11, TRACTS 407-408 BLOCK 17, TRACT 600	15.00
Gray, Benjamin	Yes	151230	23 S. F. Austin	BLOCK 17, TRACT 599	5.00
Veterans Land Board	No	171020	375 I. T. Tinsley	Tract 118A	8.34
Lowrance, James Michael	No	171021	375 I. T. Tinsley	Tract 118A2	1.0
Phillips, Michael M	No	171022	375 I. T. Tinsley	Tracts 118A1-118A3	1.75
Spoor Farms	No	151265	23 S. F. Austin	Block 2, TRACT 20A-21A-22A-23A	2.506
BAILEY, REX C JR & REX III	No	492201	23 S. F. Austin	BLOCK 2 TRACT 23A1-23B-24A-24B-25A	1.942
JOURNEAY, THOMAS H JR	No	151264	23 S. F. Austin	BLOCK 2 TRACT 23A1A-23A2A-24A1-24B1	0.617
HILLMAN, MARIE T	No	151263	23 S. F. Austin	BLOCK 2 TRACT 20TO31-33TO35	75.786
HILLMAN, MARIE T	No	151231	23 S. F. Austin	BLOCK 5, TRACT 146(PT)-95TO118-147TO156-158TO172	253.77
HILLMAN, MARIE T	No	151245	23 S. F. Austin	BLOCK 8 TRACT 247 THRU 254 (PT S/W OF BAYOU)-LOTS 229TO246	114.98
HILLMAN, MARIE T	No	151262	23 S. F. Austin	BLOCK 3 TRACT 39TO62-64TO66	141.96
HILLMAN, MARIE T	No	151199	23 S. F. Austin	BLOCK 6 TRACT 68TO94-173TO200	280.22
HILLMAN, MARIE T	No	151242	23 S. F. Austin	BLOCK 9, TRACT 201-203-W/2 LOTS 204-205TO228	140.64
CHARLES H & BARBARA LOUCH REVOCABLE TRUST	No	151212	23 S. F. Austin	BLOCK 2, TRACT 32	5.03

MONTGOMERY REVOCABLE LIVING TRUST	No	151220	23 S. F. Austin	BLOCK 2, TRACT 36TO38	15.2
TIGNER, MARCELLA G & BENJAMIN F GRAY	No	151246	23 S. F. Austin	BLOCK 8 TRACT 255	0.31
WHATLEY, GREGORY & KRISTEN	No	676104	23 S. F. Austin	J G ACRES SD, Lot 1	9.54
BARRAGAN, DANIEL & HOPE	No	676105	23 S. F. Austin	J G ACRES SD, Lot 2	4.54
BARRAGAN, DANIEL & HOPE	No	676106	23 S. F. Austin	J G ACRES SD, Lot 3	5.0
LOPEZ, EDWIN PEREZ & ELVIA AMARILIS VASQUEZ DE LEON	No	676107	23 S. F. Austin	J G ACRES SD, Lot 4	5.5
MORRISON, ADA LORRAINE LIVING TRUST	No	151269	23 S. F. Austin	BLOCK 3, TRACT 63	5.06
SORIA, LOUIS JEFFERSON	No	151205	23 S. F. Austin	BLOCK 6 TRACT 67	9.34
BRUNER, JAMES R	No	151236	23 S. F. Austin	BLOCK 6 TRACT 67A	1.0
STEPHENSON, KATHRYN	No	151191	23 S. F. Austin	BLOCK 9, TRACT 202	5.0
GARCIA, NORBERTO JR & MARIA E	No	693199	23 S. F. Austin	Dove Landing SD, Lot 1	2.061
GATICA, JOSE GUADALUP DE LA CRUZ & LAURA EDNA VELAZQUEZ	No	693200	23 S. F. Austin	Dove Landing SD, Lot 2	2.054

LEAL, JOSE DE JESUS & CLAUDIA ALEJANDRA	No	693201	23 S. F. Austin	Dove Landing SD, Lot 3	2.045
PICO, LUIS EDUARDO & MARISELA MELANI BENITEZ	No	693202	23 S. F. Austin	Dove Landing SD, Lot 4	2.035
PICO, LUIS EDUARDO & MARISELA MELANI BENITEZ	No	693203	23 S. F. Austin	Dove Landing SD, Lot 5	2.025
PICO, LUIS EDUARDO	No	693204	23 S. F. Austin	Dove Landing SD, Lot 6	2.013
BAUCUM, ANTHONY & MEGGAN	No	549672	23 S. F. Austin	BLOCK 8 TRACT 280	5.02
BALENCIA, CELSO & MARIA DEL CARMEM & LOPEZ NOE & EVA	No	545473	23 S. F. Austin	BLOCK 8 TRACT 281	5.02
LOPEZ, FRANCISCO & MARIA	No	545613	23 S. F. Austin	BLOCK 8 TRACT 282	5.02
ROMO, JOSE ANGEL LOMAS & LORENA B CAMPOS	No	665210	23 S. F. Austin	BLOCK 8 TRACT 284	5.02
JIMENEZ,, ADRIAN & AUCENCIO MOCTEZUMA PENA	No	676857	23 S. F. Austin	BLOCK 8 TRACT 285	5.04
BARNES, JAMES W & MELISSA A	No	151195	23 S. F. Austin	BLOCK 8 TRACT 286-287	10.06
LUCAS, OVIDIO & CELIA HORTENCIA SUY	No	671979	23 S. F. Austin	BLOCK 8 TRACT 288	5.03

NIETO, RUBEN NIETO & ISAMAR NIETO NIETO	No	672762	23 S. F. Austin	BLOCK 8 TRACT 289	5.03
RODRIQUEZ, JUAN DIAGO & SANDRA CORONADO	No	672764	23 S. F. Austin	BLOCK 8 TRACT 290	5.01
BUCKINGHAM, RYAN C & ANNA MARIE	No	688674	23 S. F. Austin	BLOCK 8 TRACT 291-292	10.08
GARCIA, RAYMOND	No	151214	23 S. F. Austin	BLOCK 8 TRACT 293-294	10.08
CIFUENTES, MARVIN E & ELIZABETH S	No	671976	23 S. F. Austin	BLOCK 8 TRACT 295	5.01
ROSALES, JULIO CESAR JR	No	671973	23 S. F. Austin	BLOCK 8 TRACT 296-297	10.04
SMITH, RANDY R & RACHEL	No	674329	23 S. F. Austin	BLOCK 8 TRACT 298	5.02
OCHOA-NAVA, JOSE A & JESSICA OCHOA	No	678910	23 S. F. Austin	BLOCK 8 TRACT 299	5.02
RUBALCAVA, ULISES	No	674330	23 S. F. Austin	BLOCK 8 TRACT 300	5.93
CRUZ, QUIRINO R & MARIBEL	No	538971	23 S. F. Austin	BLOCK 11 TRACT 352	5.0
CRUZ, JAIME	No	541243	23 S. F. Austin	BLOCK 11 TRACT 353	5.0
BALLEZA, PEDRO	No	537650	23 S. F. Austin	BLOCK 11 TRACT 354	2.0835
MENDIOLA, TERESA & JOSE A	No	660707	23 S. F. Austin	BLOCK 11 TRACT 354A	2.9165
SEWELL, KAYLIN M & BRANDON S	No	151147	23 S. F. Austin	BLOCK 11 TRACT 356	5.03
MACEDO, ALEX ALLAN	No	685489	23 S. F. Austin	BLOCK 11 TRACT 357	5.02

PEREZ, SAMUEL BALDOMAR GUTIERREZ & DWENY EDILYN CIFUENNES LUCAS	No	685488	23 S. F. Austin	BLOCK 11 TRACT 358	5.0
MORRISON, IRENE	No	151221	23 S. F. Austin	BLOCK 11 TRACT 359	5.0
SOTO, MONCE ANTONIO & CHELSEA DELANN	No	685485	23 S. F. Austin	BLOCK 11 TRACT 360	5.0
SAUCEDO, VICTOR A & VANESSA T LOPEZ	No	688025	23 S. F. Austin	BLOCK 11 TRACT 361	5.0
LOPEZ, WILSON ALY PEREZ & GERMAN ROLANDO ARANGO ROMERO	No	685487	23 S. F. Austin	BLOCK 11 TRACT 362	5.0
GARCIA-JIMENEZ, MARIA GRACIELA	No	685486	23 S. F. Austin	BLOCK 11 TRACT 363	5.0
CHAVEZ, ADAN & SOLIE	No	685484	23 S. F. Austin	BLOCK 11 TRACT 364	5.0
SANCHEZ, JOSUE MENDOZA	No	685483	23 S. F. Austin	BLOCK 11 TRACT 365	5.0
GONZALEZ, GABRIEL GARCIA & DAISY KARELLY GARCIA	No	682655	23 S. F. Austin	BLOCK 11 TRACT 366	5.0
CESPEDES, JOSSELYNE FERNANDA & LUIS A CESPEDES	No	685490	23 S. F. Austin	BLOCK 11 TRACT 367	4.96
MCKNIGHT, ALICE FAYE	No	151233	23 S. F. Austin	BLOCK 11 TRACT 368TO373 (PT)	26.84

BURCHAM, GLEN E	No	151158	23 S. F. Austin	BLOCK 12, TRACT 419	5.0
MCINTYRE, DARRELL W	No	151216	23 S. F. Austin	BLOCK 12, TRACT 427-428	11.79
MCINTYRE, DARRELL WAYNE	No	151185	23 S. F. Austin	BLOCK 15 TRACT 439-440A	6.08
MCINTYRE, DARRELL WAYNE	No	151188	23 S. F. Austin	BLOCK 15 TRACT 440-441	6.08
MCINTYRE, DARRELL WAYNE	No	151149	23 S. F. Austin	BLOCK 15 TRACT 441A-442	6.08
MCINTYRE, DARRELL WAYNE	No	151206	23 S. F. Austin	BLOCK 15 TRACT 442A-443A	6.08
MCINTYRE, DARRELL WAYNE	No	151150	23 S. F. Austin	BLOCK 15 TRACT 443-444	6.08
RAMSEY, RAYMOND K	No	151229	23 S. F. Austin	BLOCK 17, TRACT 598	5.00
BIERI FARMS INC	No	151155	23 S. F. Austin	BLOCK 7 TRACT 257TO267-270-274TO277	87.62
BIERI FARMS INC	No	151156	23 S. F. Austin	BLOCK 1, TRACT 1TO19-LOTS 119TO145 BLOCK 4	234.79
BIERI FARMS INC	No	158496	105 G. M. Patrick	BLOCK 1 TO 43 (PT) TRACT (KORTH) (SD OF TRACT 11)	12.0
BIERI FARMS INC	No	158497	105 G. M. Patrick	BLOCK 1 TO 43 (PT) TRACT (KORTH) (SD OF TRACT 11)	536.73
ZAPALAC, ALBERT JOHN JR	No	151271	23 S. F. Austin	BLOCK 7 TRACT 271-272-273	15.03
GRESHAM, PATRICK I	No	151270	23 S. F. Austin	BLOCK 7 TRACT 268-269	10.0

EXHIBIT B

SURVEY MAPS OF COTTONWOOD BAYOU REINVESTMENT ZONE NO. 2

Cottonwood Bayou Solar II, LLC

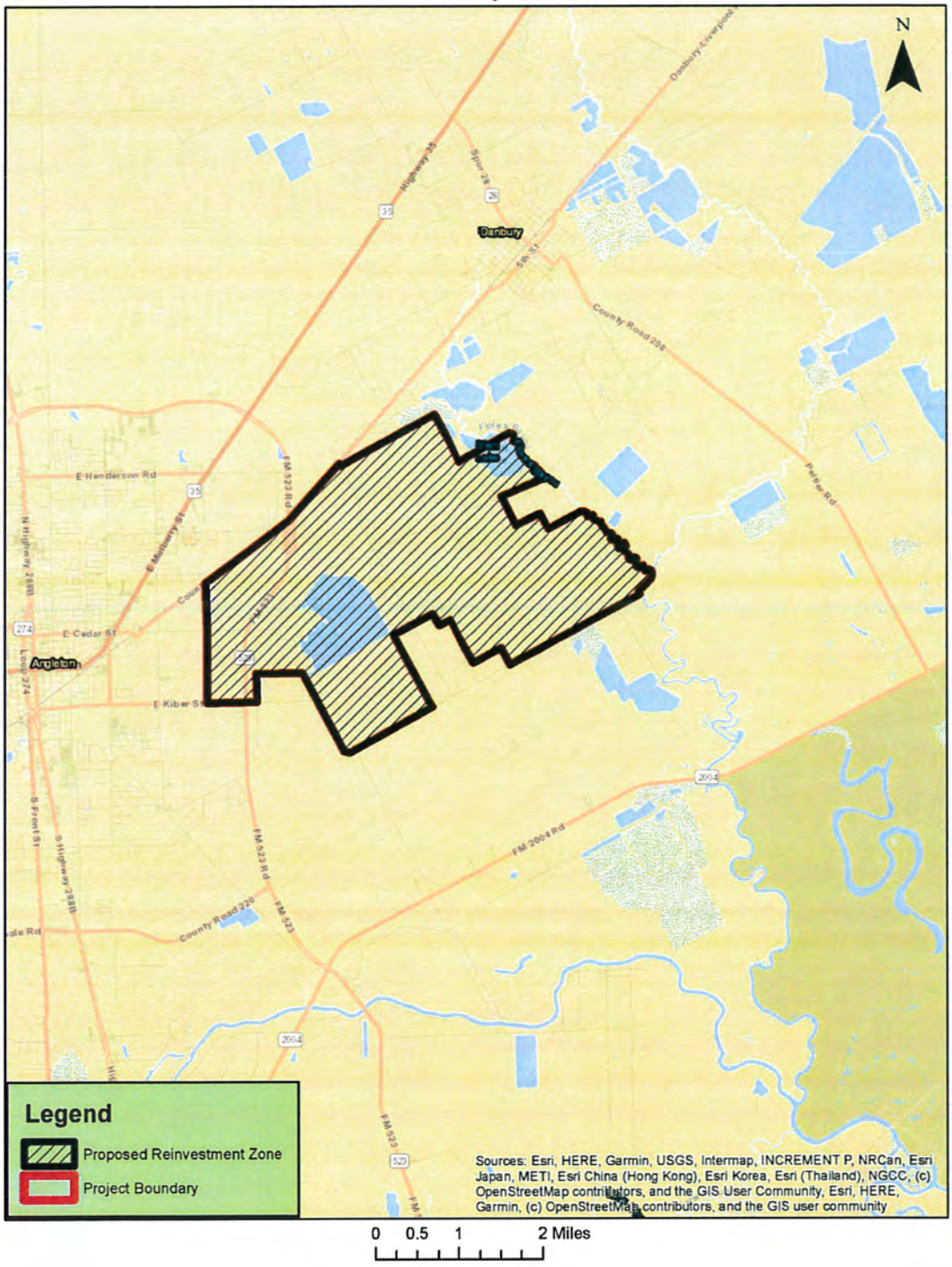


EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of *Cottonwood Bayou Reinvestment Zone No. 02* and the Angleton 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**.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment shall be all tangible personal property first placed in service after December 14th, 2021, that is owned by the Applicant, as more fully described in Tab #7 of the Application and located within the boundaries of the Angleton Independent School District and *Cottonwood Bayou Reinvestment Zone No. 02* depicted by the map attached to **Exhibit 4**.

In its entirety, Cottonwood Bayou Solar II, LLC will be a 500MW/AC solar energy generation facility that will be located primarily in Angleton ISD, with portions in Danbury ISD. There will be 325MW/AC located in Angleton ISD with approximately 836,633 photovoltaic panels and109 central inverters.

Cottonwood Bayou Solar II, LLC requests that the limitation covers all qualified investment and qualified property located within Angleton ISD. It is our request that the limitation includes all eligible and ancillary equipment including the following:

- Substation
- Transmission Line*
- Inverter and Transformers
- Foundations
- Roadways, Paving, & Fencing
- Posts & Racking Equipment
- Meteorological Towers & Equipment
- Mounting & Tracker Equipment
- Interconnection Facilities
- Solar Modules& Panels
- Power Conditioning Equipment
- Combiner Boxes
- Operation & Maintenance Buildings
- DC and AC collection wires, cables, and equipment
- SCADA equipment
- Energy Storage Systems**

Please Note: This application covers all qualified property in the reinvestment zone and projectboundary within Angleton ISD.

*Transmission line is the interconnection between qualified property of App.#1591 and App.#1595

**The potential energy storage system associated with this application will be used to store energy solely generated from the qualified property related to this application.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Applicant's Qualified Property shall be all tangible personal property first placed in service after May 14, 2021, that is owned by the Applicant, as more fully described in Tab #8 of the Application and located within the boundaries of the Angleton Independent School District and *Cottonwood Bayou Reinvestment Zone No. 02* depicted by the map attached to this **Exhibit 4**.

In its entirety, Cottonwood Bayou Solar II, LLC will be a 500MW/AC solar energy generation facility that will be located primarily in Angleton ISD, with portions in Danbury ISD. There willbe 325MW/AC located in Angleton ISD with approximately 836,633 photovoltaic panels and 109 central inverters.

Cottonwood Bayou Solar II, LLC requests that the limitation covers all qualified investmentand qualified property located within Angleton ISD. It is our request that the limitation includes all eligible and ancillary equipment including the following:

- Substation
- Transmission Line*
- Inverter and Transformers
- Foundations
- Roadways, Paving, & Fencing
- Posts & Racking Equipment
- Meteorological Towers &Equipment
- Mounting & Tracker Equipment
- Interconnection Facilities
- Solar Modules& Panels
- Power Conditioning Equipment
- Combiner Boxes
- Operation & Maintenance Buildings
- DC and AC collection wires, cables, and equipment
- SCADA equipment
- Energy Storage Systems**

Please Note: This application covers all qualified property in the reinvestment zone and projectboundary within Angleton ISD.

*Transmission line is the interconnection between qualified property of App.#1591 and App.#1595

**The potential energy storage system associated with this application will be used to store energy solely generated from the qualified property related to this application.

Cottonwood Bayou Solar II, LLC

EXHIBIT 5

AGREEMENT SCHEDULE

	Year	Date of Appraisal	School Year	Tax Year	Summary Description
Pre-Limitation Period	Date Agreement Signed (12/14/2021)	January 1, 2021	2021-2022	2021	Agreement Signed (12/14/2021). No limitation on appraised value. Qualifying Time Period Deferred until 01/01/2022
	2	January 1, 2022	2022-2023	2022	Qualifying Time Period. No limitation on appraised value.
	3	January 1, 2023	2023-2024	2023	Qualifying Time Period. No limitation on appraised value.
Limitation Period (10 Years)	1	January 1, 2024	2024-2025	2024	$30 million appraised value limitation.
	2	January 1, 2025	2025-2026	2025	$30 million appraised value limitation.
	3	January 1, 2026	2026-2027	2026	$30 million appraised value limitation.
	4	January 1, 2027	2027-2028	2027	$30 million appraised value limitation.
	5	January 1, 2028	2028-2029	2028	$30 million appraised value limitation.
	6	January 1, 2029	2029-2030	2029	$30 million appraised value limitation.
	7	January 1, 2030	2030-2031	2030	$30 million appraised value limitation.
	8	January 1, 2031	2031-2032	2031	$30 million appraised value limitation.
	9	January 1, 2032	2032-2033	2032	$30 million appraised value limitation.
	10	January 1, 2033	2033-2034	2033	$30 million appraised value limitation.
Maintain Viable Presence (5 Years)	11	January 1, 2034	2034-2035	2034	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	12	January 1, 2035	2035-2036	2035	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	13	January 1, 2036	2036-2037	2036	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	14	January 1, 2037	2037-2038	2037	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	15	January 1, 2038	2038-2039	2038	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.

Attachment H

Consultant Verification Letter

MOAK, CASEY & ASSOCIATES
SCHOOL FINANCE & ACCOUNTABILITY EXPERTS

LYNN M. MOAK, PARTNER DANIEL T. CASEY, PARTNER

December 14, 2021

President and Members
Board of Trustees
Angleton Independent School District
1900 N. Downing Rd.
Angleton, Texas 77515

Re: Recommendations and Findings of the Firm Concerning the Application of Cottonwood Bayou Solar II, LLC (#1595) for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

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

1. All statements of current fact contained in the Application are true and correct.

2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.

3. The Applicant has the current means and ability to complete the proposed project.

4. All applicable school finance implications arising from the contemplated Agreement have been explored.

5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District over the course of the Agreement.

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

Sincerely,

Daniel T. Casey
Partner

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

December 14, 2021

President and Members
Board of Trustees
Angleton Independent School District
1900 N. Downing Road
Angleton, Texas 77515

Re: Recommendations and Findings of the Firm Concerning the Application of Cottonwood Bayou Solar II, LLC (#1595) for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Angleton Independent School District, with respect to the pending Application of Cottonwood Bayou Solar II, 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 Cottonwood Bayou Solar II, LLC. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.

2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.

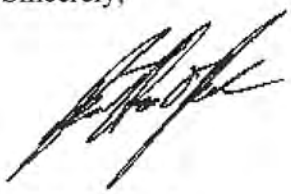
3. The Applicant has the current means and ability to complete the proposed project.

4. All applicable school finance implications arising from the contemplated Agreement have been explored.

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

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

Sincerely,



Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter

DocuSign Envelope ID: EF89384B-4E0F-4E07-9A03-096D64C69B47

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

November 10, 2021

Phil Edwards
Superintendent
Angleton Independent School District
1900 N. Downing Road
Angleton, TX 77515

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Angleton Independent School District and Cottonwood Bayou Solar II, LLC, Application 1595

Dear Superintendent Edwards:

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 Angleton Independent School District and Cottonwood Bayou Solar II, 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 Tabita Collazo with our office. She can be reached by email at tabita.collazo@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 5- 5626 or at 512-475- 5626.

Sincerely,

DocuSigned by:
8FDFC70F5753487...
Will Counihan
Director
Data Analysis & Transparency Division

cc: Kevin O'Hanlon, O'Hanlon, Demerath & Castillo
Heather Otten, SunChase Power, LLC
Will Furgeson, SunChase Power, LLC
Mike Fry, KE Andrews

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.