FINDINGS
of the
CLAUDE INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES

Under Chapter 313 of the Texas Tax Code

ON THE APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY

SUBMITTED BY

ARMSTRONG SOLAR II, LLC

Comptroller Application Number 1979
December 12, 2022

RESOLUTION AND FINDINGS OF FACT
of the
CLAUDE INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER CHAPTER 313 OF THE TEXAS TAX CODE
ON THE APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY
SUBMITTED BY ARMSTRONG SOLAR II, LLC

STATE OF TEXAS	§
COUNTY OF ARMSTRONG	§
CLAUDE INDEPENDENT SCHOOL DISTRICT	§

PREAMBLE

On the 12th day of December, 2022, a public meeting of the Board of Trustees of the Claude Independent School District (the "Board") was held to solicit input from interested parties on the application by Armstrong Solar II, LLC for the Project ("Armstrong Solar II" or "Applicant") for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. 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 considered the application by Armstrong Solar II for a Limitation on Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board solicited input into its deliberations from interested parties within the District. After hearing presentations from the District's administrative staff and the consultants retained by the District to advise the Board in this matter and reviewing the Comptroller's Economic Impact Analysis under Texas Tax Code §313.026, the Board, in accordance with Texas Tax Code §313.025(e) and (f) and 34 T.A.C. §9.1054, makes the following Findings regarding the Application:

On or about the 12th day of May, 2022, the Superintendent, on behalf of Claude Independent School District, received an Application for Appraised Value Limitation on Qualified Property from Armstrong Solar II, pursuant to Chapter 313 of the Texas Tax Code, which was later assigned Comptroller Application No. 1979 (the "Application"). The general nature of Applicant's investment in qualified property set forth in the Application is for a renewable energy electric generation project; specifically, a 250 MW solar farm, including battery storage for the power generated on site, in Armstrong County and the District (the "Property"). *See* Application (Attachment A, § 6.2(5) of Tab 1 and Tabs 4, 7 and 8); *see also* Attachment D. The Board agreed to consider such Application and the District's Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District on May 12, 2022, and the Application was delivered to the Texas Comptroller of Public Accounts immediately upon the District's determination that the Application was complete on or about May 25, 2022. Thereafter, the Applicant submitted Amendment No. 1, dated August 1, 2022 (§§4, 10 and 14 of Tab 1, and Tabs 4, 7, 8, 11, 13 and 14). The Comptroller then issued its notice of completeness, dated August 25, 2022, and determined the Application complete as of August 16, 2022, the Application Review Start Date. Thereafter, the Applicant submitted: Supplement No. 1, dated September 9, 2022 (Schedule B for Tab 14); Supplement No. 2, dated September 27, 2022 (Tabs 6 and 11); and, Supplement No. 3, dated October 12, 2022 (County Resolution for Reinvestment Zone and maps

for Tab 16). The Application, Amendment No. 1, and Supplement Nos. 1, 2, and 3 are hereafter collectively referred to as the "Application." A copy of the Application and Comptroller's completeness letter are attached hereto as Attachment A.

The Texas Taxpayer Identification number for Armstrong Solar II, LLC is 32084410359. Armstrong Solar II is an entity subject to Chapter 171 of the Texas Tax Code and is active and has the right to transact business in Texas, as represented by the Texas Comptroller of Public Accounts and as required by Texas Tax Code §313.024(a). *See* Attachments A, B and C.

The Board acknowledged receipt of the Application and necessary application fee, which was reasonable and did not exceed the estimated cost to the District for processing and acting on the Application, as established by §§313.025(a)(1) and 313.031(b) of the Texas Tax Code, 34 T.A.C. §9.1054(a), and Local District Policy. *See* Attachment A (at Tab 2).

The Application was delivered to the Texas Comptroller's Office for review pursuant to §313.025(b) of the Texas Tax Code.

A copy of the Application was delivered to the Armstrong County Appraisal District for review pursuant to 34 Texas Administrative Code §9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§313.024, 313.025 and 313.026. After receipt of the Application, the Texas Comptroller's Office caused an Economic Impact Analysis to be conducted. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project meets the requirements for eligibility under Texas Tax Code §313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value dated November 10, 2022 (the "Certificate Decision"). *See* Attachment C. The Board has carefully considered such Economic Impact Analysis and Certificate Decision. Copies of the Certificate Decision and Economic Impact Analysis are attached to these Findings as Attachments C and D, respectively.

The Board also directed that a specific school financial analysis be conducted of the impact of the proposed value limitation on the finances of Claude Independent School District. A copy of the Summary of the District's Financial Impact prepared by McDowell School Finance Consulting, LLC ("McDowell") and dated October 26, 2022, is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of property applicable to Armstrong Solar II's Application in the Claude Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, fell within a rural school district, Category 3 of §313.054 of the Texas Tax Code, at the time the Certificate Decision was issued. *See* the 2021 Property Value Study Report, "2021 ISD Summary Worksheet" attached hereto as Attachment G; *see also* Attachment D.

After receipt of the completed Application, the District entered into negotiations with Armstrong Solar II regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the

"Agreement") pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District pursuant to Section 48.256(d) of the Texas Education Code. The parties were able to agree upon language for inclusion into a draft agreement pursuant to Texas Tax Code §313.027. As required by the Comptroller's Office, the parties changed only the provisions of the template that the Comptroller permitted (Form 50-826, revised October, 2020). The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement (as defined by 34 Tex. Admin. Code §9.1051 and adopted by §9.1052(a)(6)) was submitted to and approved by the Comptroller, as required by 34 Tex. Admin. Code §9.1055(e)(1). *See* copy of December 9, 2022, Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I.

After review of the Comptroller's Certificate Decision and Economic Impact Analysis, and in consideration of its own analysis of Armstrong Solar II's Application and all other related documentation attached hereto, the Board makes the following additional Findings as follows:

Board Finding Number 1.

> ***Based on the Application and the Comptroller's Certificate Decision, the Property meets the requirements of Texas Tax Code §313.024 for eligibility for a limitation on appraised value under Texas Tax Code §313.024(b)(5) as a renewable energy electric generation project.***

In support of Finding Number 1, the Comptroller's Certificate Decision states:

> **Determination required by 313.025(h)**
>
> * * *
>
> Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.
>
> * * *
>
> 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.

See Attachment C. *See also* Attachment A (Tab 1, §6.2(5) and Tab 4) and Attachment D.

Board Finding Number 2.

> ***The project proposed by Applicant is reasonably likely to generate sufficient tax revenue 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.***

In support of Finding Number 2, the Certificate Decision states:

> **Certification 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 [to the Certificate Decision].

See Attachment C.

Also in support of Finding Number 2, the Comptroller's Economic Impact Analysis states:

> **Attachment B - Tax Revenue before 25th Anniversary of Limitation Start**
>
> This [table] represents the Comptroller's determination that Armstrong 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.

[*see table on next page*]

	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	2023	$0	$0	$0	$0
	2024	$0	$0	$0	$0
	2025	$481,700	$481,700	$0	$0
Limitation Period (10 Years)	2026	$192,680	$674,380	$2,707,636	$2,707,636
	2027	$192,680	$867,060	$2,507,514	$5,215,150
	2028	$192,680	$1,059,740	$2,291,150	$7,506,300
	2029	$192,680	$1,252,420	$2,057,675	$9,563,975
	2030	$192,680	$1,445,100	$1,805,347	$11,369,322
	2031	$192,680	$1,637,780	$1,533,008	$12,902,330
	2032	$192,680	$1,830,460	$1,238,916	$14,141,246
	2033	$192,680	$2,023,140	$921,331	$15,062,577
	2034	$192,680	$2,215,820	$578,224	$15,640,801
	2035	$192,680	$2,408,500	$387,383	$16,028,184
Maintain Viable Presence (5 Years)	2036	$580,063	$2,988,563	$0	$16,028,184
	2037	$580,063	$3,568,626	$0	$16,028,184
	2038	$580,063	$4,148,689	$0	$16,028,184
	2039	$580,063	$4,728,753	$0	$16,028,184
	2040	$580,063	$5,308,816	$0	$16,028,184
Additional Years as Required by 313.026(c)(1) (10 Years)	2041	$580,063	$5,888,879	$0	$16,028,184
	2042	$580,063	$6,468,942	$0	$16,028,184
	2043	$580,063	$7,049,005	$0	$16,028,184
	2044	$580,063	$7,629,068	$0	$16,028,184
	2045	$580,063	$8,209,131	$0	$16,028,184
	2046	$580,063	$8,789,195	$0	$16,028,184
	2047	$580,063	$9,369,258	$0	$16,028,184
	2048	$580,063	$9,949,321	$0	$16,028,184
	2049	$580,063	$10,529,384	$0	$16,028,184
	2050	$580,063	$11,109,447	$0	$16,028,184
		$11,109,447	is less than	$16,028,184	

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, Armstrong Solar II LLC

[*see additional table on next page*]

	Employment			Personal Income			Revenue & Expenditure		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2024	200	378	578	$10,000,000	$33,000,000	$43,000,000	3000000	-1100000	$4,100,000
2025	200	1,417	1617.2	$10,000,000	$116,800,000	$126,800,000	12000000	-2600000	$14,600,000
2026	2	74	76	$111,291	$17,988,709	$18,100,000	700000	1500000	-$800,000
2027	2	18	20	$111,291	$11,088,709	$11,200,000	500000	1500000	-$1,000,000
2028	2	(25)	-23	$111,291	$5,288,709	$5,400,000	200000	1400000	-$1,200,000
2029	2	(45)	-43	$111,291	$1,888,709	$2,000,000	100000	1300000	-$1,200,000
2030	2	(55)	-53	$111,291	-$1,611,291	-$1,500,000	0	1100000	-$1,100,000
2031	2	(51)	-49	$111,291	-$2,511,291	-$2,400,000	-100000	1000000	-$1,100,000
2032	2	(47)	-45	$111,291	-$3,811,291	-$3,700,000	-100000	800000	-$900,000
2033	2	(41)	-39	$111,291	-$3,811,291	-$3,700,000	-200000	600000	-$800,000
2034	2	(37)	-35	$111,291	-$3,511,291	-$3,400,000	-200000	500000	-$700,000
2035	2	(31)	-29	$111,291	-$3,511,291	-$3,400,000	-200000	400000	-$600,000
2036	2	(22)	-20	$111,291	-$2,811,291	-$2,700,000	-200000	300000	-$500,000
2037	2	(18)	-16	$111,291	-$2,511,291	-$2,400,000	-200000	100000	-$300,000
2038	2	(18)	-16	$111,291	-$2,111,291	-$2,000,000	-300000	100000	-$400,000
2039	2	(10)	-8	$111,291	-$1,111,291	-$1,000,000	-300000	0	-$300,000
2040	2	(12)	-10	$111,291	-$2,111,291	-$2,000,000	-300000	-100000	-$200,000
2041	2	(10)	-8	$111,291	-$1,311,291	-$1,200,000	-300000	-200000	-$100,000
2042	2	(12)	-10	$111,291	-$1,311,291	-$1,200,000	-300000	-200000	-$100,000
2043	2	(14)	-12	$111,291	-$1,111,291	-$1,000,000	-400000	-300000	-$100,000
2044	2	(16)	-14	$111,291	-$1,611,291	-$1,500,000	-400000	-300000	-$100,000
2045	2	(18)	-16	$111,291	-$2,511,291	-$2,400,000	-400000	-400000	$0
2046	2	(18)	-16	$111,291	-$2,111,291	-$2,000,000	-400000	-400000	$0
2047	2	(14)	-12	$111,291	-$1,611,291	-$1,500,000	-300000	-400000	$100,000
2048	2	(14)	-12	$111,291	-$1,111,291	-$1,000,000	-400000	-500000	$100,000
2049	2	(18)	-16	$111,291	-$1,611,291	-$1,500,000	-300000	-500000	$200,000
2050	2	(14)	-12	$111,291	-$1,111,291	-$1,000,000	-300000	-600000	$300,000
2051	2	(10)	-8	$111,291	-$1,111,291	-$1,000,000	-300000	-600000	$300,000
						Total	**$10,600,000**	**$2,400,000**	**$8,200,000**
							$19,309,447	**is greater than**	**$16,028,184**
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

See Attachment D (at Attachment B thereof).

Board Finding Number 3.

> ***The new qualifying jobs creation requirement under §313.051(b) exceeds the industry standard for the number of employees reasonably necessary for the operation of the Applicant's facility described in the Application, and Applicant qualifies for a waiver of the new jobs requirement pursuant to § 313.025(f-1).***

In support of this Finding, Applicant submitted, as Tab 12 to its Application, information regarding the industry standard for the number of jobs for a project with qualified property of this size and type. Applicant reports that these types of solar projects create a large number of full-time, temporary jobs during the construction phase, but require a small number of highly skilled technicians to operate a solar project once construction operations cease and commercial operations begin. The industry standard for solar projects is 1 employee for 125MW of power. Therefore, in line with industry standards, the Applicant has committed to creating 2 qualified jobs for this 250 MW project. A copy of Tab 12 submitted with the Application is attached hereto as Attachment J. *See also* Attachments A (at Tabs 7 and 8), and D.

Board Finding Number 4.

> ***The Applicant will create two (2) new qualifying jobs, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3), including: (1) at least 1,600 hours of work per year; (2) provision of group health benefit plan with at least 80% of the premium paid by Applicant; (3) pay an annual wage of $55,646 ($1,070 per week)[1], an amount equal to at least 110% of the County average weekly wage for manufacturing jobs as defined under §313.021(5)(B); (4) are not created to replace a previous employee; and (5) are not transferred from another area of Texas to the project described the Application.***

See Attachments A, D and J.

Board Finding Number 5.

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

In its Application, Applicant indicates that it does not intend to create any non-qualifying jobs. But, for any non-qualifying job which the Applicant may create, the Applicant will be required to pay at least $757.75[2] per week, which exceeds the county average wage for all jobs in the County, in accordance with the provisions of Texas Tax Code §313.024(d). *See* Attachments A and D.

See Attachments A (at Tab 1, §14#4.c.) and D.

Board Finding Number 6.

> ***The Applicant reports that it is continually comparing investment opportunities, rate of return and market viability of each project based upon project financial metrics, and it has potential project developments in other states, including but not limited to, Kansas and Nevada. Also, the Applicant reports that a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the project is economically competitive with other renewable projects. Without the requested value limitation, the Armstrong Solar II Project will be unable to generate sufficient operating margins and net income to produce in a competitive market. It would also place the project in the position to not generate returns necessary to attract equity investment. Such investment is mandatory to finance such a capital-intensive project. Therefore, the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in Texas and Claude ISD.***

[1] The Comptroller's Analysis rounds the annual and weekly wages to the nearest dollar; the required annual and weekly wages stated in the Application, Tab 1, §14, are $55,645.70 and $1,070.11, respectively.

[2] The weekly wage stated in the Comptroller's Economic Impact Analysis is higher; the Application notes a minimum weekly wage for non-qualified jobs of $756.75.

In support of Finding Number 6, the Comptroller's Certificate states, "[t]he 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."

The Economic Impact Analysis further states:

> **Determination**
> The Comptroller has determined that the limitation on appraised value is a determining factor in the Armstrong Solar II, LLC's (parent company Zeus RED) 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 Armstrong Solar II, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
>   A. "Zeus RED ("Zeus") is an energy and technology company focused on the intersection of renewable energy, digital infrastructure, and ethical advertising. We aim to address the rising challenges of global demand for energy and the exponential growth of data processing with sustainable solutions."
>   B. "Zeus is continually comparing investment opportunities, rate of return and market viability of each project based upon project financial metrics. For example, Zeus actively has potential project developments in other states, including but not limited to, Kansas and Nevada."
>   C. "Zeus is currently in a period of assessment to determine whether the identified site within Claude ISD represents the best location possible or if redeployment of its resources and capital to other markets in the U.S. is more advisable."
>   D. "Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the project is economically competitive with other renewable projects. Without the requested value limitation, the Armstrong Solar Project will be unable to generate sufficient operating margins and net income to produce in a competitive market. It would also place the project in the position to not generate returns necessary to attract equity investment. Such investment is mandatory to finance such a capital-intensive project."

See Attachment D (at Attachment C thereof).

Board Finding Number 7.

> ***The proposed limitation on appraised value for the qualified property is $20,000,000.***

The Comptroller's Minimum School District Limitation Values Report, effective as of January 1, 2022, provides that the District is a Subchapter C, Category 3 District under Texas Tax Code §313.054, with a minimum limitation of $20,000,000. *See* Attachments A and D.

Board Finding Number 8.

> ***The revenue gains that will be realized by the District if the Application is approved and the project is built and operational, will be significant in the long term, with specific reference to revenues used for supporting District debt.***

In support of this Finding, McDowell estimates in the District's Financial Impact Report, based on the property values recited in Armstrong Solar II's Application, that the project would add $301,050,000 to the tax base at the peak investment level for tax year 2026 (school year 2026-2027). The additional project value is fully taxable for debt service taxes and can be used to meet any current or future debt needs serviced by an interest and sinking fund tax of the District. *See* Tables I and II of Attachment E. *See also* Table 4 of Attachment D. In addition, the potential revenue gains from Supplemental Payments provided for in the proposed Agreement are estimated to be approximately $750,000. *See* Table VI and last page of Attachment E, and Attachment H at Section 6.2.

Board Finding Number 9.

> ***The effect of the Applicant's proposed project is not expected to increase the District's instructional facility needs. Claude ISD can accommodate the student growth anticipated from Applicant's project with its existing facilities.***

In support of this finding, the District's Financial Impact Report states:

> Armstrong Solar provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that two employees are expected. It is not known whether these would be new employees to the Claude ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.
>
> Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the two new positions equates to 1 new student.
>
> This projected student growth can be accommodated with the current facilities of Claude ISD . . ..

See Table VII of Attachment E. *See also* TEA's Facilities Impact Review Letter at Attachment F.

Board Finding Number 10.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property for each year of the Agreement if the property does not receive a limitation on appraised value, based on the estimated value of the property provided by Applicant, is shown in Table II of Attachment E (column labeled "Taxes w/o Agreement"), and is further based on the assumption that the projected total maintenance and operations tax rate per $100 in valuation in each year of the Agreement will be as indicated in Table II.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2024-2025	0.9398	0.059	0	0	0	0
2025-2026	0.9355	0.049	467,730	0	0	0
2026-2027	0.9312	0.026	2,803,265	2,617,032	(2,456,222)	160,810
2027-2028	0.9269	0.027	2,597,851	2,412,474	(13,363)	2,399,111
2028-2029	0.9226	0.028	2,378,713	2,194,187	(11,447)	2,182,740
2029-2030	0.9184	0.030	2,145,224	1,961,545	(9,480)	1,952,065
2030-2031	0.9142	0.000	1,895,942	1,713,106	0	1,713,106
2031-2032	0.9100	0.000	1,630,002	1,448,006	0	1,448,006
2032-2033	0.9058	0.000	1,346,014	1,164,852	0	1,164,852
2033-2034	0.9017	0.000	1,042,611	862,280	0	862,280
2034-2035	0.8975	0.000	718,186	538,682	0	538,682
2035-2036	0.8934	0.000	537,919	359,238	0	359,238
2036-2037	0.8893	0.000	535,454	0	0	0
2037-2038	0.8852	0.000	533,000	0	0	0
2038-2039	0.8812	0.000	530,559	0	0	0
2039-2040	0.8771	0.000	528,130	0	0	0
2040-2041	0.8731	0.000	525,712	0	0	0
Totals			**20,216,310**	**15,271,403**	**(2,490,512)**	**12,780,891**

Board Finding Number 11.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does receive a limitation on appraised value based on the estimated value of the property provided by the Applicant, is discernible from Table II of Attachment E (subtracting the amounts in the column labeled "Tax Savings with Agreement" from the column labeled "Taxes w/o Agreement"), and is based on the assumption that the projected total maintenance and operations tax rate per $100 in valuation in each year of the Agreement will be as indicated in Table II.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2024-2025	0.9398	0.059	0	0	0	0
2025-2026	0.9355	0.049	467,730	0	0	0
2026-2027	0.9312	0.026	2,803,265	2,617,032	(2,456,222)	160,810
2027-2028	0.9269	0.027	2,597,851	2,412,474	(13,363)	2,399,111
2028-2029	0.9226	0.028	2,378,713	2,194,187	(11,447)	2,182,740
2029-2030	0.9184	0.030	2,145,224	1,961,545	(9,480)	1,952,065
2030-2031	0.9142	0.000	1,895,942	1,713,106	0	1,713,106
2031-2032	0.9100	0.000	1,630,002	1,448,006	0	1,448,006
2032-2033	0.9058	0.000	1,346,014	1,164,852	0	1,164,852
2033-2034	0.9017	0.000	1,042,611	862,280	0	862,280
2034-2035	0.8975	0.000	718,186	538,682	0	538,682
2035-2036	0.8934	0.000	537,919	359,238	0	359,238
2036-2037	0.8893	0.000	535,454	0	0	0
2037-2038	0.8852	0.000	533,000	0	0	0
2038-2039	0.8812	0.000	530,559	0	0	0
2039-2040	0.8771	0.000	528,130	0	0	0
2040-2041	0.8731	0.000	525,712	0	0	0
Totals			**20,216,310**	**15,271,403**	**(2,490,512)**	**12,780,891**

Board Finding Number 12.

> ***Based upon the Applicant's certification that the Application is true and correct, the Comptroller's Economic Impact Analysis, the Comptroller's Certificate Decision, and the consultants' review of these and other documents, the Board has determined that the information provided by the Applicant in its Application was true and correct when submitted.***

Upon acceptance of the Application, the District requested the Comptroller undertake an economic impact evaluation and retained certain consultants to help the Board determine: (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 the economic incentives available are a determining factor; and, (5) the proposed project meets eligibility requirements for an Agreement under Tax Code Chapter 313.

As a part of its review process, the Board notes that the Application was submitted by Applicant under oath. A Chapter 313 application is a governmental record under Texas Penal Code §37.01(2)(A), and all representations contained therein are statements of fact within the meaning of Texas Penal Code §37.01(3). Since Board action upon the adoption of these Findings and the approval of the Agreement (Attachment H) is an "official proceeding," a false statement in the Application would constitute perjury under Texas Penal Code §37.03 and a material breach of the Agreement.

The Board finds that sworn statements are routinely relied upon by fact finders in official governmental proceedings. The Board further finds that reliance 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. *See* Attachments A, B, C and D.

Board Finding Number 13.

> ***The Applicant (Taxpayer Id. 32084410359) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on the Comptroller's acknowledgment that Applicant's right to transact business in Texas is active as a franchise tax paying entity subject to taxes imposed by Chapter 171 of the Texas Tax Code.***

See Attachments A, B and C.

Board Finding Number 14.

> ***The project will be located within an area that is currently designated as a reinvestment zone by the County, pursuant to Chapter 312 and as permitted by Chapter 313 of the Texas Tax Code. Should it be required and to the extent permitted by law, the District will cooperate with the Applicant's efforts to ensure that the area remains designated as a reinvestment zone.***

See Attachment A (Tabs 11 and 16).

Board Finding Number 15.

> ***Per Applicant's certification in its Application, there is existing property on the project site, but no existing assets within the project boundary will become part of the Qualified Property. No Qualified Property has been constructed. Construction of Qualified Property is scheduled to begin in the third quarter of 2024.***

See Attachment A (§§7.2, 9 and 13 of Tab 1 and Tab 10).

Board Finding Number 16.

> ***The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, meets all the requirements set out in Texas Tax Code §313.027, including adequate and appropriate revenue protection provisions for the District.***

In support of this Finding and based on the information provided and certified by Applicant in its Application, the District's Financial Impact Analysis demonstrates that, pursuant to current school finance law (including Texas Education Code §48.256(d)), the District is projected to receive revenue protection payments for tax years 2026 through 2029 (school years 2026-2027 through 2029-2030) in the total estimated total amount of $2,490,512. Therefore, any potential negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District as set out in the Agreement. *See* Table II and last page in Attachment E, and proposed Agreement, Article IV, at Attachment H.

Board Finding Number 17.

> ***The Board finds that all conflicts of interest known at the time of its consideration of the Agreement have been disclosed.***

In support of this Finding, the Board finds that it has taken appropriate action to ensure that all District Trustees and the Superintendent have disclosed any potential conflicts of interest, and that disclosures for all existing conflicts have been made, and disclosures will be made if any additional conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

Board Finding Number 18.

> ***Considering the purpose and effect of the law and the terms of the Agreement, it is in the best interest of the District and the State to approve Armstrong Solar II's Application and enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.***

See Attachments D and H.

Board Finding Number 19.

> ***The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, is in the mandated form of the template Texas Economic Development Act Agreement adopted by the Comptroller, as of October 2020, and the Comptroller has verified that the Agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 T.A.C. Chapter 9, Subchapter F.***

See Attachment I.

IT IS THEREFORE ORDERED, that all of the Findings above, including the recitals and statements set out in the Preamble herein, are adopted and approved as the Findings of the Claude Independent School District Board of Trustees, and the Board has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and (f) and Texas Administrative Code 34, Chapter 9, subchapter F; and,

IT IS FURTHER ORDERED that the Application attached hereto as Attachment A is hereby APPROVED; and,

IT IS FURTHER ORDERED that the new qualified jobs requirement pursuant to §313.051(b) is hereby WAIVED; and,

IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment H is APPROVED contemporaneously with these Findings and is hereby authorized to be executed and delivered by the Trustees whose signatures appear below on behalf of the Claude Independent School District, along with a copy of these Findings, which shall be binding upon the parties upon receipt of a lawfully executed Agreement from Applicant; and,

IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of the Claude Independent School District Board of Trustees.

Dated this 12th day of December, 2022.

Claude Independent School District

By Leah Lee
Signature

Leah Lee
Printed Name and Title

Attest:

By Sara Honea
Signature

Sara Honea
Printed Name and Title

LIST OF ATTACHMENTS

Attachment	*Description*
A	Application and Comptroller's Completeness Letter
B	Applicant's Franchise Tax Account Status
C	Comptroller's Certificate Letter
D	Comptroller Economic Impact Analysis
E	District's Financial Impact Analysis
F	TEA's Facilities Impact Letter
G	Comptroller's "2021 ISD Summary Worksheet" - 2021 Property Value Study Report
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's Agreement Review Letter
J	Job Waiver Request

DocuSign Envelope ID: 6E47C50A-84FC-4EF2-9B65-E7BB5E3F6C9E

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 25, 2022

Greg Brown
Superintendent
Claude Independent School District
500 W 5th Street
Claude, Texas 79019

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Claude Independent School District and Armstrong Solar II LLC, Application 1979

Dear Superintendent Brown:

On May 25, 2022, the Comptroller's office received Armstrong Solar II LLC's (applicant) application for a limitation on appraised value (Application 1979) from Claude Independent School District (school district).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on **August 16, 2022.**

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the Comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the school district and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Annette Holmes with our office. She can be reached by email at annette.holmes@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 5-3792 or at 512-475-3792.

Sincerely,

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

cc: Fred Stromer, Underwood Law Firm, P.C.
Emerson Farrell, Zeus Renewable Energy Development
Elliott Farrell, Zeus Renewable Energy Development
Daron Fredrickson, Merit Advisors, LLC

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS	
	ATTACHMENT
1	Sections 1-16
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation *(if applicable)*
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor *(if applicable)*
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property *(if applicable)*
11	Maps that clearly show: a) Project boundary and project vicinity, including county and school district boundaries b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Any existing property within the project area e) Any facilities owned or operated by the applicant having interconnections to the proposed project f) Location of project, and related nearby projects within vicinity map g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size **Note:** Maps should be high resolution files. Include map legends/markers.
12	Request for Waiver of Job Creation Requirement and supporting information *(if applicable)*
13	Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation
14	Schedules A1, A2, B, and C completed and signed Economic Impact *(if applicable)*
15	Economic Impact Analysis, other payments made in the state or other economic information *(if applicable)*
16	Description of Reinvestment or Enterprise Zone, including: a) evidence that the area qualifies as an enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone c) order, resolution or ordinance establishing the reinvestment zone d) guidelines and criteria for creating the zone
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative *(applicant)*

App. 1979 FOF 002

TAB 1

Pages 1 through 8 of application.

Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

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

May 12, 2022
Date Application Received by District

Greg
First Name

Brown
Last Name

Superintendent
Title

Claude ISD
School District Name

500 W 5th St
Street Address

500 W 5th St
Mailing Address

Claude
City

Texas
State

79019
ZIP

(806) 226-7331
Phone Number

NA
Fax Number

NA
Mobile Number (optional)

greg.brown@claudeisd.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
Fred	Stormer

Title: Attorney

Firm Name: Underwood Law Firm, P.C.

Phone Number	Fax Number
806-379-0306	806-379-0316

Mobile Number *(optional)*	Email Address
NA	Fred.Stormer@uwlaw.com

4. On what date did the district determine this application complete? . . . . . May 25, 2022

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

First Name	Last Name
Emerson	Farrell

Title	Organization
Managing Member	Zeus Renewable Energy Development LLC

Street Address: 500 W 2nd St, Suite 1900

Mailing Address: 500 W 2nd St, Suite 1900

City	State	ZIP
Austin	TX	78701

Phone Number	Fax Number
(281) 407-6206	NA

Mobile Number *(optional)*	Business Email Address
NA	emerson@zeusred.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
Elliott	Farrell

Title	Organization
Member	Zeus Renewable Energy Development LLC

Street Address: 500 W 2nd St, Suite 1900

Mailing Address: 500 W 2nd St, Suite 1900

City	State	ZIP
Austin	TX	78701

Phone Number	Fax Number
(281) 407-7749	NA

Mobile Number *(optional)*	Business Email Address
NA	elliott@zeusred.com

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

App. 1979 FOF 005

SECTION 2: Applicant Information *(continued)*

4. Authorized Company Consultant *(If Applicable)*

Daron	Fredrickson
First Name	Last Name
Partner	
Title	
Merit Advisors, LLC	
Firm Name	
940-665-6452	940-612-3921
Phone Number	Fax Number
dfredrickson@meritadvisor.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.

$ 80,000.00	Check
Payment Amount	Transaction Type
Zeus Renewable Energy Development LLC	Claude ISD
Payor	Payee
May 12, 2022	
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? Armstrong Solar II, LLC
2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 *(11 digits)* 32084410359
3. Parent Company Name . . . . . Zeus RED
4. Parent Company Tax ID 32084327124
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

NA

SECTION 5: Applicant Business Structure

1. Business Organization of Applicant *(corporation, limited liability corporation, etc)* Limited Liability Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? . . . . . ☐ Yes ☑ 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

Armstrong Solar II, LLC

2c. Reporting Entity Taxpayer Number

32084410359

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	Q4, 2022
2.	Estimated commencement of construction	Q3, 2024
3.	Beginning of qualifying time period (MM/DD/YYYY)	Jan 1, 2024
4.	First year of limitation (YYYY)	2026

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	September 2025

SECTION 10: The Property

1.	County or counties in which the proposed project will be located	Armstrong County
2.	Central Appraisal District (CAD) that will be responsible for appraising the property	Armstrong 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):	Claude ISD, .9634, 100%	I&S (ISD):	Claude ISD, .0550, 100%
	(Name, tax rate and percent of project)		*(Name, tax rate and percent of project)*
County:	Armstrong County, .587059, 100%	City:	NA
	(Name, tax rate and percent of project)		*(Name, tax rate and percent of project)*
Hospital District:	NA	Water District:	HPWD, .0051, 100%
	(Name, tax rate and percent of project)		*(Name, tax rate and percent of project)*
Other *(describe)*:	NA	Other *(describe)*:	NA
	(Name, tax rate and percent of project)		*(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: Armstrong County,100%,10 yr matching 313 *(Incentive type, percentage, start and end year)*

City: NA *(Incentive type, percentage, start and end year)*

Hospital District: NA *(Incentive type, percentage, start and end year)*

Water District: NA *(Incentive type, percentage, start and end yeart)*

Other *(describe)*: NA *(Incentive type, percentage, start and end year)*

Other *(describe)*: NA *(Incentive type, percentage, start and end year)*

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

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

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

   7a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Texas Tax Code 313.021(1) Qualified Investment

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

1. At the time of application, what is the estimated minimum qualified investment required for this school district? . . . . . $ 10,000,000.00

2. What is the amount of appraised value limitation for which you are applying? . . . . . $ 20,000,000.00

   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? Q2, 2022

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): . . . . . $ 686,060.00

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 $756.75

   b. Qualifying job wage minimum option §313.021(5)(A)
   -110% of the average weekly wage for manufacturing jobs in the county is. . . . . Not Available

   c. Qualifying job wage minimum option §313.021(5)(B)
   -110% of the average weekly wage for manufacturing jobs in the region is . . . . . $ 1,070.11

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? . . . . . $ 55,645.70
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? . . . . . $ 55,645.70
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 of Application Fee

Please find on the attached page, a copy of the check for the $80,000 application fee paid to Claude ISD.

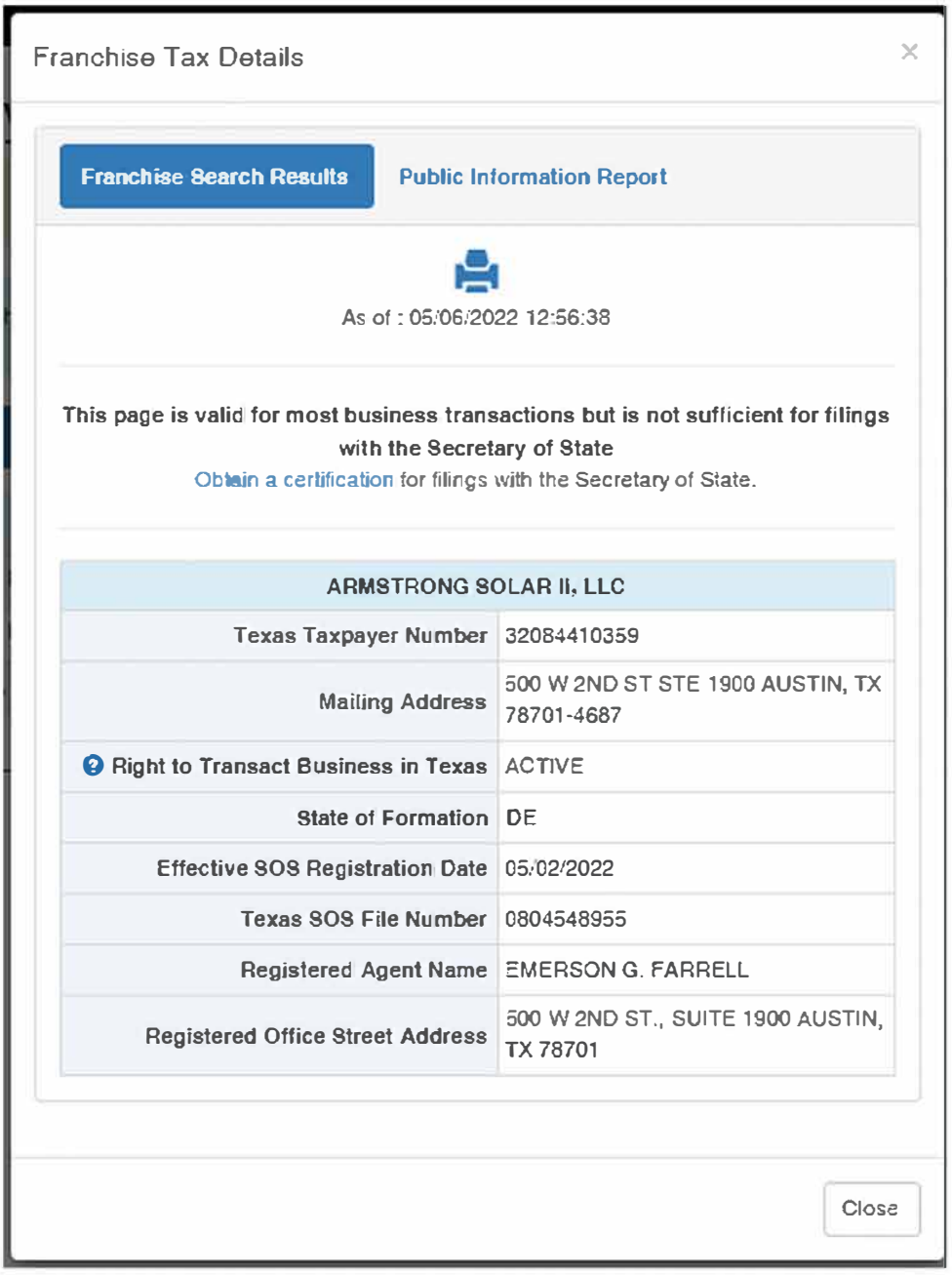
Proof of payment of filing fee received by the Comptroller of Public Accounts per TAC Rule §9.1054 (b)(5)

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

TAB 3

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

Not applicable



Franchise Tax Details

Franchise Search Results | Public Information Report

As of : 05/06/2022 12:56:38

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

Obtain a certification for filings with the Secretary of State.

ARMSTRONG SOLAR II, LLC	
Texas Taxpayer Number	32084410359
Mailing Address	500 W 2ND ST STE 1900 AUSTIN, TX 78701-4687
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	05/02/2022
Texas SOS File Number	0804548955
Registered Agent Name	EMERSON G. FARRELL
Registered Office Street Address	500 W 2ND ST., SUITE 1900 AUSTIN, TX 78701

Close

Franchise Tax Details

Franchise Search Results | Public Information Report

As of : 05/02/2022 20:52:49

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

Obtain a certification for filings with the Secretary of State.

ZEUS RENEWABLE ENERGY DEVELOPMENT, LLC	
Texas Taxpayer Number	32084327124
Mailing Address	500 W 2ND ST STE 1900 AUSTIN, TX 78701-4687
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	04/27/2022
Texas SOS File Number	0804542492
Registered Agent Name	EMERSON G. FARRELL
Registered Office Street Address	500 W 2ND ST., SUITE 1900 AUSTIN, TX 78701

Close

TAB 4
Detailed Description of the Project

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

Armstrong Solar II, LLC is a planned 250 MW solar project developed by Zeus Renewable Energy Development LLC, a Austin, TX based company with an active Texas based development team. Located in Armstrong County, the project is located 100% in Claude ISD, Armstrong Solar II, LLC is still under development and anticipates coming on-line in late 2025.

The Applicant requests a value limitation for all facilities and equipment installed for the Project, including::

- solar panels
- foundations
- roadways
- buildings and offices
- battery storage for power generated on site
- communication system
- electric substation & electric switch-yard
- electric transformers
- transmission line
- all associated equipment
- interconnection facilities

The battery or battery system associated with this project will only store power generated by the qualified property in this application within Claude ISD.

This application covers all qualified property in the reinvestment zone and project boundary within Claude ISD necessary for commercial operations.

**NOTE:* The map in TAB 11 shows the potential locations within which all facilities will be located within the Claude ISD boundaries; however, the final location of each of these facilities depend upon ongoing negotiations with power purchasers and other factors.

TAB 5

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

ZeusRED ("Zeus") is an energy and technology company focused on the intersection of renewable energy, digital infrastructure, and ethical advertising. We aim to address the rising challenges of global demand for energy and the exponential growth of data processing with sustainable solutions.

At Zeus we build mutually beneficial long-term relationships with strategic partners that share our core values. These deep partnerships result in more efficient projects with greater equity returns for shareholders and stronger economic impact on local communities.

Zeus is continually comparing investment opportunities, rate of return and market viability of each project based upon project financial metrics. For example, Zeus actively has potential project developments in other states, including but not limited to, Kansas and Nevada.

Zeus is currently in a period of assessment to determine whether the identified site within Claude ISD represents the best location possible or if redeployment of its resources and capital to other markets in the U.S. is more advisable.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the project is economically competitive with other renewable projects. Without the requested value limitation, the Armstrong Solar Project will be unable to generate sufficient operating margins and net income to produce in a competitive market. It would also place the project in the position to not generate returns necessary to attract equity investment. Such investment is mandatory to finance such a capital-intensive project.

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)

The Armstrong Solar II, LLC project is 100% in Armstrong County, Texas. The project is also 100% in Claude ISD.

- Armstrong County
- Claude ISD

The boundary lines and detail of the tracts included in each are identified in the map following this Tab.

Armstrong Solar

- Armstrong County
- Claude ISD
- Reinvestment Zone
- Armstrong Solar Phase 1 Project Boundary
- Armstrong Solar Phase 2 Project Boundary

Washburn
Claude
Goodnight
Groom
Howardwick
Clarendon
Palo Duro Canyon State Park
Canyon

Google Earth
Image Landsat / Copernicus

10 mi

TAB 7

Description of Qualified Investment

Armstrong Solar II, LLC plans to construct a 250 MW solar farm, including battery storage for the power generated on site, in Armstrong County.

This application covers all qualified property within Claude ISD necessary for the commercial operations of the proposed solar farm. Panel placement will be within the boundaries of the established Reinvestment Zone. The batteries included in the Qualified Property will solely be used for the storage of electricity generated by this solar project.

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

- solar panels
- foundations
- roadways
- buildings and offices
- battery storage for power generated on site
- communication system
- electric substation & electric switch-yard
- electric transformers
- transmission line
- all associated equipment
- interconnection facilities

All qualified property and investment will be located within the project boundary, reinvestment zone, Claude ISD and Armstrong County.

The battery or battery system associated with this project will only store power generated by the qualified property in this application within Claude ISD.

This application covers all qualified property in the reinvestment zone and project boundary within Claude ISD necessary for commercial operations.

TAB 8

Description of Qualified Property

Armstrong Solar II, LLC plans to construct a 250 MW solar farm, including battery storage for the power generated on site, in Armstrong County.

This application covers all qualified property within Claude ISD necessary for the commercial operations of the proposed solar farm. Panel placement will be within the boundaries of the established reinvestment zone. The batteries included in the Qualified Property will solely be used for the storage of electricity generated by this solar project.

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

- solar panels
- foundations
- roadways
- buildings and offices
- battery storage for power generated on site
- communication system
- electric substation & electric switch-yard
- electric transformers
- transmission line
- all associated equipment
- interconnection facilities

All qualified property and investment will be located within the project boundary, reinvestment zone, Claude ISD and Armstrong County.

The battery or battery system associated with this project will only store power generated by the qualified property in this application within Claude ISD.

This application covers all qualified property in the reinvestment zone and project boundary within Claude ISD necessary for commercial operations.

TAB 9

Description of Land

Not Applicable

TAB 10

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

No existing assets within the project boundary will become part of the qualified property.

New Property Search

Go To Previous Page

Property ID:	327

Property Legal Description:

AB 44 BLK C SUR 1 J H GIBSON

000047100

Property Location:

FM 2272

Owner Information:

SIMEK PATRICK C

1812 BROADWAY ST

LUBBOCK TX 79401

Previous Owner:

BAGWELL E T EST

View Previous Owner Information

Property Detail:

Agent:	None
Property Exempt:	
Category/SPTB Code:	D1
Total Acres:	628.930
Total Living Sqft:	See Detail
Owner Interest:	1.000000
Homestead Exemption:	
Homestead Cap Value:	0
Land Ag/Timber Value:	0
Land Market Value:	702,370
Improvement Value:	5,280
Property Market Value:	707,650

Account / Geo Number:

00044-00003-00100-000130

Survey / Sub Division Abstract:

JH GIBSON

44

Block:

C

Section / Lot:

1

View Building Detail Information

View Land Detail Information

Deed Information:

Volume:	17
Page:	838
File Number:	096187
Deed Date:	5/25/1996

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* View Property Tax Information

* View 5 Year Value History

New Property Search

Go To Previous Page

Property ID:	623

Property Legal Description:
AB 267 BLK 1 SEC 13 TWNGRR
820000062

Property Location:
CR 18

Owner Information:
SIMEK PATRICK C
1812 BROADWAY ST
LUBBOCK TX 79401

Previous Owner:
BRYAN EXPLORATION CO

View Previous Owner Information

Property Detail:	
Agent:	None
Property Exempt:	
Category/SPTB Code:	D1
Total Acres:	640.000
Total Living Sqft:	See Detail
Owner Interest:	1.000000
Homestead Exemption:	
Homestead Cap Value:	0
Land Ag/Timber Value:	0
Land Market Value:	520,000
Improvement Value:	95,820
Property Market Value:	615,820

Account / Geo Number:
00267-00100-01300-000000

Survey / Sub Division Abstract:
TWNGRR
267

Block:
1

Section / Lot:
13

View Building Detail Information

View Land Detail Information

Deed Information:	
Volume:	0
Page:	0
File Number:	
Deed Date:	1/1/1900

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* View Property Tax Information

* View 5 Year Value History

New Property Search

Go To Previous Page

Property ID:	3332

Property Legal Description:
AB 1724 BLK C SUR 8 TWNG RR
001234500

Property Location:
FM 2272

Owner Information:
SIMEK PATRICK C
1812 BROADWAY ST
LUBBOCK TX 79401

Previous Owner:
RUTHERFORD CHILDRENS TRUST

View Previous Owner Information

Account / Geo Number:
01724-00003-00800-000000

Survey / Sub Division Abstract:
TWNG RR
1724

Block:
C

Section / Lot:
8

View Building Detail Information

View Land Detail Information

Deed Information:

Volume:	0
Page:	0
File Number:	
Deed Date:	1/1/1900

Property Detail:

Agent:	None
Property Exempt:	
Category/SPTB Code:	D1
Total Acres:	325.000
Total Living Sqft:	See Detail
Owner Interest:	1.000000
Homestead Exemption:	
Homestead Cap Value:	0
Land Ag/Timber Value:	0
Land Market Value:	422,500
Improvement Value:	1,130
Property Market Value:	423,630

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* View Property Tax Information

* View 5 Year Value History

New Property Search

Go To Previous Page

Property ID:	3496

Property Legal Description:

AB 44 BLK C SUR 1
J H GIBSON

001335000 5820

Property Location:

4274 CO. RD.18
CLAUDE TX 79019

Owner Information:

SIMEK PATRICK C

1812 BROADWAY ST

LUBBOCK TX 79401

Previous Owner:

STAVENHAGEN MICHAEL L

View Previous Owner Information

Property Detail:

Agent:	None
Property Exempt:	
Category/SPTB Code:	D1
Total Acres:	5.000
Total Living Sqft:	See Detail
Owner Interest:	1.000000
Homestead Exemption:	
Homestead Cap Value:	0
Land Ag/Timber Value:	0
Land Market Value:	6,750
Improvement Value:	4,380
Property Market Value:	11,130

Account / Geo Number:

00044-00003-00100-000000

Survey / Sub Division Abstract:

JH GIBSON
44

Block:

C

Section / Lot:

1

View Building Detail Information

View Land Detail Information

Deed Information:

Volume:	50
Page:	218
File Number:	
Deed Date:	12/22/2009

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* View Property Tax Information

* View 5 Year Value History

New Property Search

Go To Previous Page

Property ID:	1199

Property Legal Description:

AB 270 BLK 1 SUR 19 TWNGRR

FM 2272 AND CR20

W/2

Property Location:

840000025

Owner Information:

MEATHENIA PEGGY SUE LIVING TRUST

PO BOX 507

CLAUDE TX 79019

Previous Owner:

PEGGY H MEATHENIA

View Previous Owner Information

Account / Geo Number:

00270-00100-01900-000000

Survey / Sub Division Abstract:

Block:

Section / Lot:

View Building Detail Information

View Land Detail Information

Deed Information:

Volume:	65
Page:	835-838
File Number:	
Deed Date:	12/29/2014

Property Detail:

Agent:	None
Property Exempt:	
Category/SPTB Code:	D1
Total Acres:	320.520
Total Living Sqft:	See Detail
Owner Interest:	1.000000
Homestead Exemption:	
Homestead Cap Value:	0
Land Ag/Timber Value:	0
Land Market Value:	349,510
Improvement Value:	88,880
Property Market Value:	438,390

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New Property Search

Go To Previous Page

Property ID:	1592

Property Legal Description:
AB 272 BLK C SUR 9 WNG RR
IMPROVEMENTS
000607500

Property Location:
10030 FM 2272
CLAUDE TX 79019

Owner Information:
GILLISPIE NANCY J.
10030 FM 2272
CLAUDE TX 79019 4410

Previous Owner:

View Previous Owner Information

Account / Geo Number:
00272-00003-00900-000920

Survey / Sub Division Abstract:
TWNG
272

Block:
C

Section / Lot:
9

View Building Detail Information

View Land Detail Information

Deed Information:	
Volume:	
Page:	
File Number:	
Deed Date:	

Property Detail:

Agent:	None
Property Exempt:	
Category/SPTB Code:	E1
Total Acres:	2.000
Total Living Sqft:	See Detail
Owner Interest:	1.000000
Homestead Exemption:	H
Homestead Cap Value:	0
Land Ag/Timber Value:	0
Land Market Value:	1,600
Improvement Value:	140,730
Property Market Value:	142,330

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* View Property Tax Information

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New Property Search

Go To Previous Page

Property ID:	2963

Property Legal Description:

AB 246 SUR 1 HOOPER AND WADE

GILBERT PASTURE

001159600

Property Location:

ROMEO RD

Owner Information:

GRAVLEY, FRANKIE LYNN

PO BOX 508

GUNTER TX 75058

Previous Owner:

PEELER INVESTMENTS LTD

View Previous Owner Information

Property Detail:

Agent:	None
Property Exempt:	
Category/SPTB Code:	D1
Total Acres:	342.840
Total Living Sqft:	See Detail
Owner Interest:	1.000000
Homestead Exemption:	
Homestead Cap Value:	0
Land Ag/Timber Value:	0
Land Market Value:	321,270
Improvement Value:	87,050
Property Market Value:	408,320

Account / Geo Number:

00246-00000-00100-000000

Survey / Sub Division Abstract:

HOOPER WADE

Block:

Section / Lot:

246

View Building Detail Information

View Land Detail Information

Deed Information:

Volume:	77
Page:	373
File Number:	2018218
Deed Date:	7/13/2018

View GIS Map

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Click the button above for a printable version of this record with all available details.

* View Property Tax Information

* View 5 Year Value History

New Property Search

Go To Previous Page

Property ID:	484

Property Legal Description:

AB 273 BLK C SUR 11 WNG RY CO

001266000

Property Location:

001266000

Owner Information:

BIRKBECKS RITCHIE GRANDCHLD TR

418 S POLK ST

AMARILLO TX 79101

Previous Owner:

BIRKBECK DAISY

View Previous Owner Information

Property Detail:

Agent:	None
Property Exempt:	
Category/SPTB Code:	D1
Total Acres:	640.000
Total Living Sqft:	See Detail
Owner Interest:	1.000000
Homestead Exemption:	
Homestead Cap Value:	0
Land Ag/Timber Value:	0
Land Market Value:	620,000
Improvement Value:	71,440
Property Market Value:	691,440

Account / Geo Number:

00273-00003-01100-000000

Survey / Sub Division Abstract:

TWNG

273

Block:

C

Section / Lot:

11

View Building Detail Information

View Land Detail Information

Deed Information:

Volume:	69
Page:	407
File Number:	63490
Deed Date:	11/1/1963

View GIS Map

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Click the button above for a printable version of this record with all available details.

* View Property Tax Information

* View 5 Year Value History

New Property Search

Go To Previous Page

Property ID:	3608

Property Legal Description:

AB 269 BLK 1 SUR 17 TWNG RR

001367000

Property Location:

CO RD 22

Owner Information:

STOCKETT, MICHELLE

630 MCAFEE LN

AMARILLO TX 79118

Previous Owner:

STOCKETT N M

View Previous Owner Information

Account / Geo Number:

00269-00100-01700-000000

Survey / Sub Division Abstract:

TWNG RR

Block:

1

Section / Lot:

17

View Building Detail Information

View Land Detail Information

Deed Information:

Volume:	79
Page:	676
File Number:	2019139
Deed Date:	4/11/2019

Property Detail:

Agent:	None
Property Exempt:	
Category/SPTB Code:	D1
Total Acres:	561.970
Total Living Sqft:	See Detail
Owner Interest:	1.000000
Homestead Exemption:	
Homestead Cap Value:	0
Land Ag/Timber Value:	0
Land Market Value:	530,370
Improvement Value:	53,110
Property Market Value:	583,480

View GIS Map

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Printer Friendly Version

Click the button above for a printable version of this record with all available details.

* View Property Tax Information

* View 5 Year Value History

New Property Search

Go To Previous Page

Property ID:	3610

Property Legal Description:
AB 269 BLK 1 SUR 17 TWNG RR
IMPROVEMENTS
001367000

Property Location:
4245 CO RD 22
CLAUDE TX 79019

Owner Information:
STOCKETT, MICHELLE
630 MCAFEE LN
AMARILLO TX 79118

Previous Owner:
STOCKETT N M

View Previous Owner Information

Account / Geo Number:
00269-00100-01700-002110

Survey / Sub Division Abstract:

Block:

Section / Lot:

View Building Detail Information

View Land Detail Information

Deed Information:

Volume:	79
Page:	676
File Number:	2019139
Deed Date:	4/11/2019

Property Detail:

Agent:	None
Property Exempt:	
Category/SPTB Code:	E1
Total Acres:	2.000
Total Living Sqft:	See Detail
Owner Interest:	1.000000
Homestead Exemption:	
Homestead Cap Value:	0
Land Ag/Timber Value:	0
Land Market Value:	1,600
Improvement Value:	77,110
Property Market Value:	78,710

View GIS Map

The map link above is not affiliated with this website. It is a 3rd party GIS link to provide additional information only.

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* View Property Tax Information

* View 5 Year Value History

TAB 11

Maps that clearly show:

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

Armstrong Solar

- Armstrong County
- Claude ISD
- Reinvestment Zone (existing)
- Project Boundary

Washburn
Claude
Goodnight
Groom
Howardwick
Clarendon
Canyon
Palo Duro Canyon State Park
287
207
40
70
35

Google Earth

10 mi

N

Armstrong Solar II

Phase II ~ 250MWac
Within FGE Goodnight Reinvestment Zone

1979 Claude ISD Armstrong Solar II Amendment I 8-1-22

Legend

- (T) POI Oncor 345kV Dble Circuit T-Line
- Oncor
- Phase

Phase II

(T) POI Oncor 345kV Dble Circuit T-Line

Phase I

17
18
19
20
207
2272

N

Google Earth

App. 1979 FOF 037

TAB 12

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

See Attached

Merit Advisors

May 12, 2022

Mr. Greg Brown
Claude Independent School District
P.O. Box 209
Claude, TX 79019

Re: Chapter 313 Job Waiver Request

Dear Mr. Brown,

This letter is to advise you that Armstrong Solar II, LLC is submitting its Chapter 313 Application for Appraised Value Limitation on Qualified Property with a request for a waiver of the jobs creation requirement.

House Bill 1470 altered the jobs requirement by adding Section 313-025 (f-I) to permit a school district's board of trustees to make a finding that the job requirement could be waived if the job requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application Armstrong Solar II, LLC, requests that Claude ISD's Board of Trustees make such a finding and waive the job creation requirement for the permanent jobs. Based on the industry standard, the size and scope of this project will require approximately two (2) permanent jobs which will be in Claude ISD. The project is 100% in Claude ISD.

As background information on the creation of the full-time jobs by solar energy projects, these types of projects create a large number of full-time, temporary jobs during the construction phase, but require a small number of highly skilled technicians to operate a solar project once construction operations cease and commercial operations begin. The industry standard for solar projects are 1 employee for 125MW of power. The permanent employees of a solar project maintain, and service solar panels, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the on-site employees described, there may be asset managers or technicians who supervise, monitor, and support the solar project operations from off-site locations.

Sincerely,

Daron Fredrickson, Partner
Merit Advisors, LLC

TAB 13

Calculation of three possible wage requirements with TWC documentation

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

Armstrong Solar II, LLC
Tab 13 to Chapter 313 Application

1978 Claude ISD Armstrong Solar II Amendment I 8-1-22

Chapter 313 Wage Calculation - All Jobs - All Industries

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage	Annualized
2021	1	Armstrong	Total All	10	Total, All Industries	704	36,608.00
2021	2	Armstrong	Total All	10	Total, All Industries	742	38,584.00
2021	3	Armstrong	Total All	10	Total, All Industries	767	39,884.00
2021	4	Armstrong	Total All	10	Total, All Industries	814	42,328.00
					Average Weekly Wage	756.75	39,351.00
					@ 110%	**$ 832.43**	**$ 43,286.10**

Chapter 313 Wage Calculation - Manufacturing Jobs

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage	Annualized

No Available Data

Chapter 313 Wage Calculation - Regional Wage Rate

Region	Year	Average Weekly Wage	Annualized
Panhandle	2021	972.83	50,587.00

Average Weekly Wage	972.83	
		Annualized
@ 110%	**$ 1,070.11**	**$ 55,645.70**

2021 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

COG	COG Number	Wages	
		Hourly	Annual
Panhandle Regional Planning Commission	1	$24.32	$50,587
South Plains Association of Governments	2	$22.03	$45,816
NORTEX Regional Planning Commission	3	$20.95	$43,566
North Central Texas Council of Governments	4	$34.32	$71,384
Ark-Tex Council of Governments	5	$21.58	$44,877
East Texas Council of Governments	6	$32.27	$67,113
West Central Texas Council of Governments	7	$20.59	$42,826
Rio Grande Council of Governments	8	$22.10	$45,974
Permian Basin Regional Planning Commission	9	$23.37	$48,620
Concho Valley Council of Governments	10	$29.52	$61,399
Heart of Texas Council of Governments	11	$24.29	$50,533
Capital Area Council of Governments	12	$31.10	$64,698
Brazos Valley Council of Governments	13	$20.21	$42,038
Deep East Texas Council of Governments	14	$18.22	$37,906
South East Texas Regional Planning Commission	15	$22.03	$45,824
Houston-Galveston Area Council	16	$29.40	$61,144
Golden Crescent Regional Planning Commission	17	$24.06	$50,039
Alamo Area Council of Governments	18	$27.82	$57,874
South Texas Development Council	19	$20.68	$43,021
Coastal Bend Council of Governments	20	$34.62	$72,003
Lower Rio Grande Valley Development Council	21	$21.88	$45,517
Texoma Council of Governments	22	$18.21	$37,880
Central Texas Council of Governments	23	$22.73	$47,288
Middle Rio Grande Development Council	24	$22.44	$46,673
Texas		$28.48	$59,228

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.
Data published: July 2022.
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 and Wage Statistics (OEWS) 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, and C completed and signed Economic Impact (if applicable)

See attached Schedules A1, A2, B, and C

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

Date 8/1/2022
Applicant Name Armstrong II Solar, LLC
ISD Name Claude 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		Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)		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	2024-2025	2024	50,000,000	-	-		50,000,000
	QTP2	2025-2026	2025	251,050,000	-	-		251,050,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				301,050,000				301,050,000

Enter amounts from TOTAL row above in Schedule A2

Total Qualified Investment (sum of green cells) 301,050,000

For All Columns: List amount invested each year, not cumulative totals.
Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application. Only tangible personal property that is specifically described in the application can become qualified property.
Column B: The total dollar amount of planned investment each year in buildings or 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 8/1/2022
Applicant Name Armstrong II Solar, LLC
ISD Name Claude ISD

Form 50-296A
Revised October 2020

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Other investment made during this year that will not become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property {SEE NOTE]	**Total Investment** (A+B+C+D)
				Enter amounts from TOTAL row in Schedule A1 in the row below				
Total Investment from Schedule A1*	--	**TOTALS FROM SCHEDULE A1**		301,050,000				301,050,000
	QTP1	2024-2025	2024	50,000,000	-	-	-	50,000,000
	QTP2	2025-2026	2025	251,050,000	-	-	-	251,050,000
Value limitation period***	1	2026-2027	2026					
	2	2027-2028	2027					
	3	2028-2029	2028					
	4	2029-2030	2029					
	5	2030-2031	2030					
	6	2031-2032	2031					
	7	2032-2033	2032					
	8	2033-2034	2033					
	9	2034-2035	2034					
	10	2035-2036	2035					
Total Investment made through limitation				301,050,000				301,050,000
Continue to maintain viable presence	11	2036-2037	2036					
	12	2037-2038	2037					
	13	2038-2039	2038					
	14	2039-2040	2039					
	15	2040-2041	2040					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2041-2042	2041					
	17	2042-2043	2042					
	18	2043-2044	2043					
	19	2044-2045	2044					
	20	2045-2046	2045					
	21	2046-2047	2046					
	22	2047-2048	2047					
	23	2048-2049	2048					
	24	2049-2050	2049					
	25	2050-2051	2050					

* 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 8/1/2022

Applicant Name Armstrong II Solar, LLC

ISD Name Claude ISD

Form 50-296A

Revised October 2020

				Qualified Property			Estimated Taxable Value		
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total 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 *Insert as many rows as necessary*	QTP1	2024-2025	2024	-	$ -	$ -	$ -	$ -	$ -
	QTP2	2025-2026	2025		$ 50,000,000	$ 50,000,000	$ 50,000,000	$ 50,000,000	$ 50,000,000
Value Limitation Period	1	2026-2027	2026		$ 301,050,000	$ 301,050,000	$ 301,050,000	$ 301,050,000	$ 20,000,000
	2	2027-2028	2027	-	$ 280,277,550	$ 280,277,550	$ 280,277,550	$ 280,277,550	$ 20,000,000
	3	2028-2029	2028	-	$ 257,819,220	$ 257,819,220	$ 257,819,220	$ 257,819,220	$ 20,000,000
	4	2029-2030	2029	-	$ 233,584,695	$ 233,584,695	$ 233,584,695	$ 233,584,695	$ 20,000,000
	5	2030-2031	2030	-	$ 207,393,345	$ 207,393,345	$ 207,393,345	$ 207,393,345	$ 20,000,000
	6	2031-2032	2031	-	$ 179,124,750	$ 179,124,750	$ 179,124,750	$ 179,124,750	$ 20,000,000
	7	2032-2033	2032	-	$ 148,598,280	$ 148,598,280	$ 148,598,280	$ 148,598,280	$ 20,000,000
	8	2033-2034	2033	-	$ 115,633,305	$ 115,633,305	$ 115,633,305	$ 115,633,305	$ 20,000,000
	9	2034-2035	2034	-	$ 80,019,090	$ 80,019,090	$ 80,019,090	$ 80,019,090	$ 20,000,000
	10	2036-2036	2035	-	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 20,000,000
Continue to maintain viable presence	11	2036-2037	2036	-	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000
	12	2037-2038	2037	-	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000
	13	2038-2039	2038	-	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000
	14	2039-2040	2039	-	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000
	15	2040-2041	2040	-	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2041-2042	2041	-	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000
	17	2042-2043	2042	-	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000
	18	2043-2044	2043	-	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000
	19	2044-2045	2044	-	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000
	20	2045-2046	2045	-	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000
	21	2046-2047	2046	-	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000
	22	2047-2048	2047	-	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000
	23	2048-2049	2048	-	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000
	24	2049-2050	2049	-	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000
	25	2050-2051	2050	-	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000	$ 60,210,000

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

Schedule C: Employment Information

Date 8/1/2022
Applicant Name Armstrong II Solar, LLC
ISD Name Claude ISD

Form 50-296A
Revised October 2020

				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 *Insert as many rows as necessary*	QTP1	2024-2025	2024	200	50,000	-	-	-
	QTP2	2025-2026	2025	200	50,000	-	2	55,645.70
Value Limitation Period *The qualifying time period could overlap the value limitation period.*	1	2026-2027	2026	N/A	N/A	-	2	55,645.70
	2	2027-2028	2027	N/A	N/A	-	2	55,645.70
	3	2028-2029	2028	N/A	N/A	-	2	55,645.70
	4	2029-2030	2029	N/A	N/A	-	2	55,645.70
	5	2030-2031	2030	N/A	N/A	-	2	55,645.70
	6	2031-2032	2031	N/A	N/A	-	2	55,645.70
	7	2032-2033	2032	N/A	N/A	-	2	55,645.70
	8	2033-2034	2033	N/A	N/A	-	2	55,645.70
	9	2034-2035	2034	N/A	N/A	-	2	55,645.70
	10	2035-2036	2035	N/A	N/A	-	2	55,645.70
Years Following Value Limitation Period	11 through 25	2036-2051	2036-2050	N/A	N/A	-	2	55,645.70

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

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

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

Project	Parcel ID	County	Landowner	Acreage	Phase	Total Value	Improvement Value
Armstrong Solar	308	Armstrong	Pat Simek	320	2	346,000	-
Armstrong Solar	310	Armstrong	Pat Simek	322	2	373,260	-
Armstrong Solar	393	Armstrong	Pat Simek	251.9	2	289,700	5,280
Armstrong Solar	520	Armstrong	Pat Simek	320	2	320,000	-
Armstrong Solar	623	Armstrong	Pat Simek	640	2	615,820	95,820
Armstrong Solar	3331	Armstrong	Pat Simek	159.36	2	207,170	-
Armstrong Solar	3332	Armstrong	Pat Simek	325	2	423,630	1,130
Armstrong Solar	3333	Armstrong	Pat Simek	81.02	2	105,330	-
Armstrong Solar	3334	Armstrong	Pat Simek	78.17	2	79,780	-
Armstrong Solar	3496	Armstrong	Pat Simek	624.609	2	11,130	4,380
Armstrong Solar	3784	Armstrong	Pat Simek	640	2	795,830	-
Armstrong Solar	516	Armstrong	Joe Blanton	642.14	2	63,850	61,150
Armstrong Solar	1199	Armstrong	Peggy Meathenia Trust	320.52	2	349,510	88,880
Armstrong Solar	1592	Armstrong	Nancy Gillispie	365	2	142,330	140,730
Armstrong Solar	1618	Armstrong	Goin Living Family Trust	313.93	2	251,140	-
Armstrong Solar	2388	Armstrong	Peggy Meathenia Trust	222.08	2	213,160	-
Armstrong Solar	2390	Armstrong	Connie Guffy Trust	160.85	2	209,110	-
Armstrong Solar	1710	Armstrong	Meathenia, Peggy Sue	237.31	2	308,500	-
Armstrong Solar	2057	Armstrong	J A Cattle Co	657.9	2	526,320	-
Armstrong Solar	2058	Armstrong	J A Cattle Co	664.9	2	531,920	-
Armstrong Solar	2084	Armstrong	J A Cattle Co	208.8	2	167,040	-
Armstrong Solar	2963	Armstrong	Frankie Lynn Gravley	342.84	2	408,320	87,050
Armstrong Solar	5971	Armstrong	Gerald, Mark and Dave Wood	311.005	2	1,820	-
Armstrong Solar	484	Armstrong	Ritchie Birkbeck Trust	640	2	691,440	71,440
Armstrong Solar	485	Armstrong	Ritchie Birkbeck Trust	640	2	576,000	-
Armstrong Solar	486	Armstrong	Ritchie Birkbeck Trust	640	2	576,000	-
Armstrong Solar	487	Armstrong	Ritchie Birkbeck Trust	640	2	632,000	-
Armstrong Solar	489	Armstrong	Ritchie Birkbeck Trust	640	2	612,000	-
Armstrong Solar	490	Armstrong	Ritchie Birkbeck Trust	640	2	600,000	-
Armstrong Solar	491	Armstrong	Ritchie Birkbeck Trust	640	2	600,000	-
Armstrong Solar	492	Armstrong	Ritchie Birkbeck Trust	324	2	259,200	-
Armstrong Solar	493	Armstrong	Ritchie Birkbeck Trust	324	2	259,200	-
Armstrong Solar	494	Armstrong	Ritchie Birkbeck Trust	640	2	640,000	-
Armstrong Solar	495	Armstrong	Ritchie Birkbeck Trust	640	2	576,000	-
Armstrong Solar	497	Armstrong	Ritchie Birkbeck Trust	320	2	256,000	-
Armstrong Solar	501	Armstrong	Ritchie Birkbeck Trust	322	2	304,000	-
Armstrong Solar	502	Armstrong	Ritchie Birkbeck Trust	324	2	304,000	-
Armstrong Solar	504	Armstrong	Ritchie Birkbeck Trust	640	2	576,000	-
Armstrong Solar	3184	Armstrong	Ritchie Birkbeck Trust	640	2	640,000	-
Armstrong Solar	3605	Armstrong	Michell Stockett	138	2	204,560	-
Armstrong Solar	3608	Armstrong	Michell Stockett	561.97	2	583,480	53,110
Armstrong Solar	3610	Armstrong	Michell Stockett	60.76	2	78,710	77,110
Armstrong Solar	3614	Armstrong	NM Stockett	640	2	520,000	-
Armstrong Solar	7547	Armstrong	Jeff Stockett	69.48	2	76,030	-
				18,333.54		16,305,290	686,080

Armstrong Solar

- Reinvestment Zone 7
- Claude ISD

Legend

- Armstrong County
- Armstrong Solar - Phase 1
- Armstrong Solar - Phase 2

White Deer
Panhandle
Groom
Washburn
Claude
Goodnight
Ashtola
Palo Duro Canyon State Park
marillo
Howar

Google Earth
Image Landsat / Copernicus
10 mi
N

Armstrong Solar

O Reinvestment Zone 7
O Claude ISD

Legend

- Armstrong County
- Armstrong Solar - Phase 2

White Deer
Panhandle
Groom
Washburn
Claude
Goodnight
Ashtola
Palo Duro Canyon State Park
marillo
Howar

Google Earth
Image Landsat / Copernicus

10 mi

RESOLUTION OF THE COMMISSIONERS COURT OF ARMSTRONG COUNTY, TEXAS DESIGNATING FOR A SECOND TIME ARMSTRONG COUNTY REINVESTMENT ZONE 7

A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR A COMMERCIAL/INDUSTRIAL TAX ABATEMENT IN ARMSTRONG COUNTY, TEXAS, ESTABLISHING THE BOUNDARIES THEREOF, AND PROVIDING FOR AN EFFECTIVE DATE.

Whereas, the Commissioners Court of Armstrong County, Texas, desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Property Tax Code §312.001, *et seq.*), and the Guidelines and Criteria of the Commissioners Court of Armstrong County for Granting a Tax Abatement in Reinvestment Zone created in Armstrong County, Texas (the "Guidelines"); and

Whereas, on September 11, 2017, a hearing before the Commissioners Court of Armstrong County, Texas, was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in a newspaper of general circulation in Armstrong County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

Whereas, on August 24, 2020, a hearing before the Commissioners Court of Armstrong County, Texas, was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in a newspaper of general circulation in Armstrong County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone being the same zone so designated on September 11, 2017; and

Whereas, the Commissioners Court of Armstrong County, Texas, at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone; and

Whereas, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone.

BE IT RESOLVED BY THE COMMISSIONERS COURT OF ARMSTRONG COUNTY, TEXAS:

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 Commissioners Court of Armstrong County, Texas, 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 adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and mailed to the respective presiding officers of the governing bodies and all taxing units overlapping the territory inside the proposed reinvestment zone; and

b. That the boundaries of the reinvestment zone should be the area described in the attached Exhibit "A" and depicted in the map attached hereto as Exhibit "B", which are incorporated herein by reference for all purposes. In the event of discrepancy between the descriptions of Exhibit "A" and map in Exhibit "B", the map shall control; and

c. That the creation of the reinvestment zone will result in benefits to Armstrong County, Texas, and to the land included in the zone and that the improvements sought are feasible and practical; and

d. The reinvestment zone meets the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it is reasonably likely as a result of the designation to contribute to the retention of expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of Armstrong County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Armstrong County, Texas.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Armstrong County Commissioners Court hereby creates Armstrong County Reinvestment Zone 7, a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit "A" and depicted in Exhibit "B", and such reinvestment zone is hereby designated and shall hereafter be referred to a Armstrong County Reinvestment Zone 7.

SECTION 4. That Armstrong County Reinvestment Zone 7 shall take effect on August 24, 2020, and shall remain designated as a commercial-industrial reinvestment zone for renewable and wind generated power generation for a period of five (5) years from such

date of designation, and may be renewed for an additional five (5) year period thereafter.

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

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Armstrong County Commissioners Court at which this Resolution was adopted was posted at a place conveniently 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 a newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officers of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this the ~~11th~~ 24 day of ~~September~~ ~~December~~ AUGUST, 2017. 2020.

County Judge

Commissioner, Precinct 1

Commissioner, Precinct 2

Commissioner, Precinct 3

ABSTAIN

Commissioner, Precinct 4

D Watkins, deputy

County Clerk

(County Seal)

Exhibit A
Legal Description of Armstrong County Reinvestment Zone 7

Armstrong County Reinvestment Zone 7 is comprised of the following parcels. In the event of discrepancy between this Exhibit A and the attached map in Exhibit B, the map in Exhibit B shall control.

Exhibit A Property Description

All of Section 1, 3, 4, 6 and 19, Block 1, Armstrong County, Texas being 4,862.79 acres

East ½ of Section 2, Block 1, Armstrong County, Texas being 322.5 acres

All except 53.85 acres out of the West half of Section 5, Block 1, Armstrong County, Texas being 502.39 acres

North part of Section 8, Block 1, Armstrong County, Texas being 396.39 acres

All except 2 acres of Section 11, Block 1, Armstrong County, Texas being 638 acres

North half and Southwest quarter of Section 18, Block 1, Armstrong County, Texas being 475.87 acres

South part of Section 20, Block 1, Armstrong County, Texas being 251.09 acres

West half of the Northwest quarter and the Southwest quarter of Section 1, Block 4, Armstrong County, Texas being 320 acres

All of Section 2, 5, 6, 7 and 9, Block 4, Armstrong County, Texas being 3,218 acres

Part of the Northwest quarter of Section 3, Block 4, Armstrong County being 134.67 acres

Northwest ¼ of Section 3, Block 4, Armstrong County, Texas being 40.2 acres

Part of Section 4, Block 4, Armstrong County, Texas being 44.57 acres

North half and Southwest quarter of Section 8, Block 4, Armstrong County, Texas being 482.4 acres

Part of Section 10, Block 4, Armstrong County, Texas being 178.93 acres

Part of Section 15, Block 4, Armstrong County, Texas being 80 acres

South half and Northeast quarter of Section 16, Block 4, Armstrong County, Texas being 479.21 acres

Part of Section 116, Block B4, Armstrong County, Texas being 40 acres

All of Section 158, Block B4, except the eastern half of the Southeast ¼ section, Armstrong County, Texas being 567 acres

Part of Section 163, Block B4, Armstrong County, Texas being 225.85 acres

Southwest ¼ of Section 164, Block B4, Armstrong County, Texas being 160 acres

All of Section 165, Block B4, except the Northwest ¼ section, Armstrong County, Texas being 480 acres

Part of Section 197, Block B4, Armstrong County, Texas being 577.39 acres

South part of Section 202, Block B4, Armstrong County, Texas being 238.77 acres

All except a strip on the Northwest quarter of Section 203, Block B4, Armstrong County, Texas being 578.9 acres

All of Section 198, 204, 206, 235, 237, 238, 239, 241, 242, 243, 244, 245, 246, 276, 277, 278, 279, 280, 282, 283, 284, 285, 316 and 317, Block B4, Armstrong County, Texas being 14,537.09 acres

All except 5 acres out of Section 205, Block B4, Armstrong County, Texas being 635 acres

Northwest quarter of Section 236, Block B4, Armstrong County, Texas being 160 acres

Middle part and Northwest corner of Section 240, Block B4, Armstrong County, Texas being 213.73 acres

South half and South half of North half of Section 275, Block B4, Armstrong County, Texas being 480 acres

South half and Northeast quarter of Section 315, Block B4, Armstrong County, Texas being 480 acres

South half of Section 4, Block B6, Armstrong County, Texas being 319 acres

All of Section 2, 9 and 10, Block C, Armstrong County, Texas being 1,910.52 acres

West half of Section 3, Block C, Armstrong County, Texas being 317.13 acres

East half of Section 6, Block C, Armstrong County, Texas being 321.18 acres

South half of Section 7, Block E3, Armstrong County, Texas being 315.23 acres

East half of Section 9, Block E3, Armstrong County, Texas being 320 acres

All of Section 10 and 11, Block E3, Armstrong County, Texas being 1,282.50 acres

North part of Section 12, Block E3, Armstrong County, Texas being 522 acres

North part of Section 13, Block E3, Armstrong County, Texas being 520 acres

Out of the North part of Section 16, Block E3, Armstrong County, Texas being 48.2 acres

North half of Section 6, Block E4, Armstrong County, Texas being 300 acres

All of Section 2, Block W, Armstrong County, Texas being 640 acres

South half of Section 1, Block Z-6, Armstrong County, Texas being 317.65 acres

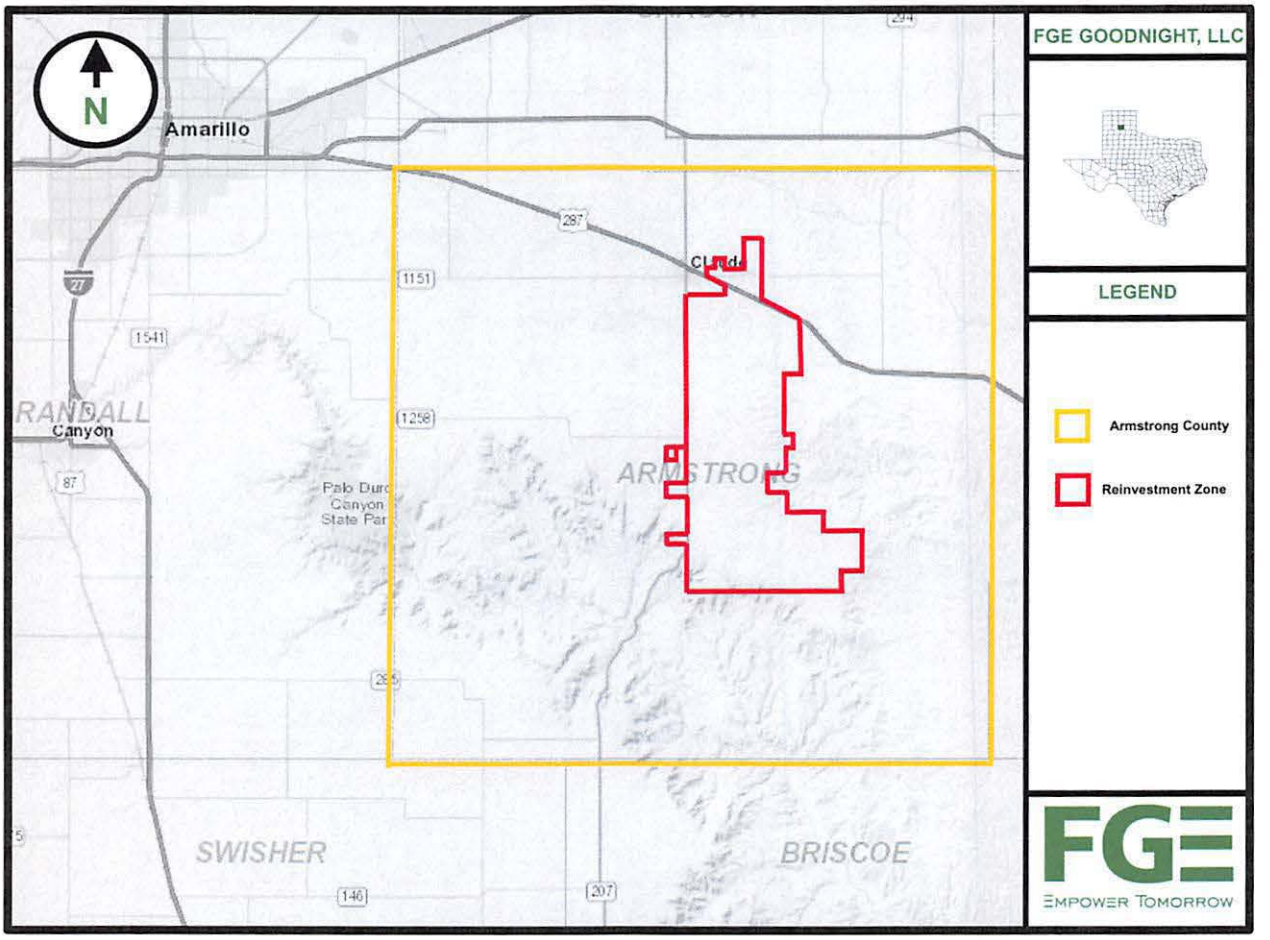
A 1,578.64 acre tract out of Section 8, Block 1; Section 6, Block Z-7; Section 5, Block Z-7; Section 2, Block Z-8; Section 4, Block Z-7, Section 1, Block Z-8; and Section 3, Block Z-7 all in Armstrong County, Texas

A 2,049.95 acre tract out of Section 2, Block Z-7; Section 4, Block 2; Section1, Block Z-8; and Section 3, Block Z-7 all in Armstrong County, Texas

Exhibit B
Map of Armstrong County Reinvestment Zone 7

FGE
EMPOWER TOMORROW

Exhibit A: Reinvestment Zone Map



IN THE ARMSTRONG COUNTY COMMISSIONERS COURT

ARMSTRONG COUNTY, TEXAS

A RESOLUTION

EXPRESSING THE INTENT OF THE COUNTY TO

PARTICIPATE IN TAX ABATEMENT AGREEMENTS AND

ESTABLISHING GUIDELINES FOR SUCH AGREEMENTS

Pursuant to Chapter 312 of the Texas Tax Code, Armstrong County may consider an application for tax abatement, designate a reinvestment zone and enter into a tax abatement agreement in accordance with these Guidelines and Criteria. It is the express intent of the Armstrong County Commissioners Court to promote economic development, but not at the expense of the County's natural resources or services provided to the general public. No application submitted under the following schedule deemed to have a substantially adverse effect on natural resources in the County or on County infrastructure (including roads and bridges) will be approved, unless the applicant can demonstrate just cause for such an exception.

I. Abatement Application Procedure

A. Who May Apply. Any present or potential owner of taxable real property or interest

in real property in Armstrong County may submit an application for tax abatement conforming to the requirements herein.

B. Eligible Improvements. Improvements eligible for abatement are limited to alternative and renewable energy and power facilities. Alternative or renewable energy and power facilities are the buildings and structures including fixed machinery and equipment used to produce electric power from a renewable or non-depletable power source.

C. Eligible Property. Abatement may be granted for the following property: new, expanded or modernized buildings and structures, fixed machinery and equipment; site improvements; other tangible items necessary to the operation and administration of the project or facility; and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code. Taxes on real property may be abated only to the extent the property=s value for a given year exceeds its value for the year in which the agreement is executed. Tangible personal property located on the real property at any time before the period covered by the agreement is not eligible for abatement. Tangible personal property eligible for abatement shall not include inventory or supplies.

Property in a reinvestment zone that is owned or leased by a member of the County Commissioners Court is excluded from property tax abatement.

D. Application Provisions. The application shall consist of a completed Armstrong County Tax Abatement Application Form, which shall contain the following:

(1) information showing how the project meets the requirements of the criteria outlined in Section II below;

(2) a map and description of the property;

(3) a time schedule for completing the planned improvements;

(4) the estimated taxable value or range of values of the project or facility; and

(5) basic financial information about the applicant sufficient to enable evaluation of the application=s financial capacity.

E. Procedure for Consideration of Application. The procedure for consideration by the County of a Tax Abatement Application is as follows:

(1) An applicant may request a Tax Abatement Application form from the County Clerk, County Judge or County Attorney.

(2) After an applicant completes the Tax Abatement Application, the application must provide a copy to each member of the Armstrong County Commissioners Court and the County Clerk and the County Attorney.

(3) The Commissioners Court shall issue a determination at any time before the expiration of sixty (60) days from the date of receipt of the application regarding how to proceed with the application. The Commissioners Court shall choose either to deny the application, consider the application or consider the application on an expedited basis.

a. *Denial of Application.* If the Commissioners Court chooses to deny the application, it shall make a finding by majority vote at a regularly

scheduled meeting that, after balancing the criteria described below in Section II, it is the judgment of the Commissioners Court that the application should be denied.

b. *Consideration of Application.* If the County determines that the application should be further considered, the Commissioners Court must hold a public hearing to obtain public input on the application. Not later than the seventh (7th) day before the date of the hearing, notice of the hearing must be (1) delivered in writing to the presiding officer of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone, and (2) published in a newspaper of general circulation in the County. At the hearing, the Commissioners Court evaluates the application against the criteria in Section II and decides by majority vote whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is not designated, the application fails, although it may be amended and resubmitted. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect. An order designating an area as a reinvestment zone is valid for five (5) years from the date of designation. Once the area is designated as a reinvestment zone, the Commissioners Court may then arrange to consider for approval of the tax abatement agreement between the applicant and the County at its next regularly scheduled meeting. At least seven days prior to entering into a tax abatement agreement, the County must give written notice of its intent to do so to the presiding officer of each taxing unit that includes in its boundaries real property that is to be included in the

proposed reinvestment zone, along with a copy of the proposed tax abatement agreement. At the regularly scheduled meeting, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement, or to decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County. A tax abatement agreement that is declined by the County may be amended and resubmitted to the County.

c. Expedited Consideration of Application. If the County determines that the application should receive an expedited consideration, the Commissioners Court may combine the steps described in the preceding paragraph into a single, regularly scheduled meeting of the Commissioners Court, provided the County meets the procedural prerequisites for each step.

F. Confidentiality. As required by Chapter 312.003 of the Texas Tax Code, information that is provided to Armstrong County in connection with an application or request for tax abatement under this chapter and that described the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until the tax abatement agreement is executed.

G. Effect of Error or Variance with Application Procedure. Except where not allowed by state law, the County may waive application procedures or grant procedural variances as they deem appropriate.

II. Criteria for Designating a Reinvestment Zone and Evaluating Tax Abatement Agreement

A. Minimum Requirements. To be designated a reinvestment zone, County Commissioners must find by majority vote that the designation would contribute to the retention or expansion of primary employment or would attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the County.

B. Criteria. In determining whether to designate a reinvestment zone and whether to enter into a tax abatement agreement, the Commissioners Court shall consider the following factors, among others determined appropriate by the Court:

(1) the current value of land and existing improvements, if any;

(2) the type, value and purpose of proposed improvements, if any;

(3) the productive life of proposed improvements;

(4) the impact of proposed improvements and any other proposed expenditures on existing jobs;

(5) the number and type of new jobs, of any, to be created by proposed improvements and expenditures;

(6) any costs to be incurred by Armstrong County, if any, to provide facilities or services directly resulting from the new improvements;

(7) the types and values of public improvements, if any, to be made by applicant seeking abatement;

(8) an estimate of the amount of ad valorem property taxes to be paid to Armstrong

County after expiration of the abatement agreement;

(9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area; if any;

(10) the overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area;

(11) whether the applicant's proposed facility or improvement or modernization is an industry which is new to Armstrong County;

(12) the impact upon County infrastructure including roads, bridges and the use of County services; and

(13) the impact upon depletion of natural resources of the County.

III. Format for Tax Abatement Agreement

A. Required Provisions. If the Armstrong County Commissioners Court designates a reinvestment zone, it may consider and execute a tax abatement agreement with the owner of the designated property as outlined above. Any tax abatement agreement shall include at least the following provisions:

(1) the kind, number and location of all proposed improvements of the property;

(2) provisions allowing for reasonable access to the property for initial and intermittent inspection purposes by County employees or designated representatives to ensure improvements are made in compliance with the agreement;

(3) provisions limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the area during the period of the abatement;

(4) provisions for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided in the agreement;

(5) each term agreed to by the recipient of the abatement;

(6) a requirement that the abatement recipient certify its compliance with the agreement annually to each taxing unit that is a party to the agreement; and

(7) provisions allowing the County to cancel or modify the agreement if the recipient fails to comply with the agreement.

B. Optional Provisions. The tax abatement agreement may also contain any or all of the following items, in addition to any others deemed appropriate by the contracting parties:

(1) the estimated taxable value or range of values for which taxes are to be abated;

(2) the percent of value to be abated each year;

(3) the commencement and termination dates of the abatement;

(4) the proposed use of the property;

(5) a time schedule, map and property designation;

(6) contractual obligations in the event of default or violation of terms or conditions;

(7) the size of investment and number of temporary and permanent jobs involved, if any;

(8) provisions for dispute resolution.

C. Duration and Portion of Abatement. A tax abatement agreement granted by Armstrong County shall be up to but not exceeding ten (10) years in duration and up to but not exceeding 100 percent (100%) in portion of ad valorem property taxes abated. At any

time before the expiration of the agreement, the parties may agree to modify the agreement or to delete provisions that were not necessary to the original agreement. The same procedural prerequisites for approval of the original agreement apply to modification of the agreement.

D. Time Limit. Such agreement shall be executed with thirty (30) days after the passage of the resolution approving the agreement, unless the County and the applicant mutually agree otherwise.

IV. General Provisions

These guidelines and criteria in no way require the County to enter into any specific tax abatement agreement. The County maintains the discretion to reject any application for tax abatement as it deems appropriate.

V. Sunset and Amendment of Guidelines and Criteria

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

ADOPTED in the County Commissioners Court the 14th day of January, 2013.

J Doug Reed

County Judge

TAB 17

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

See Attached

SECTION 16: Authorized Signatures and Applicant Certification

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

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

1. Authorized School District Representative Signature

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

print here ▶ Greg Brown
Print Name (Authorized School District Representative)

Superintendent
Title

sign here ▶ Greg Brown
Signature (Authorized School District Representative)

5/12/22
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 ▶ EMERSON G. FARRELL
Print Name (Authorized Company Representative (Applicant))

MANAGING MEMBER
Title

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

MAY 12, 2022
Date

JOHN DAVID MALDONADO
Notary ID #132959360
My Commission Expires
March 8, 2025

(Notary Seal)

GIVEN under my hand and seal of office this, the

12th day of May, 2022

J. D. Maldonado
Notary Public in and for the State of Texas

My Commission expires: March 8, 2025

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.

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 ➧ **Greg Brown**
Print Name *(Authorized School District Representative)*

Superintendent
Title

sign here ➧ Greg Brown
Signature *(Authorized School District Representative)*

8/5/2022
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 ➧ EMERSON G. FARRELL
Print Name *(Authorized Company Representative (Applicant))*

CEO & PRESIDENT
Title

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

7/24/2022
Date

SHILAH BROOK BELL
Notary Public, State of Texas
Comm. Expires 07-22-2025
Notary ID 133226622

(Notary Seal)

GIVEN under my hand and seal of office this, the

24 day of July, 2022

Shilah Bell
Notary Public in and for the State of Texas

My Commission expires: 7-22-2025

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.

Franchise Tax Account Status

As of : 12/06/2022 16:41:10

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

ARMSTRONG SOLAR II, LLC	
Texas Taxpayer Number	32084410359
Mailing Address	500 W 2ND ST STE 1900 AUSTIN, TX 78701-4687
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	05/02/2022
Texas SOS File Number	0804548955
Registered Agent Name	EMERSON G. FARRELL
Registered Office Street Address	500 W 2ND ST., SUITE 1900 AUSTIN, TX 78701

DocuSign Envelope ID: 493BD5F0-0DEB-40C0-8C84-8CACEA635C1E

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

November 10, 2022

Greg Brown
Superintendent
Claude Independent School District
500 W 5th Street
Claude, TX 79019

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Claude Independent School District and Armstrong Solar II LLC, Application 1979

Dear Superintendent Brown:

On August 25, 2022, the Comptroller issued written notice that Armstrong Solar II LLC (applicant) submitted a completed application (Application 1979) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on May 12, 2022, to the Claude 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.

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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 1979.

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, 2022**.

Note that any building or improvement existing as of the application review start date of **August 16, 2022**, 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: 493BD5F0-0DEB-40C0-8C84-8CACEA635C1E

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 Armstrong Solar II LLC (project) applying to Claude 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 Armstrong Solar II LLC.

Applicant	Armstrong Solar II LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Claude ISD
2020-2021 Average Daily Attendance	278
County	Armstrong
Proposed Total Investment in District	$301,050,000
Proposed Qualified Investment	$301,050,000
Limitation Amount	$20,000,000
Qualifying Time Period (Full Years)	2024-2025
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	$1,070
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$1,070
Minimum annual wage committed to by applicant for qualified jobs	$55,646
Minimum weekly wage required for non-qualifying jobs	$757.75
Minimum annual wage required for non-qualifying jobs	$39,403
Investment per Qualifying Job	$150,525,000
Estimated M&O levy without any limit (15 years)	$21,337,000
Estimated M&O levy with Limitation (15 years)	$5,308,816
Estimated gross M&O tax benefit (15 years)	$16,028,184

** 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 Armstrong Solar II LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2024	200	378	578	$10,000,000	$33,000,000	$43,000,000
2025	200	1,417	1617.2	$10,000,000	$116,800,000	$126,800,000
2026	2	74	76	$111,291	$17,988,709	$18,100,000
2027	2	18	20	$111,291	$11,088,709	$11,200,000
2028	2	(25)	-23	$111,291	$5,288,709	$5,400,000
2029	2	(45)	-43	$111,291	$1,888,709	$2,000,000
2030	2	(55)	-53	$111,291	-$1,611,291	-$1,500,000
2031	2	(51)	-49	$111,291	-$2,511,291	-$2,400,000
2032	2	(47)	-45	$111,291	-$3,811,291	-$3,700,000
2033	2	(41)	-39	$111,291	-$3,811,291	-$3,700,000
2034	2	(37)	-35	$111,291	-$3,511,291	-$3,400,000
2035	2	(31)	-29	$111,291	-$3,511,291	-$3,400,000
2036	2	(22)	-20	$111,291	-$2,811,291	-$2,700,000
2037	2	(18)	-16	$111,291	-$2,511,291	-$2,400,000
2038	2	(18)	-16	$111,291	-$2,111,291	-$2,000,000
2039	2	(10)	-8	$111,291	-$1,111,291	-$1,000,000

Source: CPA REMI, Armstrong 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		Armstrong ISD I&S Tax Levy	Armstrong ISD M&O Tax Levy	Armstrong ISD M&O and I&S Tax Levies	Armstrong County Tax Levy	High Plains UWD#1 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	**0.5500**	**0.9634**		**0.5871**	**0.0051**	
2025	$50,000,000	$50,000,000		$275,000	$481,700	$756,700	$293,530	$2,550	$1,052,780
2026	$301,050,000	$301,050,000		$1,655,775	$2,900,316	$4,556,091	$1,767,341	$15,354	$6,338,785
2027	$280,277,550	$280,277,550		$1,541,527	$2,700,194	$4,241,720	$1,645,395	$14,294	$5,901,409
2028	$257,819,220	$257,819,220		$1,418,006	$2,483,830	$3,901,836	$1,513,551	$13,149	$5,428,536
2029	$233,584,695	$233,584,695		$1,284,716	$2,250,355	$3,535,071	$1,371,280	$11,913	$4,918,264
2030	$207,393,345	$207,393,345		$1,140,663	$1,998,027	$3,138,691	$1,217,521	$10,577	$4,366,789
2031	$179,124,750	$179,124,750		$985,186	$1,725,688	$2,710,874	$1,051,568	$9,135	$3,771,577
2032	$148,598,280	$148,598,280		$817,291	$1,431,596	$2,248,886	$872,360	$7,579	$3,128,824
2033	$115,633,305	$115,633,305		$635,983	$1,114,011	$1,749,994	$678,836	$5,897	$2,434,727
2034	$80,019,090	$80,019,090		$440,105	$770,904	$1,211,009	$469,759	$4,081	$1,684,849
2035	$60,210,000	$60,210,000		$331,155	$580,063	$911,218	$353,468	$3,071	$1,267,757
2036	$60,210,000	$60,210,000		$331,155	$580,063	$911,218	$353,468	$3,071	$1,267,757
2037	$60,210,000	$60,210,000		$331,155	$580,063	$911,218	$353,468	$3,071	$1,267,757
2038	$60,210,000	$60,210,000		$331,155	$580,063	$911,218	$353,468	$3,071	$1,267,757
2039	$60,210,000	$60,210,000		$331,155	$580,063	$911,218	$353,468	$3,071	$1,267,757
2040	$60,210,000	$60,210,000		$331,155	$580,063	$911,218	$353,468	$3,071	$1,267,757
			Total	**$12,181,181**	**$21,337,000**	**$33,518,181**	**$13,001,949**	**$112,953**	**$46,633,083**

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

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Armstrong County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county and High Plains Underground WCD #1.

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		Armstrong ISD I&S Tax Levy	Armstrong ISD M&O Tax Levy	Armstrong ISD M&O and I&S Tax Levies	Armstrong County Tax Levy	High Plains UWD#1 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	**0.5500**	**0.9634**		**0.5871**	**0.0051**	
2025	$50,000,000	$50,000,000		$275,000	$481,700	$756,700	$293,530	$2,550	$1,052,780
2026	$301,050,000	$20,000,000		$1,655,775	$192,680	$1,848,455	$0	$15,354	$1,863,809
2027	$280,277,550	$20,000,000		$1,541,527	$192,680	$1,734,207	$0	$14,294	$1,748,501
2028	$257,819,220	$20,000,000		$1,418,006	$192,680	$1,610,686	$0	$13,149	$1,623,834
2029	$233,584,695	$20,000,000		$1,284,716	$192,680	$1,477,396	$0	$11,913	$1,489,309
2030	$207,393,345	$20,000,000		$1,140,663	$192,680	$1,333,343	$0	$10,577	$1,343,920
2031	$179,124,750	$20,000,000		$985,186	$192,680	$1,177,866	$0	$9,135	$1,187,001
2032	$148,598,280	$20,000,000		$817,291	$192,680	$1,009,971	$0	$7,579	$1,017,549
2033	$115,633,305	$20,000,000		$635,983	$192,680	$828,663	$0	$5,897	$834,560
2034	$80,019,090	$20,000,000		$440,105	$192,680	$632,785	$0	$4,081	$636,866
2035	$60,210,000	$20,000,000		$331,155	$192,680	$523,835	$0	$3,071	$526,906
2036	$60,210,000	$60,210,000		$331,155	$580,063	$911,218	$353,468	$3,071	$1,267,757
2037	$60,210,000	$60,210,000		$331,155	$580,063	$911,218	$353,468	$3,071	$1,267,757
2038	$60,210,000	$60,210,000		$331,155	$580,063	$911,218	$353,468	$3,071	$1,267,757
2039	$60,210,000	$60,210,000		$331,155	$580,063	$911,218	$353,468	$3,071	$1,267,757
2040	$60,210,000	$60,210,000		$331,155	$580,063	$911,218	$353,468	$3,071	$1,267,757
			Total	**$12,181,181**	**$5,308,816**	**$17,489,997**	**$2,060,871**	**$112,953**	**$19,663,820**
			Diff	**$0**	**$16,028,184**	**$16,028,184**	**$10,941,079**	**$0**	**$26,969,263**
Assumes School Value Limitation and Tax Abatements with the County.									

Source: CPA, Armstrong 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 Armstrong 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	2023	$0	$0	$0	$0
	2024	$0	$0	$0	$0
	2025	$481,700	$481,700	$0	$0
Limitation Period (10 Years)	2026	$192,680	$674,380	$2,707,636	$2,707,636
	2027	$192,680	$867,060	$2,507,514	$5,215,150
	2028	$192,680	$1,059,740	$2,291,150	$7,506,300
	2029	$192,680	$1,252,420	$2,057,675	$9,563,975
	2030	$192,680	$1,445,100	$1,805,347	$11,369,322
	2031	$192,680	$1,637,780	$1,533,008	$12,902,330
	2032	$192,680	$1,830,460	$1,238,916	$14,141,246
	2033	$192,680	$2,023,140	$921,331	$15,062,577
	2034	$192,680	$2,215,820	$578,224	$15,640,801
	2035	$192,680	$2,408,500	$387,383	$16,028,184
Maintain Viable Presence (5 Years)	2036	$580,063	$2,988,563	$0	$16,028,184
	2037	$580,063	$3,568,626	$0	$16,028,184
	2038	$580,063	$4,148,689	$0	$16,028,184
	2039	$580,063	$4,728,753	$0	$16,028,184
	2040	$580,063	$5,308,816	$0	$16,028,184
Additional Years as Required by 313.026(c)(1) (10 Years)	2041	$580,063	$5,888,879	$0	$16,028,184
	2042	$580,063	$6,468,942	$0	$16,028,184
	2043	$580,063	$7,049,005	$0	$16,028,184
	2044	$580,063	$7,629,068	$0	$16,028,184
	2045	$580,063	$8,209,131	$0	$16,028,184
	2046	$580,063	$8,789,195	$0	$16,028,184
	2047	$580,063	$9,369,258	$0	$16,028,184
	2048	$580,063	$9,949,321	$0	$16,028,184
	2049	$580,063	$10,529,384	$0	$16,028,184
	2050	$580,063	$11,109,447	$0	$16,028,184
		$11,109,447	is less than	**$16,028,184**	

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, Armstrong Solar II LLC

	Employment			Personal Income			Revenue & Expenditure		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2024	200	378	578	$10,000,000	$33,000,000	$43,000,000	3000000	-1100000	$4,100,000
2025	200	1,417	1617.2	$10,000,000	$116,800,000	$126,800,000	12000000	-2600000	$14,600,000
2026	2	74	76	$111,291	$17,988,709	$18,100,000	700000	1500000	-$800,000
2027	2	18	20	$111,291	$11,088,709	$11,200,000	500000	1500000	-$1,000,000
2028	2	(25)	-23	$111,291	$5,288,709	$5,400,000	200000	1400000	-$1,200,000
2029	2	(45)	-43	$111,291	$1,888,709	$2,000,000	100000	1300000	-$1,200,000
2030	2	(55)	-53	$111,291	-$1,611,291	-$1,500,000	0	1100000	-$1,100,000
2031	2	(51)	-49	$111,291	-$2,511,291	-$2,400,000	-100000	1000000	-$1,100,000
2032	2	(47)	-45	$111,291	-$3,811,291	-$3,700,000	-100000	800000	-$900,000
2033	2	(41)	-39	$111,291	-$3,811,291	-$3,700,000	-200000	600000	-$800,000
2034	2	(37)	-35	$111,291	-$3,511,291	-$3,400,000	-200000	500000	-$700,000
2035	2	(31)	-29	$111,291	-$3,511,291	-$3,400,000	-200000	400000	-$600,000
2036	2	(22)	-20	$111,291	-$2,811,291	-$2,700,000	-200000	300000	-$500,000
2037	2	(18)	-16	$111,291	-$2,511,291	-$2,400,000	-200000	100000	-$300,000
2038	2	(18)	-16	$111,291	-$2,111,291	-$2,000,000	-300000	100000	-$400,000
2039	2	(10)	-8	$111,291	-$1,111,291	-$1,000,000	-300000	0	-$300,000
2040	2	(12)	-10	$111,291	-$2,111,291	-$2,000,000	-300000	-100000	-$200,000
2041	2	(10)	-8	$111,291	-$1,311,291	-$1,200,000	-300000	-200000	-$100,000
2042	2	(12)	-10	$111,291	-$1,311,291	-$1,200,000	-300000	-200000	-$100,000
2043	2	(14)	-12	$111,291	-$1,111,291	-$1,000,000	-400000	-300000	-$100,000
2044	2	(16)	-14	$111,291	-$1,611,291	-$1,500,000	-400000	-300000	-$100,000
2045	2	(18)	-16	$111,291	-$2,511,291	-$2,400,000	-400000	-400000	$0
2046	2	(18)	-16	$111,291	-$2,111,291	-$2,000,000	-400000	-400000	$0
2047	2	(14)	-12	$111,291	-$1,611,291	-$1,500,000	-300000	-400000	$100,000
2048	2	(14)	-12	$111,291	-$1,111,291	-$1,000,000	-400000	-500000	$100,000
2049	2	(18)	-16	$111,291	-$1,611,291	-$1,500,000	-300000	-500000	$200,000
2050	2	(14)	-12	$111,291	-$1,111,291	-$1,000,000	-300000	-600000	$300,000
2051	2	(10)	-8	$111,291	-$1,111,291	-$1,000,000	-300000	-600000	$300,000
						Total	**$10,600,000**	**$2,400,000**	**$8,200,000**
							$19,309,447	is greater than	**$16,028,184**

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 Armstrong Solar II LLC's (parent company Zeus RED) 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 Armstrong Solar II LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "Zeus RED ("Zeus") is an energy and technology company focused on the intersection of renewable energy, digital infrastructure, and ethical advertising. We aim to address the rising challenges of global demand for energy and the exponential growth of data processing with sustainable solutions."
  B. "Zeus is continually comparing investment opportunities, rates of return and market viability of each project based upon project financial metrics. For example, Zeus actively has potential project developments in other states, including but not limited to, Kansas and Nevada."
  C. Zeus is currently in a period of assessment to determine whether the identified site within Claude ISD represents the best location possible or if redeployment of its resources and capital to other markets in the U.S. is more advisable."
  D. Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the project is economically competitive with other renewable projects. Without the requested value limitation, the Armstrong Solar Project will be unable to generate sufficient operating margins and net income to produce in a competitive market. It would also place the project in the position to not generate returns necessary to attract equity investment. Such investment is mandatory to finance such a capital-intensive project."

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	Q4, 2022
2.	Estimated commencement of construction	Q3, 2024
3.	Beginning of qualifying time period (MM/DD/YYYY)	Jan 1, 2024
4.	First year of limitation (YYYY)	2026

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	September 2025

SECTION 10: The Property

1.	County or counties in which the proposed project will be located	Armstrong County
2.	Central Appraisal District (CAD) that will be responsible for appraising the property	Armstrong 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):	Claude ISD, .9634, 100%	I&S (ISD):	Claude ISD, .0550, 100%
	(Name, tax rate and percent of project)		*(Name, tax rate and percent of project)*
County:	Armstrong County, .587059, 100%	City:	NA
	(Name, tax rate and percent of project)		*(Name, tax rate and percent of project)*
Hospital District:	NA	Water District:	HPWD, .0051, 100%
	(Name, tax rate and percent of project)		*(Name, tax rate and percent of project)*
Other *(describe)*:	NA	Other *(describe)*:	NA
	(Name, tax rate and percent of project)		*(Name, tax rate and percent of project)*

Supporting Information

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

TAB 5

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

ZeusRED ("Zeus") is an energy and technology company focused on the intersection of renewable energy, digital infrastructure, and ethical advertising. We aim to address the rising challenges of global demand for energy and the exponential growth of data processing with sustainable solutions.

At Zeus we build mutually beneficial long-term relationships with strategic partners that share our core values. These deep partnerships result in more efficient projects with greater equity returns for shareholders and stronger economic impact on local communities.

Zeus is continually comparing investment opportunities, rate of return and market viability of each project based upon project financial metrics. For example, Zeus actively has potential project developments in other states, including but not limited to, Kansas and Nevada.

Zeus is currently in a period of assessment to determine whether the identified site within Claude ISD represents the best location possible or if redeployment of its resources and capital to other markets in the U.S. is more advisable.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the project is economically competitive with other renewable projects. Without the requested value limitation, the Armstrong Solar Project will be unable to generate sufficient operating margins and net income to produce in a competitive market. It would also place the project in the position to not generate returns necessary to attract equity investment. Such investment is mandatory to finance such a capital-intensive project.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Claude ISD–Armstrong Solar II, LLC App. #1979

Comptroller Questions (Via email on July 29, 2022, and September 12, 2022):

1. *Is Armstrong Solar II, LLC currently known by any other project names?*

2. *Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when was it assigned.*

3. *Please also list any other names by which this project may have been known in the past-in media reports, investor presentations, or any listings with any federal or state agency.*

4. *Please advise if you will be sharing qualified property with other applicants pending or active Chapter 313 agreement.*

Applicant Response (Via email on August 1, 2022, and on September 13, 2022):

1. *Armstrong Solar II is not known by any other name.*

2. *The ERCOT application is in process, no IGNR assigned yet.*

3. *The project has not been known by another name.*

4. *The project will not be sharing qualified property with any other applicant.*

Summary of the District's Financial Impact of Chapter 313 Agreement with Armstrong Solar II, LLC

October 26, 2022

MCDOWELL
School Finance
CONSULTING

Summary of Claude ISD Financial Impact

of the

Limited Appraised Value Application

from

Armstrong Solar II, LLC

Introduction

Armstrong Solar II, LLC applied for a property value limitation from Claude Independent School District under Chapter 313 of the Tax Code. The application was submitted on May 12, 2022 and subsequently approved for consideration by the Claude ISD Board of Trustees. Armstrong Solar II, LLC ("Armstrong Solar II"), is requesting the property value limitation as a "renewable energy electric generation" project as listed in Sec. 313.024.(b) of the Tax Code.

"The Economic Development Act ", Tax Code Chapter 313, was created by House Bill 1200 of the 77th Texas Legislature in 2001. Further amendments were made to Chapter 313 as a result of House Bill 1470 from the 80th Texas Legislative Session in 2007 and additionally House Bill 3390 from the 83rd Legislative Session.

The Economic Development Act was created to attract qualifying businesses to Texas by allowing school districts the option of approving a property value limitation to these qualifying entities. The purpose of the property value limitation is to reduce the maintenance and operations taxes paid by the company, to a school district during the applicable years as displayed below:

The company must file an application with the school district to qualify for consideration of a Limited Appraised Value Agreement ("LAVA" or "Agreement") to begin the following tax year or a later year if agreed upon by the District and the Company.

Years Prior to Start of Value Limitation Period:

The tax years prior to the start of the value limitation period are considered the "Prior to Start of Value Limitation Period" and the company's school district taxes will be levied at one-hundred percent of the appraised value. The applicant has requested that tax years 2024 and 2025 are the years that are Prior to the Start of Value Limitation Period.

Value Limitation Period:

During the ten years of the Value Limitation Period, the qualifying entity's taxable value will be reduced to the Minimum Limitation Amount for the applicable school district as determined by the State Comptroller's Office. Claude ISD is considered a Non-Rural category 3 District as categorized with total taxable value of industrial property of at least $1 million but less than $90 million. Thus, Claude ISD has a Minimum Qualified Investment amount of $10 million and a Minimum Limitation Amount of $20 million. A qualifying entity's taxable value would be reduced to $20 million during this ten year period of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Claude ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy. The applicant has requested that the Value Limitation Period to begin in tax year 2026 and continue through tax year 2035.

Final Five Years of the Agreement – Continue to Maintain a Viable Presence:

Tax years 2036 through 2040 will be the final five years of the agreement and the applicant agrees to maintain a viable presence with this project during this time.

Taxable Value Projections from Application

The following data shows the projected taxable values that Armstrong Solar II reported in the application to the District:

	Year	School Year	Tax Year	Projected Taxable Value	Actual Taxable Value with Agreement
Each Year Prior to Start of Value Limitation Period	0	2024-2025	2024	$0	$0
	0	2025-2026	2025	$50,000,000	$50,000,000
Value Limitation Period	1	2026-2027	2026	$301,050,000	$20,000,000
	2	2027-2028	2027	$280,277,550	$20,000,000
	3	2028-2029	2028	$257,819,220	$20,000,000
	4	2029-2030	2029	$233,584,695	$20,000,000
	5	2030-2031	2030	$207,393,345	$20,000,000
	6	2031-2032	2031	$179,124,750	$20,000,000
	7	2032-2033	2032	$148,598,280	$20,000,000
	8	2033-2034	2033	$115,633,305	$20,000,000
	9	2034-2035	2034	$80,019,090	$20,000,000
	10	2035-2036	2035	$60,210,000	$20,000,000
Continue to Maintain Viable Presence	11	2036-2037	2036	$60,210,000	$60,210,000
	12	2037-2038	2037	$60,210,000	$60,210,000
	13	2038-2039	2038	$60,210,000	$60,210,000
	14	2039-2040	2039	$60,210,000	$60,210,000
	15	2040-2041	2040	$60,210,000	$60,210,000
Additional Years for 25 Year Economic Impact Study	16	2041-2042	2041	$60,210,000	$60,210,000
	17	2042-2043	2042	$60,210,000	$60,210,000
	18	2043-2044	2043	$60,210,000	$60,210,000
	19	2044-2045	2044	$60,210,000	$60,210,000
	20	2045-2046	2045	$60,210,000	$60,210,000
	21	2046-2047	2046	$60,210,000	$60,210,000
	22	2047-2048	2047	$60,210,000	$60,210,000
	23	2048-2049	2048	$60,210,000	$60,210,000
	24	2049-2050	2049	$60,210,000	$60,210,000
	25	2050-2051	2049	$60,210,000	$60,210,000

Taxable Value Impact from LAVA

The "Additional Value from Armstrong Solar II" represents the values that the company estimated as their taxable values in the application that was filed with the district. During tax years 2026 through 2035, the company's taxable value will be limited to the $20,000,000 Minimum Limitation Amount of Claude ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Armstrong Solar II	Minimum Limitation Amount	Abated Value	Taxable Value
Jan. 1, 2024	0	n/a	0	0
Jan. 1, 2025	50,000,000	n/a	0	50,000,000
Jan. 1, 2026	301,050,000	(20,000,000)	281,050,000	20,000,000
Jan. 1, 2027	280,277,550	(20,000,000)	260,277,550	20,000,000
Jan. 1, 2028	257,819,220	(20,000,000)	237,819,220	20,000,000
Jan. 1, 2029	233,584,695	(20,000,000)	213,584,695	20,000,000
Jan. 1, 2030	207,393,345	(20,000,000)	187,393,345	20,000,000
Jan. 1, 2031	179,124,750	(20,000,000)	159,124,750	20,000,000
Jan. 1, 2032	148,598,280	(20,000,000)	128,598,280	20,000,000
Jan. 1, 2033	115,633,305	(20,000,000)	95,633,305	20,000,000
Jan. 1, 2034	80,019,090	(20,000,000)	60,019,090	20,000,000
Jan. 1, 2035	60,210,000	(20,000,000)	40,210,000	20,000,000
Jan. 1, 2036	60,210,000	n/a	0	60,210,000
Jan. 1, 2037	60,210,000	n/a	0	60,210,000
Jan. 1, 2038	60,210,000	n/a	0	60,210,000
Jan. 1, 2039	60,210,000	n/a	0	60,210,000
Jan. 1, 2040	60,210,000	n/a	0	60,210,000

Armstrong Solar II's Tax Benefit from Agreement

The projected amount of the net tax savings for Armstrong Solar II is $12.7 million over the life of the Agreement. This net savings is after all tax savings and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement.

Claude ISD projected tax rates for maintenance & operations (M&O) and interest & sinking (I&S) are based on the following assumptions:

- The District has not held a tax ratification election and the study projects that it will maintain the maximum M&O tax rate allowable that doesn't require an additional voter election for the life of this agreement.
- The district has outstanding bonds that are scheduled to payoff in 2030 and currently have a $.055 I&S tax rate. This district's annual debt payment is approximately $137,000 per year and the debt rates below are calculated rates using the projected taxable values with the addition of Armstrong Solar's estimated taxable values. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2024-2025	0.9398	0.059	0	0	0	0
2025-2026	0.9355	0.049	467,730	0	0	0
2026-2027	0.9312	0.026	2,803,265	2,617,032	(2,456,222)	160,810
2027-2028	0.9269	0.027	2,597,851	2,412,474	(13,363)	2,399,111
2028-2029	0.9226	0.028	2,378,713	2,194,187	(11,447)	2,182,740
2029-2030	0.9184	0.030	2,145,224	1,961,545	(9,480)	1,952,065
2030-2031	0.9142	0.000	1,895,942	1,713,106	0	1,713,106
2031-2032	0.9100	0.000	1,630,002	1,448,006	0	1,448,006
2032-2033	0.9058	0.000	1,346,014	1,164,852	0	1,164,852
2033-2034	0.9017	0.000	1,042,611	862,280	0	862,280
2034-2035	0.8975	0.000	718,186	538,682	0	538,682
2035-2036	0.8934	0.000	537,919	359,238	0	359,238
2036-2037	0.8893	0.000	535,454	0	0	0
2037-2038	0.8852	0.000	533,000	0	0	0
2038-2039	0.8812	0.000	530,559	0	0	0
2039-2040	0.8771	0.000	528,130	0	0	0
2040-2041	0.8731	0.000	525,712	0	0	0
Totals			**20,216,310**	**15,271,403**	**(2,490,512)**	**12,780,891**

Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Claude ISD. First, a seventeen year financial forecast was prepared to establish a baseline without the added values of the renewable energy electric generation company. Second, a seventeen year financial forecast was prepared that incorporated the additional taxable value of the company without a LAVA in effect. Third, a seventeen year financial forecast was prepared that incorporates the additional taxable value of the company with an approved LAVA. These three forecasts are detailed in the "Calculation of LAVA Impact on District's Finances" section. The following assumptions were used to compare the financial impact of the LAVA:

- The current state funding formulas were used for state aid and recapture calculation purposes
    - Tier I - Basic Allotment of $6,160 multiplied by the number of students in average daily attendance (ADA).
    - Level 1 of Tier II yield - $98.56 - per weighted student in average daily attendance (WADA) per penny of tax effort
    - Level 2 of Tier II yield - $49.28 – per WADA per penny of tax effort
- Use of current year property values for state funding calculations.
- Use of prior year property values for revenue protection payment calculations in accordance with Article IV of the Agreement.
- The district's tax rate for maintenance & operations (M&O) for 2022-2023 of .9441 is projected to decrease based on estimated local and statewide property tax growth. No future tax ratification elections are projected in the calculations.
- An annual taxable value increase of .25% was used to project the district's taxable value, except as it related to the requested LAVA. The district's 2021 taxable value was used as a baseline for all projections.
- The district's enrollment is projected to decrease; therefore, the projected ADA and WADA for school year 21-22 was decreased by .25% per year for the life of the agreement.

Although these assumptions were used to develop a baseline scenario for comparison purposes, many of these factors will not remain constant for the years of this proposed agreement. Also, Legislative changes to the school finance formulas are almost certain during the life of this agreement.

Calculation of LAVA Impact on District's Finances

The tables displayed below (Table III, IV, V) show the different impacts on the school district's finances. These scenarios were computed to compare the District's revenue without the additional taxable value of Armstrong Solar II (Table III), the addition of Armstrong Solar II taxable values without a Chapter 313 Agreement (Table IV), and the addition of Armstrong Solar II taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* Armstrong Solar II:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State Revenue Tier I	State Revenue Tier II	Total State Revenue	Recapture Payment	Total District Revenue
2024-2025	234,113,151	2,166,326	1,555,805	171,342	1,727,147	0	3,893,473
2025-2026	231,758,763	2,134,975	1,577,527	171,790	1,749,317	0	3,884,292
2026-2027	229,762,301	2,107,073	1,593,483	171,212	1,764,695	0	3,871,768
2027-2028	229,149,299	2,091,849	1,596,813	170,573	1,767,386	0	3,859,235
2028-2029	228,594,135	2,077,420	1,607,601	170,884	1,778,485	0	3,855,905
2029-2030	228,093,984	2,063,530	1,608,489	170,423	1,778,912	0	3,842,442
2030-2031	227,646,165	2,050,148	1,603,110	169,149	1,772,259	0	3,822,407
2031-2032	227,248,129	2,037,245	1,615,048	168,620	1,783,668	0	3,820,913
2032-2033	226,897,456	2,025,016	1,623,196	168,787	1,791,983	0	3,816,999
2033-2034	226,591,846	2,012,989	1,615,106	167,335	1,782,441	0	3,795,430
2034-2035	226,329,114	2,001,584	1,622,680	167,472	1,790,152	0	3,791,736
2035-2036	226,107,186	1,990,556	1,619,151	166,416	1,785,567	0	3,776,123
2036-2037	225,924,091	1,979,882	1,629,491	165,836	1,795,327	0	3,775,209
2037-2038	225,777,956	1,969,764	1,635,563	165,894	1,801,457	0	3,771,221
2038-2039	225,667,003	1,959,739	1,634,649	165,069	1,799,718	0	3,759,457
2039-2040	225,589,543	1,950,230	1,635,394	164,713	1,800,107	0	3,750,337
2040-2041	225,543,970	1,940,999	1,639,476	164,313	1,803,789	0	3,744,788

TABLE IV- District Revenues *with* Armstrong Solar II *without* Chpt. 313 Agreement:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State Revenue Tier I	State Revenue Tier II	Total State Revenue	Recapture Payment	Total District Revenue
2024-2025	234,113,151	2,166,326	1,555,805	171,342	1,727,147	0	3,893,473
2025-2026	281,758,763	2,347,722	1,385,257	146,349	1,531,606	0	3,879,328
2026-2027	530,812,301	4,385,485	130,693	22,057	152,750	(646,620)	3,891,615
2027-2028	509,426,849	4,209,608	116,000	31,642	147,642	(478,428)	3,878,822
2028-2029	486,413,355	4,020,341	130,500	42,659	173,159	(318,823)	3,874,677
2029-2030	461,678,679	3,816,919	116,000	53,894	169,894	(126,284)	3,860,529
2030-2031	435,039,510	3,597,835	130,500	65,543	196,043	0	3,793,878
2031-2032	406,372,879	3,362,076	352,743	79,631	432,374	0	3,794,450
2032-2033	375,495,736	3,108,137	592,042	94,507	686,549	0	3,794,686
2033-2034	342,225,151	2,834,514	834,404	109,316	943,720	0	3,778,234
2034-2035	306,348,204	2,539,457	1,113,387	126,932	1,240,319	0	3,779,776
2035-2036	286,317,186	2,374,718	1,256,801	135,668	1,392,469	0	3,767,187
2036-2037	286,134,091	2,373,213	1,258,239	135,757	1,393,996	0	3,767,209
2037-2038	285,987,956	2,372,011	1,254,987	135,481	1,390,468	0	3,762,479
2038-2039	285,877,003	2,371,098	1,244,774	134,660	1,379,434	0	3,750,532
2039-2040	285,799,543	2,370,461	1,236,240	133,975	1,370,215	0	3,740,676
2040-2041	285,753,970	2,370,086	1,231,285	133,578	1,364,863	0	3,734,949

TABLE V – District Revenues *with* Armstrong Solar II *with* Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State Revenue Tier I	State Revenue Tier II	Total State Revenue	Recapture Payment	Payment for District Losses	Total District Revenue
2024-2025	234,113,151	2,166,326	1,555,805	171,342	1,727,147	0	0	3,893,473
2025-2026	281,758,763	2,347,722	1,385,257	146,349	1,531,606	0	0	3,879,328
2026-2027	249,762,301	2,083,386	1,627,654	161,312	1,788,966	0	2,456,222	6,328,574
2027-2028	249,149,299	2,078,322	1,620,616	160,673	1,781,289	0	13,363	3,872,974
2028-2029	248,594,135	2,073,736	1,621,132	160,640	1,781,772	0	11,447	3,866,955
2029-2030	248,093,984	2,069,604	1,611,836	159,837	1,771,673	0	9,480	3,850,757
2030-2031	247,646,165	2,065,904	1,596,578	158,569	1,755,147	0	0	3,821,051
2031-2032	247,248,129	2,062,616	1,599,160	158,720	1,757,880	0	0	3,820,496
2032-2033	246,897,456	2,059,719	1,597,558	158,547	1,756,105	0	0	3,815,824
2033-2034	246,591,846	2,057,194	1,579,772	157,097	1,736,869	0	0	3,794,063
2034-2035	246,329,114	2,055,023	1,577,697	156,898	1,734,595	0	0	3,789,618
2035-2036	246,107,186	2,053,190	1,564,786	155,846	1,720,632	0	0	3,773,822
2036-2037	286,134,091	2,383,868	1,247,366	135,757	1,383,123	0	0	3,766,991
2037-2038	285,987,956	2,382,661	1,244,119	135,481	1,379,600	0	0	3,762,261
2038-2039	285,877,003	2,381,744	1,233,911	134,660	1,368,571	0	0	3,750,315
2039-2040	285,799,543	2,381,104	1,225,380	133,975	1,359,355	0	0	3,740,459
2042-2043	285,753,970	2,380,728	1,220,426	133,578	1,354,004	0	0	3,734,732

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 3 of the 86th Legislative Session and became effective for the 2019-2020 school year. The primary intent of the new legislation is to reduce maintenance & operations "M&O" tax rate and cooperatively reduce district's recapture payments; thus, increasing the State's share of school district funding. The maximum M&O tax rate prior to the Legislative Session was $1.17 and that rate was reduced to a maximum rate of $1.06835 for the 2019-2020 school year. The maximum tax rate is expected to continue to be compressed lower when statewide property values increase at a rate greater than 2.5% per year or also when a school district's property values increase by more than 2.5%. However, a school district's M&O tax rate can't be reduced to a rate lower than 90% of the maximum allowable Tier I rate for the respective year.

Prior to the 86th Legislative Session and the passage of House Bill 3, school finance law required the use of a district's prior year property values for the calculation of property wealth. House Bill 3 changed school finance law and now requires a district's current year property values for the property wealth calculation; however, it also contains language for the calculation of revenue protection payments for Chapter 313 Agreements using prior year values in Section 48.256(d) as follows:

(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.

Supplemental Payments

Assuming that the District and Armstrong Solar II mutually agree in the LAVA that the greater of $100 per student in average daily attendance (ADA) or $50,000, the projected amount of these payments over the life of the agreement is $750,000 of the $12.7 million net tax savings amount. This amount will be computed annually according to Section VI of the Agreement.

TABLE VI - Calculation of the Supplemental Payments:

Fiscal Year	Net Tax Savings	Claude ISD Supplemental	Armstrong Solar Share
2024-2025	0	50,000	(50,000)
2025-2026	0	50,000	(50,000)
2026-2027	160,810	50,000	110,810
2027-2028	2,399,111	50,000	2,349,111
2028-2029	2,182,740	50,000	2,132,740
2029-2030	1,952,065	50,000	1,902,065
2030-2031	1,713,106	50,000	1,663,106
2031-2032	1,448,006	50,000	1,398,006
2032-2033	1,164,852	50,000	1,114,852
2033-2034	862,280	50,000	812,280
2034-2035	538,682	50,000	488,682
2035-2036	359,238	50,000	309,238
2036-2037	0	50,000	(50,000)
2037-2038	0	50,000	(50,000)
2038-2039	0	50,000	(50,000)
2039-2040	0	0	0
2040-2041	0	0	0
Totals	**12,780,891**	**750,000**	**12,030,891**

Impact of Projected Student Growth

On District Facilities

TABLE VII – Campus Capacity and Available Growth

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
Claude Schools	EE-12	36	792	307	485
	Total	**36**	**792**	**307**	**485**

The building capacities are based on 22 students per classroom for early education through 12th grade. Claude ISD is an early-education through 12th grade district.

Armstrong Solar provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that two employees are expected. It is not known whether these would be new employees to the Claude ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the two new positions equates to 1 new student.

This projected student growth can be accommodated with the current facilities of Claude ISD as displayed in Table VII above.

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Armstrong Solar II, LLC would be beneficial to both Armstrong Solar II and Claude ISD under the current school finance system.

Armstrong Solar II would benefit from reduced property taxes during the ten years of the Value Limitation Period. Although some of the tax savings would be used to offset district's revenue losses and supplemental payments to the District, Armstrong Solar II is projected to benefit from an 89% tax savings during that ten year period of this Agreement. Armstrong Solar II also has the option of terminating the Agreement if the amount paid to the District during a tax year following the first year of the Limitation Period is greater than the amount of taxes that would have been paid without the Agreement; therefore, there is limited risk for the company from entering into the Agreement.

Claude ISD would have no inherent risk under the current school finance system and with the provisions in the LAVA that require Armstrong Solar II to offset any district losses caused by the LAVA. An annual calculation will be performed each year to determine if a loss to the District has been incurred. The revenue impact to the District will be computed by comparing the District's revenues with and without the LAVA in effect.

MCDOWELL
School Finance
CONSULTING

Estimated Financial Impact of Chapter 313 Agreement with Armstrong Solar II, LLC
As Submitted in Chapter 313 Application

	Year of Agreement	School Year	Tax Year	Project's M&O Taxable Value w/o 313 Agreement	Project's M&O Taxable Value with 313 Agreement	Estimated M&O Tax Rate	Armstrong Solar II M&O Tax Savings	Claude ISD Estimated Revenue Protection Payments	Estimated Net Tax Benefit under 313 Agreement	Estimated Supplemental Payments $100/ADA	Estimated Net Savings to Company under 313 Agreement
Qualifying Time Period											
	0	2024-2025	2024	$0	$0	0.9398	$0	$0	$0	$50,000	($50,000)
	0	2025-2026	2025	$50,000,000	$0	0.9355	$0	$0	$0	$50,000	($50,000)
Value Limitation Period	1	2026-2027	2026	$301,050,000	$20,000,000	0.9312	$2,617,032	$2,456,222	$160,810	$50,000	$110,810
	2	2027-2028	2027	$280,277,550	$20,000,000	0.9269	$2,412,474	$13,363	$2,399,111	$50,000	$2,349,111
	3	2028-2029	2028	$257,819,220	$20,000,000	0.9226	$2,194,187	$11,447	$2,182,740	$50,000	$2,132,740
	4	2029-2030	2029	$233,584,695	$20,000,000	0.9184	$1,961,545	$9,480	$1,952,065	$50,000	$1,902,065
	5	2030-2031	2030	$207,393,345	$20,000,000	0.9142	$1,713,106	$0	$1,713,106	$50,000	$1,663,106
	6	2031-2032	2031	$179,124,750	$20,000,000	0.9100	$1,448,006	$0	$1,448,006	$50,000	$1,398,006
	7	2032-2033	2032	$148,598,280	$20,000,000	0.9058	$1,164,852	$0	$1,164,852	$50,000	$1,114,852
	8	2033-2034	2033	$115,633,305	$20,000,000	0.9017	$862,280	$0	$862,280	$50,000	$812,280
	9	2034-2035	2034	$80,019,090	$20,000,000	0.8975	$538,682	$0	$538,682	$50,000	$488,682
	10	2035-2036	2035	$60,210,000	$20,000,000	0.8934	$359,238	$0	$359,238	$50,000	$309,238
Maintain Viable Presence Period	11	2036-2037	2036	$60,210,000	$60,210,000	0.8893	$0	$0	$0	$50,000	($50,000)
	12	2037-2038	2037	$60,210,000	$60,210,000	0.8852	$0	$0	$0	$50,000	($50,000)
	13	2038-2039	2038	$60,210,000	$60,210,000	0.8812	$0	$0	$0	$50,000	($50,000)
	14	2039-2040	2039	$60,210,000	$60,210,000	0.8771	$0	$0	$0	$0	$0
	15	2040-2041	2040	$60,210,000	$60,210,000	0.8731	$0	$0	$0	$0	$0
		Totals					$15,271,403	$2,490,512	$12,780,891	$750,000	$12,030,891

Texas Education Agency

Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • tea.texas.gov

IMPORTANT: You must provide a copy of this letter to the law firm working on the value limitation agreement. Please keep this letter with your district's records.

September 20, 2022

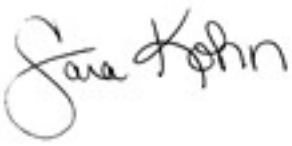
Mr. Lendon Ray, President
Board of Trustees
Claude Independent School District
P. O. Box 209
Claude, TX 79019-0209

Dear President Ray:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Armstrong Solar II LLC project #1979 on the number and size of school facilities in Claude Independent School District (CISD). Based on an examination of CISD enrollment and the number of potential new jobs, the TEA has determined that the Armstrong Solar II LLC project should not have a significant impact on the number or size of school facilities in CISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at sara.kohn@tea.texas.gov if you have any questions.

Sincerely,



Sara Kohn
Interim Director of State Funding

Cc: Greg Brown, Superintendent

COMPTROLLER.TEXAS.GOV

Glenn Hegar
Texas Comptroller of Public Accounts

% Taxes

Property Tax Assistance

2021 ISD Summary Worksheet

006-Armstrong /Armstrong County

006-902/Claude ISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
A - SINGLE-FAMILY	60,240,040	0.9655	62,392,584	60,240,040
B - MULTIFAMILY	65,150	N/A	65,150	65,150
C1 - VACANT LOTS	1,258,770	N/A	1,258,770	1,258,770
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	27,511,134	0.7412	37,118,282	27,511,134
D2 - FARM & RANCH IMP	5,939,280	N/A	5,939,280	5,939,280
E - NON-AG LAND AND IMPROVEMENTS	33,193,900	0.9706	34,199,361	33,193,900
F1 - COMMERCIAL REAL	6,255,660	N/A	6,255,660	6,255,660
F2 - INDUSTRIAL REAL	42,325,480	N/A	42,325,480	42,325,480
G - ALL MINERALS	0	N/A	0	0
J - ALL UTILITIES	83,868,640	0.8679	96,633,990	83,868,640
L1 - COMMERCIAL PERSONAL	3,468,540	N/A	3,468,540	3,468,540
L2 - INDUSTRIAL PERSONAL	6,721,670	N/A	6,721,670	6,721,670
M1 - MOBILE HOMES	568,560	N/A	568,560	568,560

N - INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0
O - RESIDENTIAL INVENTORY	0	N/A	0	0
S - SPECIAL INVENTORY	0	N/A	0	0
Subtotal	271,416,824	0	296,947,327	271,416,824
Less Total Deductions	56,841,654	0	57,803,784	56,841,654
Total Taxable Value	214,575,170	0	239,143,543	214,575,170

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
219,471,610	214,575,170	219,471,610	214,575,170

Loss To the Additional $10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
4,896,440	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
249,700,410	244,803,970	249,700,410	244,803,970

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

006-902-02/Claude ISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
A - SINGLE-FAMILY	60,240,040	0.9655	62,392,584	60,240,040
B - MULTIFAMILY	65,150	N/A	65,150	65,150
C1 - VACANT LOTS	1,258,770	N/A	1,258,770	1,258,770
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	27,511,134	0.7412	37,118,282	27,511,134
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J - ALL UTILITIES	83,868,640	0.8679	96,633,990	83,868,640
L1 - COMMERCIAL PERSONAL	3,468,540	N/A	3,468,540	3,468,540
L2 - INDUSTRIAL PERSONAL	6,721,670	N/A	6,721,670	6,721,670
M1 - MOBILE HOMES	568,560	N/A	568,560	568,560
N - INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0
O - RESIDENTIAL INVENTORY	0	N/A	0	0
S - SPECIAL INVENTORY	0	N/A	0	0
Subtotal	271,416,824		296,947,327	271,416,824
Less Total Deductions	56,841,654		57,803,784	56,841,654
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T7	T8	T9	T10
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T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

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

by and between

CLAUDE INDEPENDENT SCHOOL DISTRICT

and

ARMSTRONG SOLAR II, LLC

(*Texas Taxpayer ID #32084410359)*

Comptroller Application #1979

Dated

December 12, 2022

Draft

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

STATE OF TEXAS §

COUNTY OF ARMSTRONG §

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 **CLAUDE INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **ARMSTRONG SOLAR II, LLC,** Texas Taxpayer Identification Number 32084410359 hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on May 12, 2022, the Superintendent of Schools of the Claude Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on May 12, 2022, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCGB (LOCAL), and agreed to consider the Application;

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

WHEREAS, the District and the Texas Comptroller's Office have determined that the Application is complete and August 16, 2022 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 Armstrong County Appraisal District established in Armstrong County, Texas (the "Armstrong 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 November 10, 2022, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

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 12, 2022, 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 12, 2022, 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 12, 2022, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on December 9, 2022, 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 12, 2022, 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 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:

Draft

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 **ARMSTRONG SOLAR II, LLC**, (Texas Taxpayer ID #32084410359), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term "Applicant" shall also include the Applicant's assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

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

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

"*Application*" means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on May 12, 2022. 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.

Draft

"*Appraisal District*" means the Armstrong County Appraisal District.

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

"*Commercial Operation*" means, solely for purposes of this Agreement, the date on which a material portion of Qualified Property has been installed or constructed on the Land and is capable of generating electricity.

"*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 Armstrong County, Texas.

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

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

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

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

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

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"*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).

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"*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.

"*Additional Loss*" shall have the same meaning as assigned to such term in Section 4.4 of this Agreement.

"*Applicable School Finance Law*" means Chapters 48 and 49 of the TEXAS EDUCATION CODE, and other applicable provisions 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 the District; and, the Constitution and general laws of the State applicable to the school districts of the State, including specifically, the applicable rules, regulations, and interpretations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State; and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future which impact or alter the calculation of the Applicant's ad valorem tax obligation or the M&O Amount in Section 4.2 of this Agreement to the District, either with or without the limitation of property values made pursuant to this Agreement.

"*Consultant*" shall have the same meaning as assigned to such term in Section 4.5 of this Agreement.

"*M&O Amount*" means the revenue protection payment required as part of this Agreement as set out in TEXAS EDUCATION CODE Section 48.256(d) and shall have the meaning assigned to such term in Section 4.2 of this Agreement.

"*Maintenance and Operations Revenue*" or "*M&O Revenue*" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE, or other lawful authority, and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under the applicable provisions of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable, less (iii) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 49 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable.

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

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

"*Project*" means a proposed 250 MW solar farm, including battery storage for the power generated onsite, in Armstrong County, as described in this Agreement and constituting the Qualified Investment and Qualified Property.

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 August 16, 2022, 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 12, 2022.

C. The Qualifying Time Period for this Agreement:
   i. Starts on January 1, 2024, a date not later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by §313.027(h) of the TEXAS TAX CODE; and
   ii. Ends on December 31, 2025, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:
   i. Starts on January 1, 2026, first complete Tax Year that begins after the date of the commencement of Commercial Operation; and,
   ii. Ends on December 31, 2035.

E. The Final Termination Date for this Agreement is December 31, 2040.

Draft

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. Twenty Million Dollars ($20,000,000).

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

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

A. have completed the Applicant's Qualified Investment in the amount of $10,000,000 during the Qualifying Time Period;

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

C. pay an average weekly wage of at least $757.75 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

Draft

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

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ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject to the limitations contained in this Agreement (including Section 6.5), 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 and Section 48.256(d) of the TEXAS EDUCATION CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue resulting substantially because or on account of entering into this Agreement and application of the Tax Limitation set out in Section 2.4 to Applicant's Qualified Property. Payments for such loss shall be independent of, and in addition to such other payments as set forth in Articles V and VI in this Agreement. Subject to the limitations contained in this Agreement, IT IS THE INTENT OF THE PARTIES THAT THE RISK OF ANY NEGATIVE FINANCIAL CONSEQUENCES TO DISTRICT IN MAKING THE DECISION TO ENTER INTO THIS AGREEMENT WILL BE BORNE SOLELY BY APPLICANT AND NOT BY DISTRICT. Applicant recognizes and acknowledges the calculations relating to the District's loss of Maintenance and Operations Revenue under this Agreement may be affected by changes to the timing of construction of the Project and any change to the Qualified Property. As such, Applicant acknowledges that it will bear any and all losses of Maintenance and Operations Revenue suffered by the District as a result of this Agreement, including without limitation any increase in the M&O Amount calculated under Section 4.2 to be paid to the District for losses in Maintenance and Operations Revenue resulting from any change in the timing of construction and/or any change to the Qualified Property.

The Parties expressly understand and agree that, for all Tax Years to which the Tax Limitation amount set out in Section 2.4 is applied to Applicant's Qualified Property that is the subject of this Agreement, the calculation of negative financial consequences will be defined for each applicable Tax Year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may periodically change in accordance with changes in Applicable School Finance Law. The Parties further agree that printouts and projections produced during the negotiations and approval of this Agreement are: (i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party; (ii) based upon current Applicable School Finance Law which is subject to change by statute, by administrative regulation (or interpretation thereof), or by judicial decision at any time; and (iii) may change in future years to reflect changes in Applicable School Finance Law.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject to the provisions of Section 6.5, 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 Approval Date and ending on the Final Termination Date (as set out in **EXHIBIT 5**), the "M&O Amount" shall be determined in compliance with Applicable School Finance Law in effect for such year and according to the following formula:

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A. The M&O Amount owed by Applicant to District (also known as the revenue protection payment as set out in TEXAS EDUCATION CODE Section 48.256(d)) means the Original M&O Revenue *minus* the New M&O Revenue; based on the following definitions:

i. "Original M&O Revenue" means the total State and local Maintenance and Operations Revenue that the District would have received for such school year, calculated in accordance with TEXAS EDUCATION CODE Section 48.256(d), had this Agreement not been entered into by the Parties and the Applicant's Qualified Property had been subject to the District's ad valorem maintenance and operations tax without any limitation on value at the rate applicable for such Tax Year. For purposes of this calculation, the Consultant (as defined in Section 4.5) will base its calculations upon (1) the total Taxable Values for each applicable Tax Year as certified by the Appraisal District for all taxable accounts in the District for the District's maintenance and operations ad valorem tax purposes, save and except for the Applicant's Qualified Property subject to this Agreement, plus (2) the total Taxable Values for such applicable Tax Year as certified by the Appraisal District for the Applicant's Qualified Property subject to this Agreement for the District's debt service (interest and sinking fund) ad valorem tax purposes (which total Taxable Values for the Applicant's Qualified Property subject to this Agreement shall be used in lieu of the total Taxable Values for such applicable Tax Year as certified by the Appraisal District for the Applicant's Qualified Property subject to this Agreement for the District's maintenance and operations ad valorem tax purposes).

ii. "New M&O Revenue" means the total State and local Maintenance and Operations Revenue that the District would have received for such school year, calculated in accordance with TEXAS EDUCATION CODE Section 48.256(d), with the Limitation Amount specified in Section 2.4 applied to Applicant's Qualified Property.

B. In making the calculations for the M&O Amount required by this Section 4.2 of this Agreement:

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

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

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

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

v. As applicable, the methodology for the calculations made under this Section 4.2 shall include the limited values as set forth in other existing limitation agreements, if any.

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Section 4.3. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 6.5 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, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State or another school district, pursuant to Chapter 49 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable, because of the District's participation in this Agreement, Applicant shall make payments to District, up to the M&O Amount set forth in this Agreement that are necessary to offset any negative impact on the District as a result of its participation in this Agreement.

Section 4.4. COMPENSATION FOR LOSS OF OTHER REVENUES. To the extent not included in the amounts calculated pursuant to Section 4.2 above, Applicant shall also pay, without duplication, to or on behalf of the District on an annual basis all M&O Revenue losses, and other costs as they are incurred by the District that arise from entering this Agreement (the "Additional Loss"), including, without limitation: (a) any loss incurred by the District resulting from a judicial challenge to this Agreement; (b) any reasonable attorneys' fees or other costs incurred by the District due to any amendment, audit, legal defense, or enforcement of this Agreement brought by or against either Party or person or entity, irrespective of whether or not this Agreement or any interpretation thereof by the District is ultimately determined to be valid; and (c) any non-reimbursed reasonable costs or fees incurred by the District and related to this Agreement, either directly or indirectly, including costs paid to the Appraisal District based on the values of the Qualified Property used for the District's debt service (interest and sinking fund) that exceeds the Tax Limitation Amount provided in Section 2.4 herein. Notwithstanding anything to the contrary in Section 4.8, payment for such Additional Loss shall be made by Applicant no later than 30 days following written notice that such Additional Loss is due and owing.

Section 4.5. THIRD PARTY CALCULATIONS. All calculations made pursuant to this Agreement shall be verified annually by one or more independent third parties ("Consultant") selected by the District. Applicant will be solely responsible for the payment of Consultant's fees up to Six Thousand Dollars ($6,000.00) for each year before and after the Tax Limitation Period and Twelve Thousand Dollars ($12,000.00) for each year during the Limitation Period. All calculations shall initially be based upon good-faith estimates using all available information and shall be adjusted to reflect "near final" or "actual" data for the applicable year as the data becomes available.

Section 4.6. DATA FOR CALCULATIONS. The initial calculations for any payments owing under this Agreement shall be based upon the valuations placed upon the Qualified Property by the Appraisal District in its annual certified appraisal roll submitted to the District pursuant to § 26.01 of the TEXAS TAX CODE in or about July of each year of this Agreement. The certified appraisal roll data shall form the basis from which any and all amounts due under this Agreement are calculated, and the data utilized by the Consultant will be adjusted as necessary to reflect any subsequent adjustments by the Appraisal District to the District's appraisal roll. Any estimates used by the Consultant to make calculations as required by this Agreement shall be based on the

best and most current information available. The Consultant shall from time to time adjust the data utilized to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified appraisal roll, or any other relevant changes to material items such as student counts or tax collections.

Section 4.7. DELIVERY OF CALCULATIONS.

A. All calculations required under Articles IV, V, or VI shall be made by the Consultant on or before December 1 of each year for which this Agreement is effective. The Consultant shall forward such calculations to the Parties in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Consultant shall maintain supporting data consistent with generally accepted accounting practices. The Consultant shall preserve all documents and data related to all calculations required under this Agreement for a period of three (3) years. Employees and agents of the Parties shall have reasonable access to the Consultant's offices, personnel, books, and records pertaining to all calculations and fees.

B. In the event the District receives an invoice from its Consultant, attorney or for other costs in accordance with Section 4.4 for services rendered, the District shall forward to Applicant such invoice, which Applicant shall pay within thirty (30) days of receipt.

Section 4.8. PAYMENT BY APPLICANT. On or before the January 31 next following the tax levy for each year for which this Agreement is effective, and subject to the limitations contained in Section 6.5, the Applicant shall pay all amounts determined to be due and owing to the District, all amounts billed by the Consultant pursuant to Section 4.5, and any unpaid amount due and owing under Section 4.4. Payment for (i) all amounts due and owing not made on or before the January 31 due date or (ii) any amount invoiced by or on behalf of the District and not paid within 30 days, shall be considered delinquent. For delinquent payments, the Applicant shall be subject to penalty and interest in accordance with Chapter 33 of the TEXAS TAX CODE. 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 4.9. CHALLENGING CALCULATION RESULTS. The Applicant may appeal the Consultant's results, in writing, within thirty (30) days of receipt of such results. The Consultant will issue a final determination of the calculations within fifteen (15) District business days of receiving Applicant's appeal. The Applicant may appeal the final determination of the Consultant to the District within fifteen (15) District business days of its receipt, pursuant to District Policy GF (LOCAL). Applicant shall timely make all payments as required by this Agreement. Applicant's obligation under Section 4.8 to make payments to District pursuant to the Consultant's final determination shall not abate during an appeal of Consultant's final determination under this Section 4.9.

Section 4.10. EFFECT OF PROPERTY VALUE APPEAL OR ADJUSTMENT. If at the time the Consultant selected and appointed under Section 4.5 makes its calculations under this Agreement,

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the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and such appeal remains unresolved, the Consultant shall base its calculations upon the values placed upon the Applicant's Qualified Property by the Appraisal District. In the event that the Taxable Value of the Qualified Property is changed after an appeal of its valuation, or the Taxable Value is otherwise altered for any reason, the Parties shall notify the Consultant of the final Taxable Value of the Qualified Property and the calculations required under Article IV of this Agreement shall be recalculated by the Consultant at Applicant's sole expense using the revised property values. The Consultant shall transmit the revised calculations to the Parties and any Party owing funds to the other Party shall pay such funds within thirty (30) days after receipt of the new calculations.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Article IV or Article VI of this Agreement, 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 proposed by the Applicant that are not directly funded in state aid formulas, including without limitation expenses for the purchase or lease of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the Project.

Section 5.2. PAYMENTS. Payments of amounts due under this Article shall be made as set forth in Section 4.8 above.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS. Applicant shall make annual Supplemental Payments in an amount equal to, but not to exceed, the limit of the annual Supplemental Payment as set out Section 6.2 below, starting with the first complete or partial year of the Qualifying Time Period and accruing on January 1 of each year thereafter, and continuing through the third year following the end of the Tax Limitation Period.

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 48.005 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

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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 48.005 of the TEXAS EDUCATION CODE, based upon the District's 2020-2021 Average Daily Attendance of 278, rounded to the whole number.

Section 6.3. INTENTIONALLY DELETED.

Section 6.4. PAYMENT BY APPLICANT. Payment of amounts due under this Article shall be made as set forth in Section 4.8 of this Agreement and is subject to the limitations contained in Section 6.5.

Section 6.5. ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning with the second Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then such excess amount of payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be deferred and carried forward from year to year until paid in full.

Section 6.6. OPTION TO TERMINATE AGREEMENT. In the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment during the Qualifying Time Period, the Applicant shall have the option, prior to the commencement of the Tax Limitation Period, to terminate this Agreement pursuant to Section 7.1 by notifying the District in writing of its exercise of such option. Applicant shall pay any payments accrued and not yet paid as of termination under Articles IV, V, or Supplemental Payments payable under Article VI for the year of termination, within thirty (30) days after Applicant delivers its

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termination election. Any termination of this Agreement under this provision shall be effective immediately. This option shall expire upon commencement of the Tax Limitation Period.

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

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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

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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;

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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,

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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 thirty (30) 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 Armstrong 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 Armstrong 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 thirty (30) 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

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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 thirty (30) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

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

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

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

CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

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

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make $10,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

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

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

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

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

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Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

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

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

ARTICLE X.
MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

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

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

To the District:
Claude Independent School District
Attn: Greg Brown, Superintendent
(or the successor Superintendent)
500 W 5th St
Claude, TX 79019
Phone #: (806) 226-7331
Email: greg.brown@claudeisd.net

With a copy to:
Underwood Law Firm, P.C.
Attn: Fred Stormer
500 South Taylor, LB 233, Suite 1200
Amarillo, TX 79101
Phone #: (806) 379-0306
Fax #: (806) 379-0316
Email: fred.stormer@uwlaw.com

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

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To Applicant:

Armstrong Solar II, LLC
Attn: Emerson Farrell, Managing Member
Zeus Renewable Energy Development LLC
500 W 2nd St, Suite 1900
Austin, TX 78701
Phone: (281) 407-6206
Email: emerson@zeusred.com

Armstrong Solar II, LLC
Attn: Elliott Farrell, Member
Zeus Renewable Energy Development LLC
500 W 2nd St, Suite 1900
Austin, TX 78701
Phone: (281) 407-7749
Email: elliott@zeusred.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.

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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.

F. The Applicant shall amend the Application and this Agreement to identify the changes in the information that was provided in the Application and was approved by the District and as considered by the Comptroller no earlier than 180 days and no later than 90 days prior to the start of the Qualifying Time Period as identified in Section 2.3.C.i of this Agreement.

i. The Applicant shall comply with written requests from the District or the Comptroller to provide additional information necessary to prepare a Comptroller certificate for a limitation for the conditions prior to the start of the Qualifying Time Period; and

ii. If the Comptroller provides its certificate for a limitation with conditions different from the existing agreement, the District shall hold a meeting and determine whether to amend this Agreement to include the conditions required by the Comptroller or terminate this Agreement; or

iii. If the Comptroller withdraws its certificate for a limitation based on the revised Application, the District shall terminate this Agreement.

Section 10.3. ASSIGNMENT.

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

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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 Armstrong 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

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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.

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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;

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B. all reports have been submitted;

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

D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

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

B. Delivery is deemed complete as follows:

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

[*signatures follow on next page*]

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IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this _____ day of _____, 2022.

ARMSTRONG SOLAR II, LLC

BY:_____

NAME:_____

TITLE:_____

CLAUDE INDEPENDENT SCHOOL DISTRICT

BY:_____

NAME:_____

TITLE:_____

ATTEST:

BY:_____

NAME:_____

TITLE:_____

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EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The Armstrong County Commissioners Court created the Armstrong County Reinvestment Zone 7 by Resolution dated August 24, 2020, which is more particularly described and depicted as follows (the "Reinvestment Zone"):

All of Section 1, 3, 4, 6 and 19, Block 1, Armstrong County, Texas being 4,862.79 acres

East ½ of Section 2, Block 1, Armstrong County, Texas being 322.5 acres

All except 53.85 acres out of the West half of Section 5, Block 1, Armstrong County, Texas being 502.39 acres

North part of Section 8, Block 1, Armstrong County, Texas being 396.39 acres

All except 2 acres of Section 11, Block 1, Armstrong County, Texas being 638 acres

North half and Southwest quarter of Section 18, Block 1, Armstrong County, Texas being 475.87 acres

South part of Section 20, Block 1, Armstrong County, Texas being 251.09 acres

West half of the Northwest quarter and the Southwest quarter of Section 1, Block 4, Armstrong County, Texas being 320 acres

All of Section 2, 5, 6, 7 and 9, Block 4, Armstrong County, Texas being 3,218 acres

Part of the Northwest quarter of Section 3, Block 4, Armstrong County being 134.67 acres

Northwest ¼ of Section 3, Block 4, Armstrong County, Texas being 40.2 acres

Part of Section 4, Block 4, Armstrong County, Texas being 44.57 acres

North half and Southwest quarter of Section 8, Block 4, Armstrong County, Texas being 482.4 acres

Part of Section 10, Block 4, Armstrong County, Texas being 178.93 acres

Part of Section 15, Block 4, Armstrong County, Texas being 80 acres

South half and Northeast quarter of Section 16, Block 4, Armstrong County, Texas being 479.21 acres

Part of Section 116, Block B4, Armstrong County, Texas being 40 acres

All of Section 158, Block B4, except the eastern half of the Southeast¼ section, Armstrong County, Texas being 567 acres

EXHIBIT 1

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Part of Section 163, Block B4, Armstrong County, Texas being 225.85 acres

Southwest ¼ of Section 164, Block B4, Armstrong County, Texas being 160 acres

All of Section 165, Block B4, except the Northwest¼ section, Armstrong County, Texas being 480 acres

Part of Section 197, Block B4, Armstrong County, Texas being 577.39 acres

South part of Section 202, Block B4, Armstrong County, Texas being 238.77 acres

All except a strip on the Northwest quarter of Section 203, Block B4, Armstrong County, Texas being
578.9 acres

All of Section 198, 204, 206, 235, 237, 238, 239, 241, 242, 243, 244, 245, 246, 276, 277, 278, 279, 280,
282, 283, 284, 285, 316 and 317, Block 84, Armstrong County, Texas being 14,537.09 acres

All except 5 acres out of Section 205, Block 84, Armstrong County, Texas being 635 acres

Northwest quarter of Section 236, Block 84, Armstrong County, Texas being 160 acres

Middle part and Northwest corner of Section 240, Block 84, Armstrong County, Texas being 213.73 acres

South half and South half of North half of Section 275, Block 84, Armstrong County, Texas being 480 acres

South half and Northeast quarter of Section 315, Block B4, Armstrong County, Texas being 480 acres

South half of Section 4, Block 86, Armstrong County, Texas being 319 acres

All of Section 2, 9 and 10, Block C, Armstrong County, Texas being 1,910.52 acres
West half of Section 3, Block C, Armstrong County, Texas being 317.13 acres

East half of Section 6, Block C, Armstrong County, Texas being 321.18 acres

South half of Section 7, Block E3, Armstrong County, Texas being 315.23 acres

East half of Section 9, Block E3, Armstrong County, Texas being 320 acres

All of Section 10 and 11, Block E3, Armstrong County, Texas being 1,282.50 acres

North part of Section 12, Block E3, Armstrong County, Texas being 522 acres

North part of Section 13, Block E3, Armstrong County, Texas being 520 acres

EXHIBIT 1

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Out of the North part of Section 16, Block E3, Armstrong County, Texas being 48.2 acres

North half of Section 6, Block E4, Armstrong County, Texas being 300 acres

All of Section 2, Block W, Armstrong County, Texas being 640 acres

South half of Section 1, Block Z-6, Armstrong County, Texas being 317.65 acres

A 1,578.64 acre tract out of Section 8, Block 1; Section 6, Block 2-7; Section 5, Block Z-7; Section 2, Block Z-8; Section 4, Block Z-7, Section 1, Block Z-8; and Section 3, Block 2-7 all in Armstrong County, Texas

A 2,049.95 acre tract out of Section 2, Block 2-7; Section 4, Block 2; Section 1, Block 2-8; and Section 3, Block Z-7 all in Armstrong County, Texas

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EXHIBIT 1

Map of Reinvestment Zone

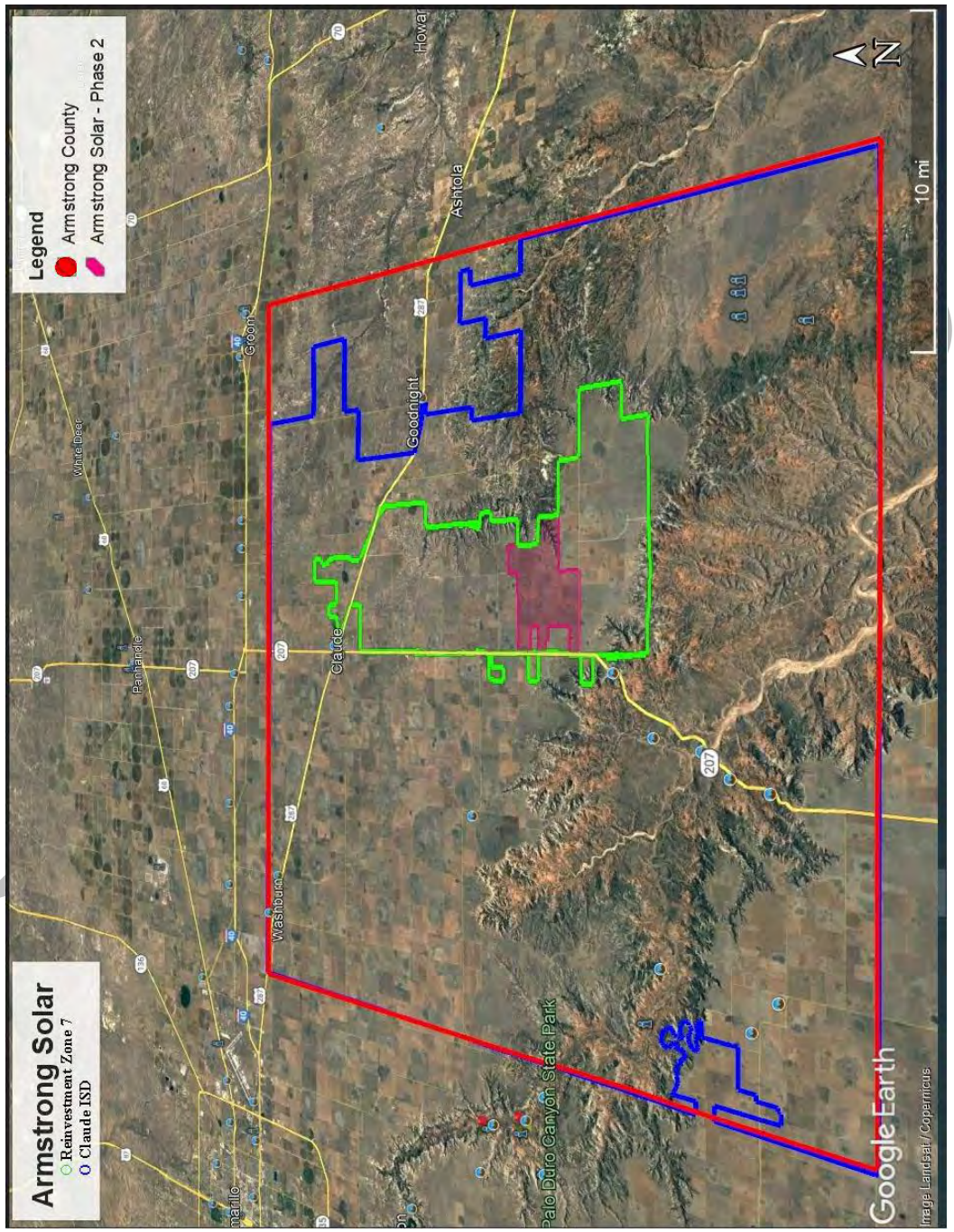

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

All Qualified Property owned by the Applicant is located within the boundaries of the project area, Claude Independent School District, Armstrong County and the Reinvestment Zone, as depicted on the maps attached to **EXHIBITS 1, 3** and **4.**

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EXHIBIT 2

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Armstrong Solar II, LLC plans to construct a 250 MW solar farm, including battery storage for the power generated on site, in Armstrong County.

This application covers all qualified property within Claude ISD necessary for the commercial operations of the proposed solar farm. Panel placement will be within the boundaries of the established Reinvestment Zone. The batteries included in the Qualified Property will solely be used for the storage of electricity generated by this solar project.

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

- solar panels
- foundations
- roadways
- buildings and offices
- battery storage for power generated on site
- communication system
- electric substation & electric switch-yard
- electric transformers
- transmission line
- all associated equipment
- interconnection facilities

All qualified property and investment will be located within the project boundary, reinvestment zone, Claude ISD and Armstrong County.

The battery or battery system associated with this project will only store power generated by the qualified property in this application within Claude ISD.

This application covers all qualified property in the reinvestment zone and project boundary within Claude ISD necessary for commercial operations.

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MAP OF QUALIFIED INVESTMENT

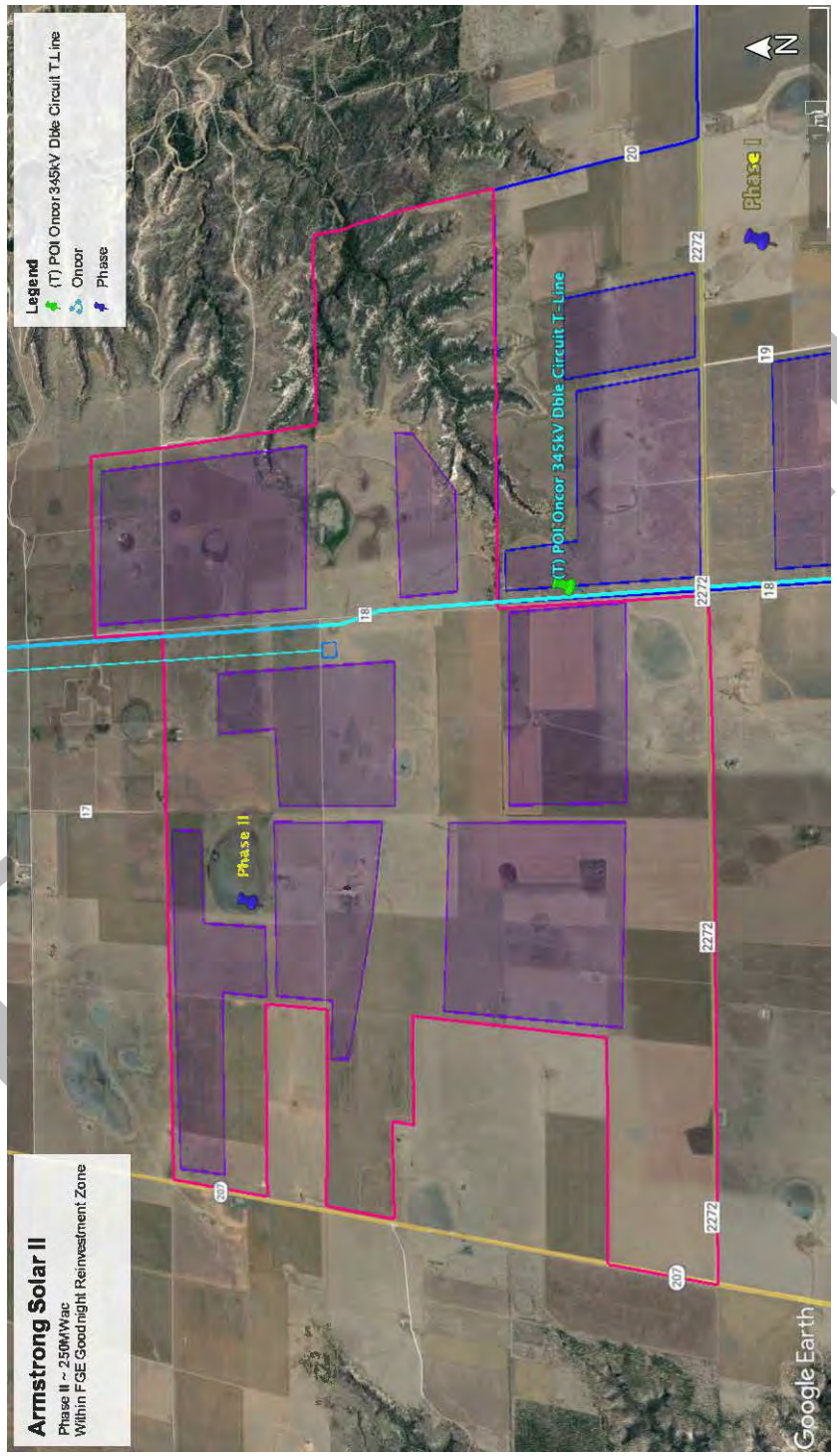

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Armstrong Solar II, LLC plans to construct a 250 MW solar farm, including battery storage for the power generated on site, in Armstrong County.

This application covers all qualified property within Claude ISD necessary for the commercial operations of the proposed solar farm. Panel placement will be within the boundaries of the established Reinvestment Zone. The batteries included in the Qualified Property will solely be used for the storage of electricity generated by this solar project.

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

- solar panels
- foundations
- roadways
- buildings and offices
- battery storage for power generated on site
- communication system
- electric substation & electric switch-yard
- electric transformers
- transmission line
- all associated equipment
- interconnection facilities

All qualified property and investment will be located within the project boundary, reinvestment zone, Claude ISD and Armstrong County.

The battery or battery system associated with this project will only store power generated by the qualified property in this application within Claude ISD.

This application covers all qualified property in the reinvestment zone and project boundary within Claude ISD necessary for commercial operations.

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MAP OF QUALIFIED PROPERTY

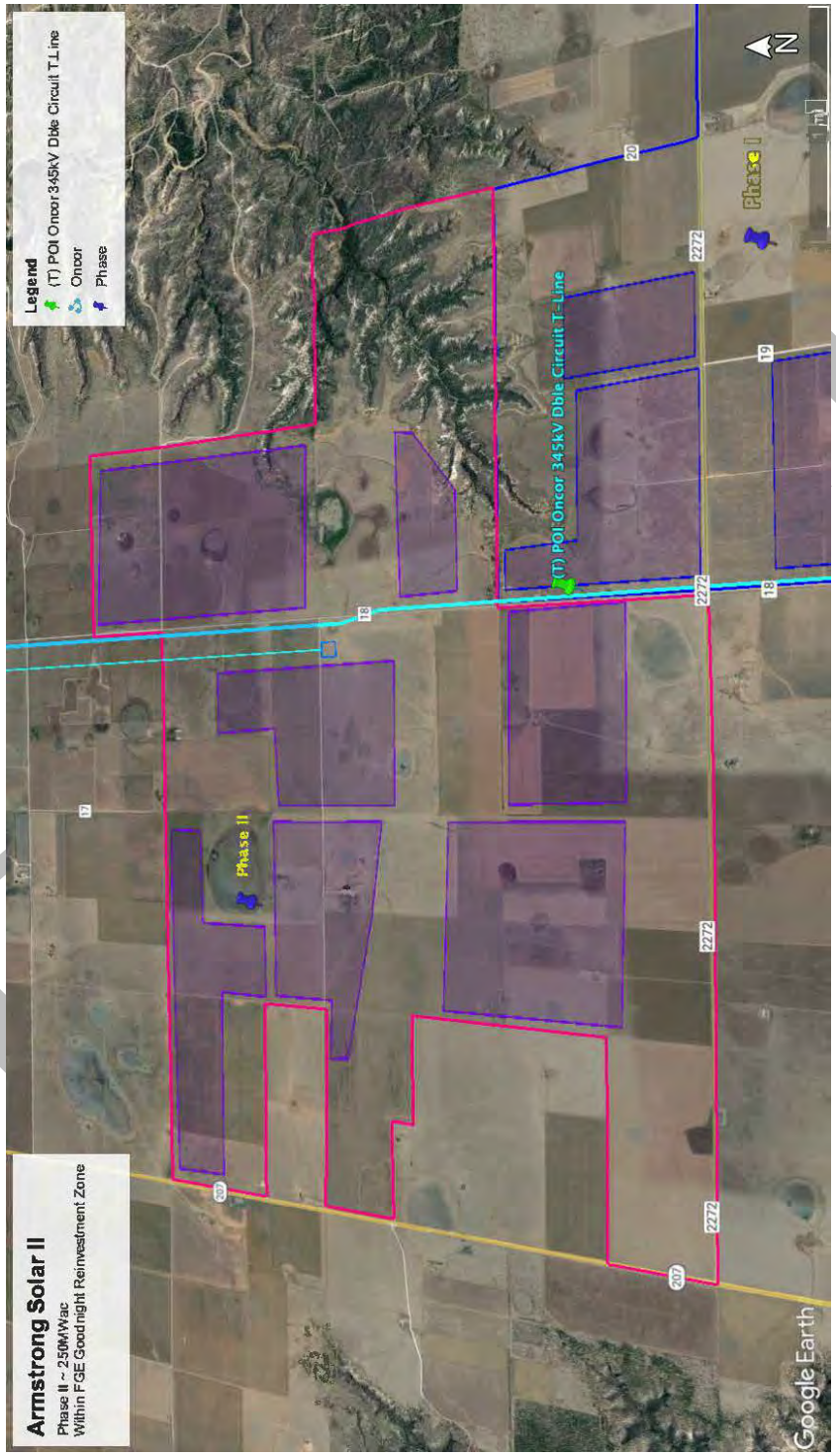

EXHIBIT 5
AGREEMENT SCHEDULE

	Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description
Limitation Pre-Years	0	January 1, 2022	2022-23	2022	QTP Pre Year
	0	January 1, 2023	2023-24	2023	QTP Pre Year
	QTP 1	January 1, 2024	2024-25	2024	QTP year 1, begins January 1, 2024
	QTP 2	January 1, 2025	2025-26	2025	QTP year 2, ends December 31, 2025
Limitation Period (10 Years)	1	January 1, 2026	2026-27	2026	$20 million appraisal limitation
	2	January 1, 2027	2027-28	2027	$20 million appraisal limitation
	3	January 1, 2028	2028-29	2028	$20 million appraisal limitation
	4	January 1, 2029	2029-30	2029	$20 million appraisal limitation
	5	January 1, 2030	2030-31	2030	$20 million appraisal limitation
	6	January 1, 2031	2031-32	2031	$20 million appraisal limitation
	7	January 1, 2032	2032-33	2032	$20 million appraisal limitation
	8	January 1, 2033	2033-34	2033	$20 million appraisal limitation
	9	January 1, 2034	2034-35	2034	$20 million appraisal limitation
	10	January 1, 2035	2035-36	2035	$20 million appraisal limitation
Maintain a Viable Presence (5 Years)	11	January 1, 2036	2036-37	2036	No appraisal limitation; must maintain a viable presence
	12	January 1, 2037	2037-38	2037	No appraisal limitation; must maintain a viable presence
	13	January 1, 2038	2038-39	2038	No appraisal limitation; must maintain a viable presence
	14	January 1, 2039	2039-40	2039	No appraisal limitation; must maintain a viable presence
	15	January 1, 2040	2040-41	2040	No appraisal limitation; must maintain a viable presence

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GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 9, 2022

Greg Brown
Superintendent
Claude Independent School District
505 W 5th Street
Claude, TX 79019

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Claude Independent School District and Armstrong Solar II LLC, Application 1979

Dear Superintendent Brown:

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 Claude Independent School District and Armstrong 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 Annette Holmes with our office. She can be reached by email at annette.holmes@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-3792, or at 512-475-3792.

Sincerely,

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

cc: Fred Stromer, Underwood Law Firm, P. C.
Emerson Farrell, Zeus Renewable Energy Development
Elliott Farrell, Zeus Renewable Energy Development
Daron Fredrickson, Merit Advisors, LLC

Merit Advisors

May 12, 2022

Mr. Greg Brown
Claude Independent School District
P.O. Box 209
Claude, TX 79019

Re: Chapter 313 Job Waiver Request

Dear Mr. Brown,

This letter is to advise you that Armstrong Solar II, LLC is submitting its Chapter 313 Application for Appraised Value Limitation on Qualified Property with a request for a waiver of the jobs creation requirement.

House Bill 1470 altered the jobs requirement by adding Section 313-025 (f-I) to permit a school district's board of trustees to make a finding that the job requirement could be waived if the job requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application Armstrong Solar II, LLC, requests that Claude ISD's Board of Trustees make such a finding and waive the job creation requirement for the permanent jobs. Based on the industry standard, the size and scope of this project will require approximately two (2) permanent jobs which will be in Claude ISD. The project is 100% in Claude ISD.

As background information on the creation of the full-time jobs by solar energy projects, these types of projects create a large number of full-time, temporary jobs during the construction phase, but require a small number of highly skilled technicians to operate a solar project once construction operations cease and commercial operations begin. The industry standard for solar projects are 1 employee for 125MW of power. The permanent employees of a solar project maintain, and service solar panels, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the on-site employees described, there may be asset managers or technicians who supervise, monitor, and support the solar project operations from off-site locations.

Sincerely,

Daron Fredrickson, Partner
Merit Advisors, LLC