

FINDINGS
OF THE
ANDERSON-SHIRO CONSOLIDATED INDEPENDENT SCHOOL
DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION FOR APPRAISED VALUE LIMITATION
SUBMITTED BY
SMITH LAKE SOLAR, LLC
(TEXAS TAXPAYER ID: # 32081051495)
(APPLICATION #1781)

DECEMBER 19, 2022

FINDINGS
OF THE
ANDERSON-SHIRO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT

STATE OF TEXAS §

COUNTY OF GRIMES §

PREAMBLE

On the 19th day of December 2022, a public meeting of the Board of Trustees (“Board”) of the Anderson-Shiro Consolidated Independent School District (“District”) was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board took up and considered the Application (as amended, the “Application”) of Smith Lake Solar, LLC (“Applicant”) for a limitation on appraised value on qualified property, pursuant to Chapter 313 of the Texas Tax Code. The Board heard presentations from the District’s administrative staff to advise the Board in this matter.

The Board considered the presentations made at the meeting, the Comptroller's recommendation and the economic impact evaluation and makes the following findings with respect to the Application in accordance with the Texas Economic Development Act, Texas Tax Code Chapter 313, and the Administrative regulations promulgated by the Texas Comptroller of Public Accounts published at 34 Texas Administrative Code Part 1, Chapter 9, Subchapter F:

1. On April 11, 2022 the District received an application for appraised value limitation on qualified property (“Application”) on the form prescribed by the Comptroller from Applicant pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached hereto as Exhibit A.
2. The Board acknowledged receipt of the Application, along with the requisite application fee, as established pursuant to Texas Tax Code Section 313.025(a)(1).
3. The Board elected to consider the Application.
4. The Application was delivered to the Texas Comptroller of Public Accounts (“Comptroller”) for review pursuant to Texas Tax Code Section 313.025(b).

5. Pursuant to a request received from the Comptroller, an Application Supplement was submitted to the Comptroller on June 7, 2022 and an Amendment was submitted to the Comptroller on June 9, 2022. A second supplement was submitted on November 15, 2022.

6. The Application (as amended) was reviewed by the Comptroller pursuant to Texas Tax Code Sections 313.025 and 313.026. After review, the Comptroller's Office, by letter dated September 14, 2022, recommended that the Board approve the Application. A copy of the Comptroller's letter along with the Comptroller's economic impact analysis completed pursuant to Texas Tax Code Section 313.025(b) is attached to these findings as Exhibit B. The Board has considered such evaluation.

7. The District's School Finance Consultant performed an independent economic impact analysis pursuant to Texas Tax Code Section 313.025(b). The Board has considered such evaluation. A copy of the economic impact evaluation is attached to these findings as Exhibit C.

8. After receipt of the Application, the District entered into negotiations with Applicant over the specific language to be included in an Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes ("Agreement"), pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these findings as Exhibit D.

9. The Agreement was reviewed by the Comptroller. After review, the Comptroller's office, in a letter dated December 16, 2022, approved the Agreement.

FINDINGS

Findings as to each of the criterion listed in Texas Tax Code Section 313.025 and Texas Administrative Code Title 34, §9.1054. Based in the representation of Applicant set out in the Application attached as Exhibit A, the Comptroller's approval and Economic Impact Analysis attached as Exhibit B, the District Consultant's independent economic impact analysis attached as Exhibit C and the Franchise Tax Account Status attached as Exhibit E, the Board of Trustees finds:

1. That the Comptroller recommends approval of the Application.
2. That there is a strong and positive relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plans of the State.
3. That, based on the representations in the Application, the Applicant could locate or relocate the Project to another state or another region of this state.
4. That the Project will result in revenue gains by the school district and that the economic effects on the local and regional tax base are that the tax base will increase as a result of the Project and additional employment.
5. That there exists a small but undetermined possibility that the Project could have an impact on enrollment from families that might temporarily relocate during the construction phase, but that any impact during the operation phase can be absorbed by current facilities.

6. That the projected market value of the qualified property of the Applicant as determined by the Comptroller is \$372,000,000.
7. That the proposed limitation on appraised value for the qualified property of the Applicant is \$30,000,000.00.
8. That the projected dollar amount of District maintenance and operation 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 is \$15,118,265 as shown on Exhibit B, Attachment A, Table 3.
9. That the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the Agreement, if the property receives a limitation on appraised value is \$5,393,709 as shown on Exhibit B, Attachment A, Table 4.
10. That the total amount of taxes projected to be lost or gained by the District over the life of the Agreement computed by subtracting the projected taxes if the property receives a tax limitation from the projected taxes if the property does not receive a tax limitation is \$9,724,556, as shown on Exhibit B, Attachment A, Table 4.
11. The Applicant is eligible for the limitation on the appraised value of the Applicant's qualified property. Applicant's qualified property is eligible for a limitation on appraised value under Texas Tax Code § 313.024 as a renewable energy electric generation project.
12. The Project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period.
13. The limitation of appraised value is a determining factor in the Applicant's decision to invest capital and construct the Project in this state.
14. The job creation requirement of ten (10) new jobs exceeds the industry standard for the number of employees reasonably necessary for the operation of the Project described in the Application. Pursuant to Texas tax Code Section 313.025(f-1), the Board waives the new job creation requirement in Tax Code Section 313.051(b).
15. Applicant will create one (1) new qualifying job, and Applicant has confirmed that such job will meet all of the requirements of Texas tax Code § 313.021(3).
16. That the Project will be located within an area designated as a reinvestment zone pursuant to Texas Tax Code Chapter 312.
17. The information in the Application submitted by Applicant is true and correct.
18. The proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes ("Agreement"), attached hereto as Exhibit D, meets

all of the requirements set out in Texas Tax Code § 313.027, including adequate and appropriate revenue protection provisions for the District.

19. The proposed Agreement is in the 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 Texas Administrative Code Chapter 9, Subchapter F.

20. Considering the purpose and effect of the law and the terms of the Agreement, granting the Application and entering the Agreement are in the best interest of the District and the State.

21. The Applicant, Smith Lake Solar, LLC (Tex. Taxpayer ID #32081051495) is an entity subject to Chapter 171, Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts. A copy of the Comptroller's Franchise Tax Account Status is attached as Exhibit E.

22. There are no conflicts of interest on the Board at the time of its consideration of the Agreement.

23. It is hereby found, determined and declared that sufficient written notice of the date, time, place and subject of the meeting of the Board of Trustees at which these Findings were made was posted at a place convenient and readily accessible at all times to the general public for the time required by law preceding this meeting, as required by chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which these Findings were made and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Trustees further ratifies, approves and confirms such written notice and posting thereof.

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[Orders and signatures follow]

It is therefore **ORDERED** that:

1. The Findings above, including the recitals set out in the Preamble, are adopted and approved by the Board of Trustees.
2. The Application of Smith Lake Solar, LLC for a limitation on the appraised value for school district maintenance and operations ad valorem tax purposes of qualified property is approved.
3. The Board President is designated and directed to sign the Agreement on behalf of the District if approved by the Board of Trustees by official action.
4. These findings and the Exhibits referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the District.

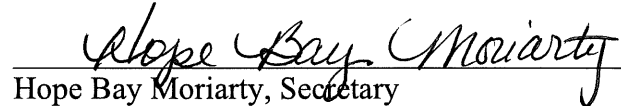
Dated the 19th day of December 2022.

ANDERSON-SHIRO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

By: 

Kevin Smith, President

ATTEST:

By: 

Hope Bay Moriarty, Secretary

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between ANDERSON-SHIRO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT and SMITH LAKE SOLAR, LLC

EXHIBIT A

Application for Appraised Value Limitation on Qualified Property



WALSH GALLEGOS
TREVINO KYLE & ROBINSON P.C.

April 18, 2022

Mr. John Villarreal
Chapter 313 Manager
Local Government Assistance and
Economic Development Division
Texas Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

VIA E-MAIL DELIVERY:
John.Villarreal@cpa.texas.gov
Ch313.apps@cpa.texas.gov

Re: Anderson-Shiro Consolidated Independent School District ("District") / Tax
Limitation Agreement: Smith Lake Solar, LLC ("Applicant")

Dear Mr. Villarreal:

Pursuant to Tax Code §313.025(b) and 34 TAC Rules §9.1053(a)(2) and 9.1054(c), attached is one (1) copy of the Application for Appraised Value Limitation on Qualified Property ("Application"), including schedules in Excel format, submitted to the Anderson-Shiro Consolidated Independent District by Smith Lake Solar, LLC for public posting.

The Application was received on April 11, 2022. The Board of Trustees of the District elected to consider the application on April 11, 2022. The District determined the Application was complete on April 11, 2022.

The District requests that the Comptroller provide an economic impact evaluation. By copy of this letter, we are notifying the Applicant that the District has submitted the Application to the Comptroller and to the Grimes County Appraisal District.

Please call if you have any questions.

Sincerely,

EDDY HERNANDEZ PEREZ

EHP/arm
Enclosures

April 18, 2022

Page 2 of 2

cc: *(Via E-mail)*

Mr. Scott Beene, Superintendent of Schools
Anderson-Shiro Consolidated Independent School District
458 FM 149 West
Anderson, Texas 77830

(Via E-mail)

Ms. Kathy Mathias
Moak, Casey & Associates
901 S. MoPac Expwy, Bldg. III, Suite 310
Austin, Texas 78746

(Via E-mail)

Mr. Chris Norqual, COO
Birch Creek Development LLC
880 Apollo Street, Suite 333
El Segundo, CA 90245

(Via E-mail)

Mr. Forrest Coldren, Project Manager
Pine Gate Renewables, LLC
130 Roberts Street
Asheville, NC 28801

(Via E-mail)

Mr. Steven Van Dyck, Partner
Cummings Westlake, LLC

Grimes County Appraisal District
Attention: Chief Appraiser, Mark Boehnke
360 Hill Street
Anderson, Texas 77830

(Via U.S. Postal Service Delivery)



TAB 1

Pages 1 through 9 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

April 11, 2022

Date Application Received by District

Scott

First Name

Beene

Last Name

Superintendent

Title

Anderson-Shiro Consolidated Independent School District

School District Name

458 FM 149 West

Street Address

458 FM 149 West

Mailing Address

Anderson

City

TX

State

77830

ZIP

936-873-4500

Phone Number

N/A

Fax Number

N/A

Mobile Number (optional)

sbeene@ascisd.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)

| | |
|--|---|
| Eddy <hr/> First Name Associate <hr/> Title Walsh, Gallegos, Trevino, Kyle, & Robinson, P.C. <hr/> Firm Name 210-979-6633 <hr/> Phone Number N/A <hr/> Mobile Number (optional) | Perez <hr/> Last Name <hr/> 210-979-7024 <hr/> Fax Number eperez@wabsa.com <hr/> Email Address <hr/> April 11, 2022 |
|--|---|

4. On what date did the district determine this application complete?

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

| | |
|---|---|
| Chris <hr/> First Name COO <hr/> Title 880 Apollo Street Suite 333 <hr/> Street Address 880 Apollo Street Suite 333 <hr/> Mailing Address El Segundo <hr/> City 213-444-7860 <hr/> Phone Number N/A <hr/> Mobile Number (optional) | Norqual <hr/> Last Name Birch Creek Development LLC <hr/> Organization <hr/> CA <hr/> State N/A <hr/> Fax Number cnorqual@birchcreekdev.com <hr/> Business Email Address <hr/> 90245 <hr/> ZIP |
|---|---|

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

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

| | |
|--|--|
| Forrest <hr/> First Name Project Manager <hr/> Title 130 Roberts St. <hr/> Street Address 130 Roberts St. <hr/> Mailing Address Asheville <hr/> City 828-552-5497 <hr/> Phone Number N/A <hr/> Mobile Number (optional) | Coldren <hr/> Last Name Pine Gate Renewables, LLC <hr/> Organization <hr/> NC <hr/> State N/A <hr/> Fax Number fcoldren@pgrenewables.com <hr/> Business Email Address <hr/> 28801 <hr/> ZIP |
|--|--|

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

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

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? 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.

\$85,000 _____ Check _____
 Payment Amount Transaction Type
 Birch Creek Development LLC _____
 Payor Payee
 Anderson-Shiro CISD _____
 April 8, 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? _____ SMITH LAKE SOLAR, LLC _____
2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) _____ 32081051495 _____
3. Parent Company Name _____ Birch Creek Development LLC _____
4. Parent Company Tax ID _____ 83-4655111 _____
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 _____

SECTION 5: Applicant Business Structure

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

SECTION 5: Applicant Business Structure (continued)

2b. Texas Franchise Tax Reporting Entity Taxpayer Name

SMITH LAKE SOLAR, LLC

2c. Reporting Entity Taxpayer Number

32081051495

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

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

SECTION 7: Project Description

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

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

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

- 1. Estimated school board ratification of final agreement October 2022
- 2. Estimated commencement of construction Q1 - 2026
- 3. Beginning of qualifying time period (MM/DD/YYYY) 01/01/2026
- 4. First year of limitation (YYYY) 2028
 - 4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):
 - A. January 1 following the application date
 - B. January 1 following the end of QTP
 - C. January 1 following the commencement of commercial operations
- 5. Commencement of commercial operations December 2027

SECTION 10: The Property

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

| | |
|---|---|
| M&O (ISD): <u>Anderson-Shiro CISD; 100%; \$0.8775</u> <small>(Name, tax rate and percent of project)</small> | I&S (ISD): <u>Anderson-Shiro CISD ; 100%; \$0.223</u> <small>(Name, tax rate and percent of project)</small> |
| County: <u>Grimes County; 100%; \$0.526933</u> <small>(Name, tax rate and percent of project)</small> | City: <u>NA</u> <small>(Name, tax rate and percent of project)</small> |
| Hospital District: <u>NA</u> <small>(Name, tax rate and percent of project)</small> | Water District: <u>NA</u> <small>(Name, tax rate and percent of project)</small> |
| Other (describe): <u>NA</u> <small>(Name, tax rate and percent of project)</small> | Other (describe): <u>NA</u> <small>(Name, tax rate and percent of project)</small> |

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: 312 Abatement, 100%, 2028-2037
(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 year)

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? 30,000,000

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

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

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

4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
- a. 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? October 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): \$ 0.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to statement 2): \$ 0.00

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

SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? 1
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) 0
3. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 3a. If yes, attach evidence of industry standard in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
4. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the Texas Workforce Commission website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22). **Note:** If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.
 - a. Non-qualified job wages
- average weekly wage for all jobs (all industries) in the county is \$ 1,002.50
 - b. Qualifying job wage minimum option §313.021(5)(A)
-110% of the average weekly wage for manufacturing jobs in the county is \$ 1,349.43
 - c. Qualifying job wage minimum option §313.021(5)(B)
-110% of the average weekly wage for manufacturing jobs in the region is \$ 809.90
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? \$ 42,114.60
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? \$ 42,114.60
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, copy of the check for the \$85,000 application fee to Anderson-Shiro Independent School District.

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)

Smith Lake Solar, LLC is not a combined group as defined by Tax Code Section 171.0001(7). Please see attached Franchise Tax Certificate.



Franchise Tax Account Status

As of : 04/04/2022 11:35:38

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

| SMITH LAKE SOLAR, LLC | |
|--|--|
| Texas Taxpayer Number | 32081051495 |
| Mailing Address | 5301 SOUTHWEST PKWY STE 400 # CORPORA AUSTIN, TX 78735-8986 |
| Right to Transact Business in Texas | ACTIVE |
| State of Formation | TX |
| Effective SOS Registration Date | 09/14/2021 |
| Texas SOS File Number | 0804232409 |
| Registered Agent Name | REGISTERED AGENT SOLUTIONS, INC. |
| Registered Office Street Address | CORPORATE CENTER ONE 5301 SOUTHWEST PARKWAY, SUITEAUSTIN, TX 78735 |



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.

Smith Lake Solar, LLC (Smith Lake Solar) is requesting an appraised value limitation from Anderson-Shiro Independent School District (ISD) for the Smith Lake Solar Project (the "Project"), a proposed solar powered electric generating and battery storage facility in Grimes County. The proposed Anderson-Shiro ISD Project (this application) will be constructed within a Reinvestment Zones that will be created by Anderson-Shiro ISD. A map showing the location of the project is included in TAB 11.

The full project would have approximately 933,300 panels and associated inverters located in Grimes County with a total capacity of 400 MW (ac) of Solar. The exact number and location of panels and inverters will vary depending upon ongoing siting analysis, manufacturer's availability, prices, and the final megawatt generating capacity of the Project when completed The Applicant requests a value limitation for all facilities and equipment installed for the Project, including;

- underground collection systems
- transmission lines
- electrical interconnections,
- roads
- control systems necessary for commercial generation of electricity
- solar modules/panels
- racking and mounting structures
- inverters and skids
- transformers (e.g. medium voltage and auxiliary transformers not inside substation)
- combiner boxes
- battery storage that will only store power generated by the qualified property
- meteorological equipment
- roadways
- maintenance and operations building
- paving



- fencing
- electrical substations
- generation transmission tie line and associated tower
- interconnection facilities
- wiring (generic to include PV and other wiring not included in the underground AC collection)

**NOTE:* The map in TAB 11 shows the potential locations of improvements within Anderson-Shiro ISD boundaries; however, the final number of panels and inverters and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.



TAB 5

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

Birch Creek Development, founded in 2019, is a utility-scale solar developer with a 4.9 GW pipeline development pipeline across MISO, PJM, Texas, and the U.S. Southeast markets. Since inception, Birch Creek has placed 28 projects in-service totaling 315 MWs, with an additional 6 projects or 226 MW scheduled to be placed in service in 2022. With headquarters in Los Angeles, CA, Birch's management team has decades of combined experience in developing, financing and constructing utility-scale solar projects in all US markets.

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



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)

| District | Percentage |
|--------------------|-------------------|
| Grimes County | 100% |
| Anderson-Shiro ISD | 100% |



TAB 7

Description of Qualified Investment

Smith Lake Solar, LLC proposes to construct a 400 MW (AC) Photovoltaic solar and battery energy storage system that would be sited on approximately 1,850 acres of land west of Roans Prairie in Grimes County. This application covers all qualified property in the reinvestment zone and project boundary within Anderson-Shiro ISD necessary for the commercial operations of the proposed solar project described in Tab 4.

- Qualified Investment and Qualified Property in Anderson-Shiro ISD would generate 400 MW solar and includes underground collection systems
- transmission lines
- electrical interconnections
- control systems necessary for commercial generation of electricity
- approximately 933,300 solar modules/panels and associated inverters
- racking and mounting structures
- inverter boxes
- combiner boxes
- battery storage that will only store power generated by the qualified property
- meteorological equipment
- roadways, maintenance, and operations building
- paving
- fencing
- electrical substations
- generation transmission tie line and associated towers
- interconnection facilities
- wiring (generic to include PV and other wiring not included in the underground AC collection)

NOTE- The map in TAB 11 shows the proposed project area with the preliminary panel and inverter locations. The exact placement of these panels and inverters is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins.



TAB 8

Description of Qualified Property

Smith Lake Solar, LLC proposes to construct a 400 MW (AC) Photovoltaic solar and battery energy storage system that would be sited on approximately 1,850 acres of land west of Roans Prairie in Grimes County. This application covers all qualified property in the reinvestment zone and project boundary within Anderson-Shiro ISD necessary for the commercial operations of the proposed solar project described in Tab 4.

- Qualified Investment and Qualified Property in Anderson-Shiro ISD would generate 400 MW solar and includes underground collection systems
- transmission lines
- electrical interconnections
- control systems necessary for commercial generation of electricity
- approximately 933,300 solar modules/panels and associated inverters
- racking and mounting structures
- inverter boxes
- combiner boxes
- battery storage that will only store power generated by the qualified property
- meteorological equipment
- roadways, maintenance, and operations building
- paving
- fencing
- electrical substations
- generation transmission tie line and associated towers
- interconnection facilities
- wiring (generic to include PV and other wiring not included in the underground AC collection)

NOTE- The map in TAB 11 shows the proposed project area with the preliminary panel and inverter locations. The exact placement of these panels and inverters is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins.



TAB 9

Description of Land

Not Applicable



TAB 10

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

The existing property consists of houses, barns, buildings, poles, Oil & Gas Wells and associated facilities, meteorological towers, tanks, silos, and mobile homes that are not owned by Smith Lake Solar, LLC and are not part of this project.



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

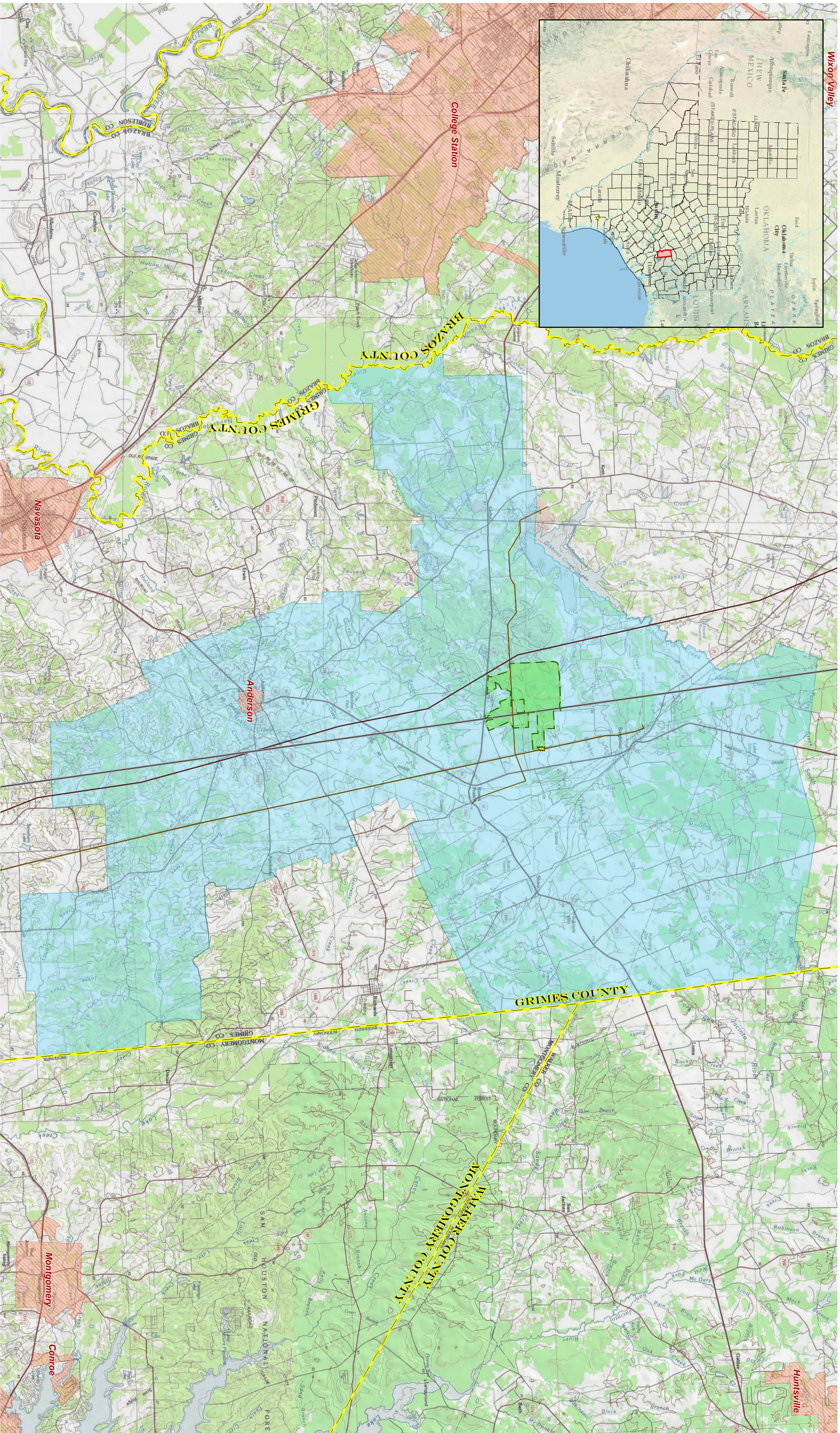
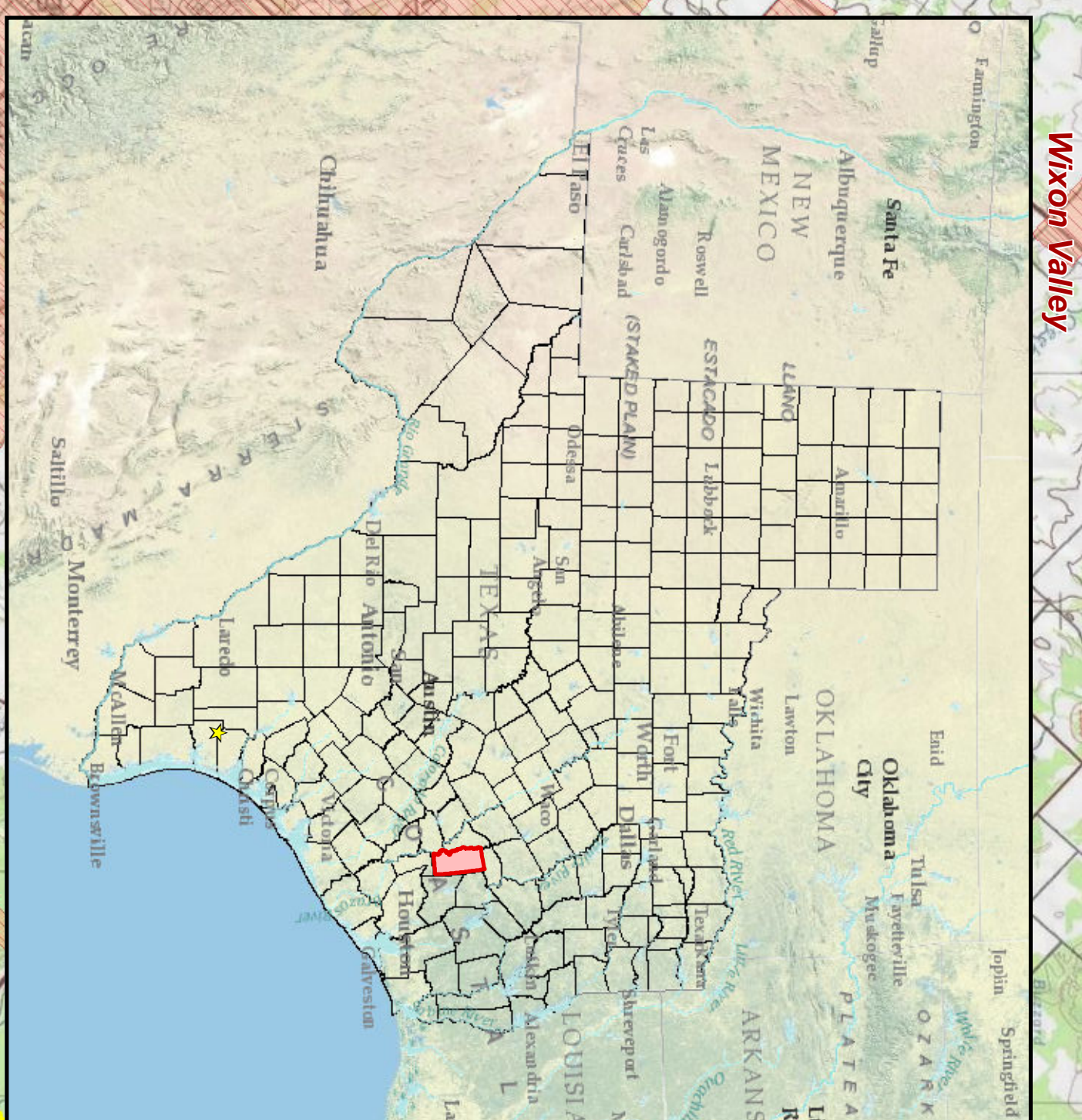
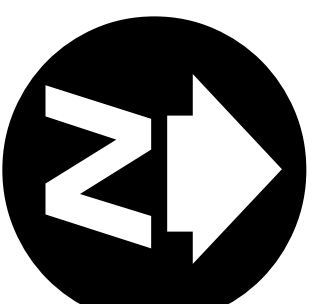
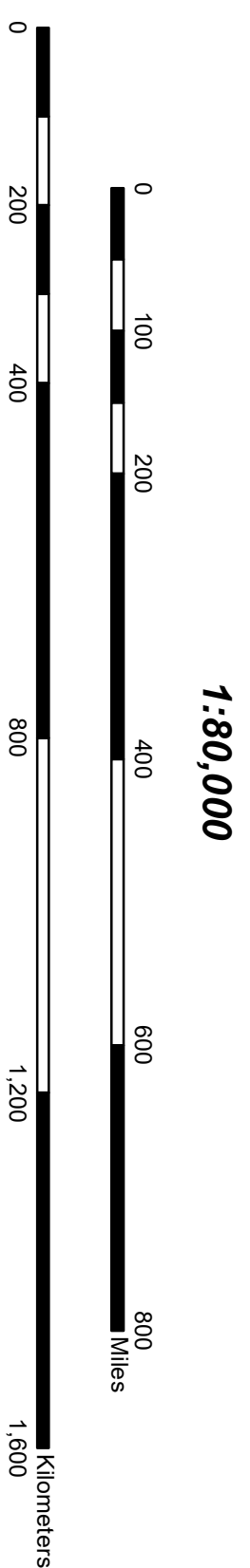
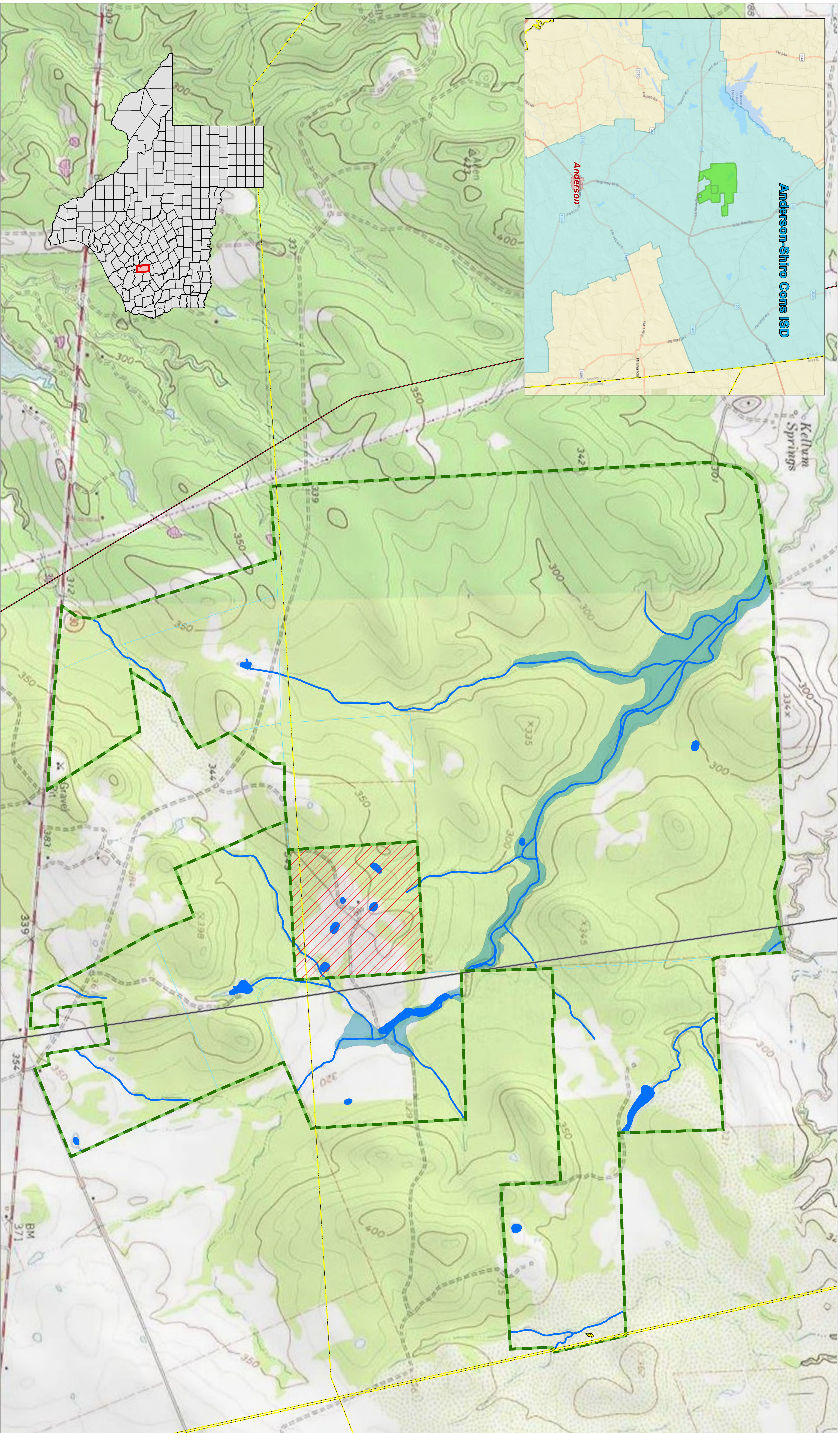
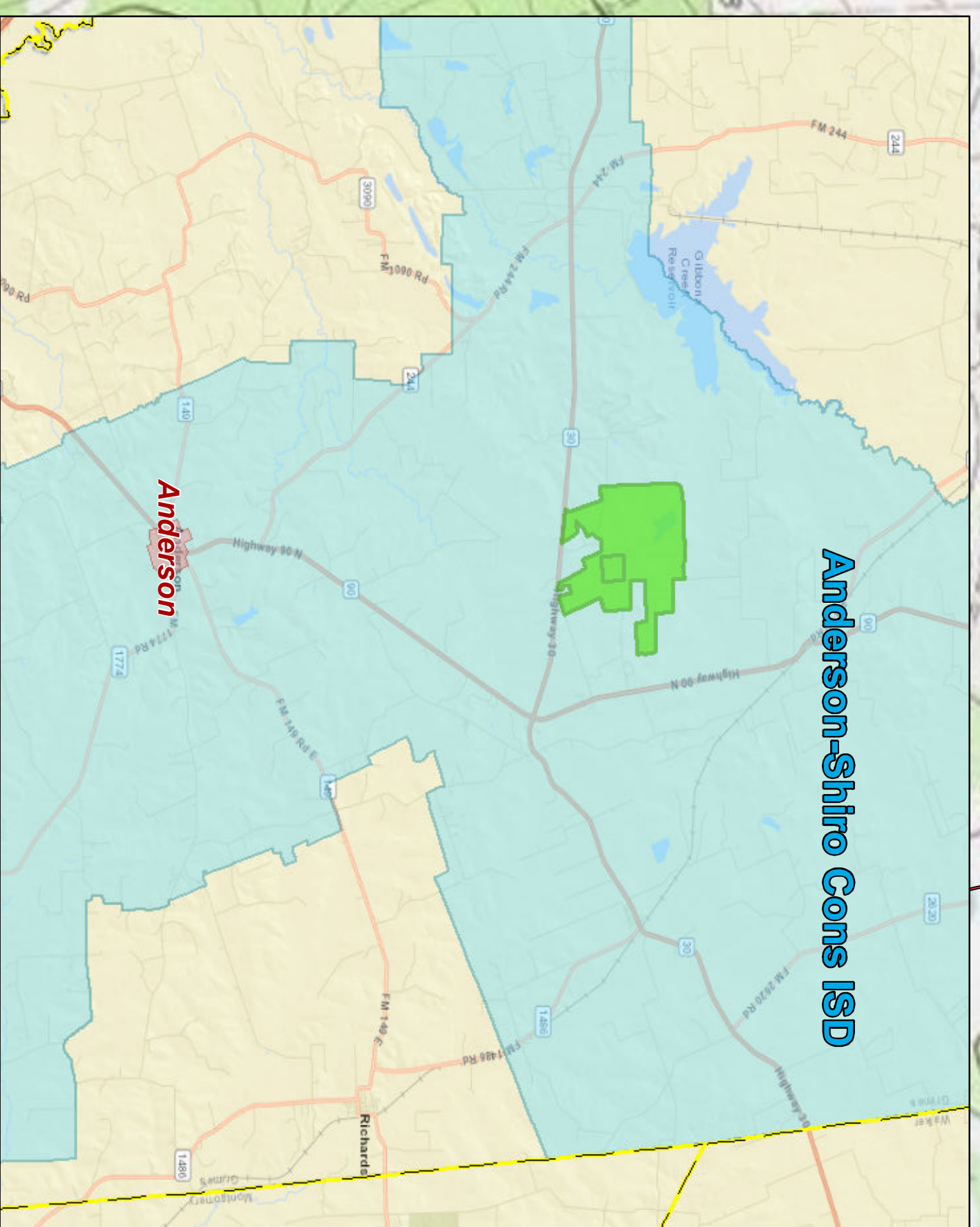


Figure 2. Vicinity Map for the Smith Lake Solar Project in the Anderson-Shiro Cons Independent School District, Grimes County, Texas. Smith Lake Solar, LLC

- Reinvestment Zone
- Incorporated Area
- Anderson-Shiro Cons ISD
- Natural Gas Pipeline
- Crude Oil Pipeline
- Transmission Line
- POI

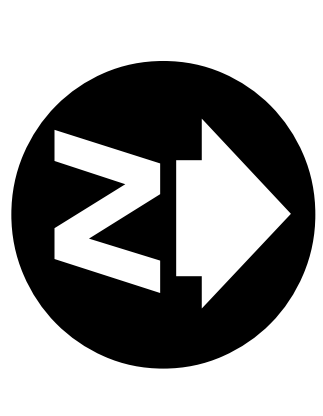
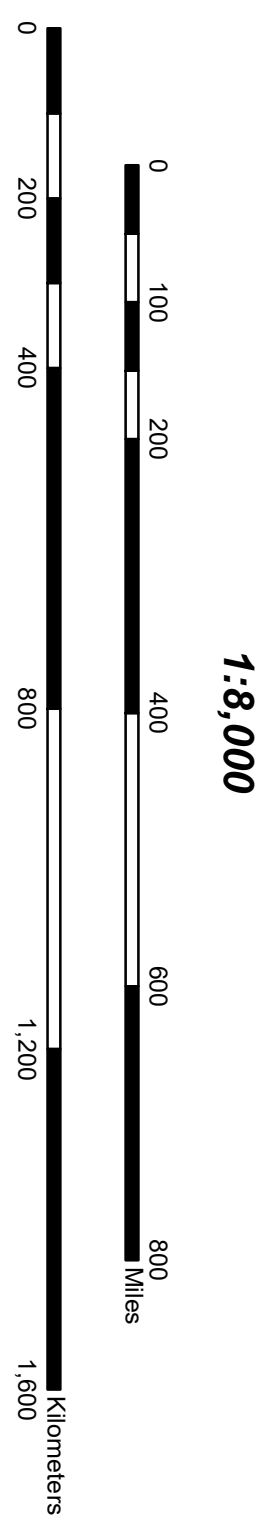


Coordinate System: NAD 1983 2011 StatePlane Texas South FIPS 4205 F US
 Datum: WAD 1983 2011
 False Easting: 984,250.0000
 Central Meridian: -98.5000
 Standard Parallel 1: 1.261667
 Standard Parallel 2: 2.523333
 Units: Feet US

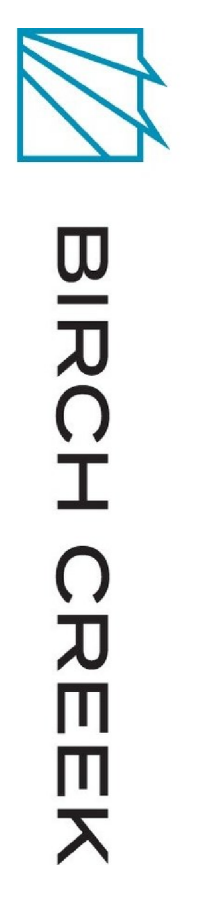


**Figure 1. Improvements Map in the
Anderson-Shiro Cons
Independent School District.
Grimes County, Texas.
Smith Lake Solar, LLC.**

- Improvement Zone (1,234 Acres)
- Excluded Land
- Project Boundaries
- 100 Year Flood Zone
- 100 Year Flood Zone
- Natural Gas Pipeline
- Open Oil Pipeline
- Transmission Line
- POI



Coordinate System: NAD 1983 2011 StatePlane Texas South Central FIPS 4204 FUS
 Datum: NAD 1983 2011
 False Easting: 1,968,500.000
 False Northing: 1,968,500.000
 Central Meridian: -93.0000
 Standard Parallel 1: 1.28 8333
 Standard Parallel 2: 1.28 8333
 Units: Feet US





TAB 12

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

See Attached



CUMMINGS WESTLAKE
PROPERTY TAX ADVISORS

April 7, 2022

Scott Beene
Anderson-Shiro Independent School District
458 FM 149 West
Anderson, TX 77830

Re: Chapter 313 Jobs Waiver Request

Dear Superintendent Beene,

Smith Lake Solar, LLC requests that the Anderson-Shiro Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the Tax Code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Smith Lake Solar, LLC requests that the Board of Trustees make such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standard of one job for every 300 MW, Smith Lake Solar, LLC has committed to create one job for the project.

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

The permanent employees of a solar project maintain, and service solar panels, underground electrical connections, substations and other infrastructure associate with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,

Steven Van Dyck
Partner



TAB 13

Calculation of three possible wage requirements with TWC documentation

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

SMITH LAKE SOLAR, LLC
TAB 13 TO CHAPTER 313 APPLICATION

GRIMES COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

| QUARTER | YEAR | AVG WEEKLY WAGES* | ANNUALIZED |
|---------|------|-------------------|--------------|
| FIRST | 2021 | \$ 948 | \$ 49,296 |
| SECOND | 2021 | \$ 969 | \$ 50,388 |
| THIRD | 2021 | \$ 1,036 | \$ 53,872 |
| FOURTH | 2020 | \$ 1,057 | \$ 54,964 |
| AVERAGE | | \$ 1,002.50 | \$ 52,130.00 |

GRIMES COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

| QUARTER | YEAR | AVG WEEKLY WAGES* | ANNUALIZED |
|---------|------|-------------------|--------------|
| FIRST | 2021 | \$ 1,155 | \$ 60,060 |
| SECOND | 2021 | \$ 1,201 | \$ 62,452 |
| THIRD | 2021 | \$ 1,204 | \$ 62,608 |
| FOURTH | 2020 | \$ 1,347 | \$ 70,044 |
| AVERAGE | | \$ 1,227 | \$ 63,791 |
| | | X 110% | 110% |
| | | \$ 1,349.43 | \$ 70,170.10 |

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

| | YEAR | AVG WEEKLY WAGES* | ANNUALIZED |
|--------------|------|-------------------|--------------|
| COASTAL BEND | 2020 | \$ 736.27 | \$ 38,286 |
| | | X 110% | 110% |
| | | \$ 809.90 | \$ 42,114.60 |

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

| Year | Period | Area | Ownership | Industry Code | Industry | Average Weekly Wage |
|------|--------|--------|-----------|---------------|-----------------------|---------------------|
| 2021 | 1 | GRIMES | Total All | 10 | Total, All Industries | 948 |
| 2021 | 2 | GRIMES | Total All | 10 | Total, All Industries | 969 |
| 2021 | 3 | GRIMES | Total All | 10 | Total, All Industries | 1,036 |
| 2020 | 4 | GRIMES | Total All | 10 | Total, All Industries | 1,057 |

Quarterly Employment and Wages (QCEW)

| Year | Period | Area | Ownership | Industry Code | Industry | Average Weekly Wage |
|------|--------|--------|-----------|---------------|---------------|---------------------|
| 2021 | 1 | GRIMES | Private | 31-33 | Manufacturing | 1,155 |
| 2021 | 2 | GRIMES | Private | 31-33 | Manufacturing | 1,201 |
| 2021 | 3 | GRIMES | Private | 31-33 | Manufacturing | 1,204 |
| 2020 | 4 | GRIMES | Private | 31-33 | Manufacturing | 1,347 |

**2020 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

| COG | COG Number | Wages | |
|---|------------|---------|----------|
| | | Hourly | Annual |
| Panhandle Regional Planning Commission | 1 | \$23.32 | \$48,501 |
| South Plains Association of Governments | 2 | \$20.42 | \$42,473 |
| NORTEX Regional Planning Commission | 3 | \$20.64 | \$42,928 |
| North Central Texas Council of Governments | 4 | \$32.34 | \$67,261 |
| Ark-Tex Council of Governments | 5 | \$21.30 | \$44,299 |
| East Texas Council of Governments | 6 | \$29.28 | \$60,904 |
| West Central Texas Council of Governments | 7 | \$21.54 | \$44,797 |
| Rio Grande Council of Governments | 8 | \$19.02 | \$39,552 |
| Permian Basin Regional Planning Commission | 9 | \$22.57 | \$46,945 |
| Concho Valley Council of Governments | 10 | \$27.28 | \$56,739 |
| Heart of Texas Council of Governments | 11 | \$23.41 | \$48,696 |
| Capital Area Council of Governments | 12 | \$29.96 | \$62,326 |
| Brazos Valley Council of Governments | 13 | \$18.41 | \$38,286 |
| Deep East Texas Council of Governments | 14 | \$21.07 | \$43,829 |
| South East Texas Regional Planning Commission | 15 | \$27.38 | \$56,957 |
| Houston-Galveston Area Council | 16 | \$29.83 | \$62,050 |
| Golden Crescent Regional Planning Commission | 17 | \$22.09 | \$45,945 |
| Alamo Area Council of Governments | 18 | \$27.45 | \$57,101 |
| South Texas Development Council | 19 | \$19.20 | \$39,945 |
| Coastal Bend Council of Governments | 20 | \$35.39 | \$73,603 |
| Lower Rio Grande Valley Development Council | 21 | \$20.70 | \$43,056 |
| Texoma Council of Governments | 22 | \$19.18 | \$39,897 |
| Central Texas Council of Governments | 23 | \$21.34 | \$44,390 |
| Middle Rio Grande Development Council | 24 | \$22.98 | \$47,809 |
| Texas | | \$28.00 | \$58,233 |

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

Data published: August 2021.

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

| PROPERTY INVESTMENT AMOUNTS | | | | | (Estimated investment in each year. Do not put cumulative totals.) | | | | |
|--|------|--|---|---|---|--|--|---|-------------|
| | | | Column A | Column B | Column C | Column D | Column E | | |
| | | | New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property | New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property | Other new investment made during this year that will not become Qualified Property [SEE NOTE] | Other new investment made during this year that may become Qualified Property [SEE NOTE] | Other new investment made before filing complete application with district that may become Qualified Property [SEE NOTE] | Total Investment (Sum of Columns A+B+C+D) | |
| Investment made before filing complete application with district | Year | School Year (YYYY) | Tax Year (Fill in actual tax year below) YYYY | | | | | 0 | |
| Investment made after filing complete application with district, but before final board approval of application | -- | Year preceding the first complete tax year of the qualifying time period (assuming no deferrals or qualifying time period) | | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period | | | 2025 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Q1P1 | 2026-2027 | 2026 | 0 | 0 | 0 | 0 | 0 | 0 |
| Complete tax years of qualifying time period | Q1P2 | 2027-2028 | 2027 | 371,500,000 | 500,000 | 0 | 0 | 372,000,000 | 372,000,000 |
| Total Investment through Qualifying Time Period [ENTER this row in Schedule A2] | | | | 371,500,000 | 500,000 | 0 | 0 | 372,000,000 | 372,000,000 |
| Total Qualified Investment (sum of green cells) | | | | 372,000,000 | | | | | |

For All Columns: List amount invested each year, not cumulative totals.
 Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
 Only tangible personal property that is specifically described in the application can become qualified property.
 Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.
 Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investments that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property, is used to maintain, refurbish, renovate, modify or upgrade existing property, or is affixed to existing property—described in SECTION 13, question #5 of the application.
 Column 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.

Enter amounts from TOTAL row above in Schedule A2

PROPERTY INVESTMENT AMOUNTS

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

| Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | Column A | Column B | Column C | Column D | Column E |
|---|----------------------------|--|---|---|---|---|----------------------------|
| | | | New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property | New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property | Other investment made during this year that will not become Qualified Property [SEE NOTE] | Other investment made during this year that will become Qualified Property [SEE NOTE] | Total Investment (A+B+C+D) |
| Total Investment from Schedule A1* | | | 371,500,000 | 500,000 | 0 | 0 | 372,000,000 |
| Each year prior to start of value limitation period** | | | | | | | |
| 0 | | | 2027-2028 | 2027 | 0 | 0 | 0 |
| 1 | | | 2028-2029 | 2028 | 0 | 0 | 0 |
| 2 | | | 2029-2030 | 2029 | 0 | 0 | 0 |
| 3 | | | 2030-2031 | 2030 | 0 | 0 | 0 |
| 4 | | | 2031-2032 | 2031 | 0 | 0 | 0 |
| 5 | | | 2032-2033 | 2032 | 0 | 0 | 0 |
| 6 | | | 2033-2034 | 2033 | 0 | 0 | 0 |
| 7 | | | 2034-2035 | 2034 | 0 | 0 | 0 |
| 8 | | | 2035-2036 | 2035 | 0 | 0 | 0 |
| 9 | | | 2036-2037 | 2036 | 0 | 0 | 0 |
| 10 | | | 2037-2038 | 2037 | 0 | 0 | 0 |
| Total Investment made through limitation | | | 371,500,000 | 500,000 | 0 | 0 | 372,000,000 |
| 11 | | | 2038-2039 | 2038 | 0 | 0 | 0 |
| 12 | | | 2039-2040 | 2039 | 0 | 0 | 0 |
| 13 | | | 2040-2041 | 2040 | 0 | 0 | 0 |
| 14 | | | 2041-2042 | 2041 | 0 | 0 | 0 |
| 15 | | | 2042-2043 | 2042 | 0 | 0 | 0 |
| 16 | | | 2043-2044 | 2043 | 0 | 0 | 0 |
| 17 | | | 2044-2045 | 2044 | 0 | 0 | 0 |
| 18 | | | 2045-2046 | 2045 | 0 | 0 | 0 |
| 19 | | | 2046-2047 | 2046 | 0 | 0 | 0 |
| 20 | | | 2047-2048 | 2047 | 0 | 0 | 0 |
| 21 | | | 2048-2049 | 2048 | 0 | 0 | 0 |
| 22 | | | 2049-2050 | 2049 | 0 | 0 | 0 |
| 23 | | | 2050-2051 | 2050 | 0 | 0 | 0 |
| 24 | | | 2051-2052 | 2051 | 0 | 0 | 0 |
| 25 | | | 2052-2053 | 2052 | 0 | 0 | 0 |

* All investments made through the qualifying time period are captured and listed 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 total. 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 added 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
 Applicant Name
 ISD Name

4/8/2022
 Smith Lake Solar, LLC
 ANDERSON-SHIRO ISD

Form 50-296A
 Revised October 2020

| Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i> | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Qualified Property | | | Estimated Taxable Value | | |
|--|------|----------------------------|---|--------------------------------|---|--|--|--|--|
| | | | | Estimated Market Value of Land | Estimated Total Market Value of new buildings or other new improvements | Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements" | Market Value less any exemptions (such as pollution control) and before limitation | Final taxable value for I&S after all reductions | Final taxable value for M&O after all reductions |
| | 0 | 2026-2027 | 2026 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | 2027-2028 | 2027 | 0 | 0 | 0 | 0 | 0 | 0 |
| Value Limitation Period | 1 | 2028-2029 | 2028 | 0 | 500,000 | 242,432,400 | 242,932,400 | 242,932,400 | 30,000,000 |
| | 2 | 2029-2030 | 2029 | 0 | 487,500 | 223,006,560 | 223,494,060 | 223,494,060 | 30,000,000 |
| | 3 | 2030-2031 | 2030 | 0 | 475,300 | 202,044,360 | 202,519,660 | 202,519,660 | 30,000,000 |
| | 4 | 2031-2032 | 2031 | 0 | 463,400 | 179,389,560 | 179,852,960 | 179,852,960 | 30,000,000 |
| | 5 | 2032-2033 | 2032 | 0 | 451,800 | 154,938,000 | 155,389,800 | 155,389,800 | 30,000,000 |
| | 6 | 2033-2034 | 2033 | 0 | 440,500 | 128,533,440 | 128,973,940 | 128,973,940 | 30,000,000 |
| | 7 | 2034-2035 | 2034 | 0 | 429,500 | 100,019,640 | 100,449,140 | 100,449,140 | 30,000,000 |
| | 8 | 2035-2036 | 2035 | 0 | 418,800 | 69,214,320 | 69,633,120 | 69,633,120 | 30,000,000 |
| | 9 | 2036-2037 | 2036 | 0 | 408,300 | 52,080,000 | 52,488,300 | 52,488,300 | 30,000,000 |
| | 10 | 2037-2038 | 2037 | 0 | 398,100 | 52,080,000 | 52,478,100 | 52,478,100 | 30,000,000 |
| Continue to maintain viable presence | 11 | 2038-2039 | 2038 | 0 | 388,100 | 52,080,000 | 52,468,100 | 52,468,100 | 52,468,100 |
| | 12 | 2039-2040 | 2039 | 0 | 378,400 | 52,080,000 | 52,458,400 | 52,458,400 | 52,458,400 |
| | 13 | 2040-2041 | 2040 | 0 | 368,900 | 52,080,000 | 52,448,900 | 52,448,900 | 52,448,900 |
| | 14 | 2041-2042 | 2041 | 0 | 359,700 | 52,080,000 | 52,439,700 | 52,439,700 | 52,439,700 |
| | 15 | 2042-2043 | 2042 | 0 | 350,700 | 52,080,000 | 52,430,700 | 52,430,700 | 52,430,700 |
| | 16 | 2043-2044 | 2043 | 0 | 341,900 | 52,080,000 | 52,421,900 | 52,421,900 | 52,421,900 |
| | 17 | 2044-2045 | 2044 | 0 | 333,400 | 52,080,000 | 52,413,400 | 52,413,400 | 52,413,400 |
| | 18 | 2045-2046 | 2045 | 0 | 325,100 | 52,080,000 | 52,405,100 | 52,405,100 | 52,405,100 |
| | 19 | 2046-2047 | 2046 | 0 | 317,000 | 52,080,000 | 52,397,000 | 52,397,000 | 52,397,000 |
| | 20 | 2047-2048 | 2047 | 0 | 309,100 | 52,080,000 | 52,389,100 | 52,389,100 | 52,389,100 |
| | 21 | 2048-2049 | 2048 | 0 | 301,400 | 52,080,000 | 52,381,400 | 52,381,400 | 52,381,400 |
| | 22 | 2049-2050 | 2049 | 0 | 293,900 | 52,080,000 | 52,373,900 | 52,373,900 | 52,373,900 |
| | 23 | 2050-2051 | 2050 | 0 | 286,600 | 52,080,000 | 52,366,600 | 52,366,600 | 52,366,600 |
| | 24 | 2051-2052 | 2051 | 0 | 279,400 | 52,080,000 | 52,359,400 | 52,359,400 | 52,359,400 |
| | 25 | 2052-2053 | 2052 | 0 | 272,400 | 52,080,000 | 52,352,400 | 52,352,400 | 52,352,400 |

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.

Additional years for 25 year economic impact as required by 313.026(c)(1)

Schedule C: Employment Information

Date **4/8/2022**
 Applicant Name **Smith Lake Solar, LLC**
 ISD Name **ANDERSON-SHIRO ISD**

Form 50-296A
 Revised October 2020

| | Construction | | Non-Qualifying Jobs | | Qualifying Jobs | | |
|---|---------------|-------------------------|---|--|---|--|--|
| | Column A | Column B | Column C | Column D | Column E | | |
| Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary.</i> | Year | School Year (YYYY-YYYY) | Number of Construction FTE's or man-hours (specify) | Average annual wage rates for construction workers | Number of non-qualifying jobs applicant estimates it will create (cumulative) | Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative) | Average annual wage of new qualifying jobs |
| 0 | 2026-2027 | 2026 | 0 | 0 | 0 | 0 | 0 |
| Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary.</i> | 0 | 2027-2028 | 150 FTE | 55,000 | 0 | 0 | 0 |
| Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i> | 1 | 2028-2029 | N/A | N/A | 0 | 1 | 42,114.60 |
| | 2 | 2029-2030 | N/A | N/A | 0 | 1 | 42,114.60 |
| | 3 | 2030-2031 | N/A | N/A | 0 | 1 | 42,114.60 |
| | 4 | 2031-2032 | N/A | N/A | 0 | 1 | 42,114.60 |
| | 5 | 2032-2033 | N/A | N/A | 0 | 1 | 42,114.60 |
| | 6 | 2033-2034 | N/A | N/A | 0 | 1 | 42,114.60 |
| | 7 | 2034-2035 | N/A | N/A | 0 | 1 | 42,114.60 |
| | 8 | 2035-2036 | N/A | N/A | 0 | 1 | 42,114.60 |
| | 9 | 2036-2037 | N/A | N/A | 0 | 1 | 42,114.60 |
| | 10 | 2037-2038 | N/A | N/A | 0 | 1 | 42,114.60 |
| Years Following Value Limitation Period | 11 through 25 | 2037-2053 | 2038-2052 | N/A | N/A | 0 | 42,114.60 |

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

C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25) Yes No
 If yes, answer the following two questions:

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? Yes No
C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? Yes No



TAB 15

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

None



TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as 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*

- a) Not applicable
- b) Will be provided when Anderson-Shiro when Anderson-Shiro ISD creates
- c) Not applicable
- d) Not applicable



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 -> Scott Beene Superintendent
Print Name (Authorized School District Representative) Title
sign here -> [Signature] 4/11/2022
Signature (Authorized School District Representative) 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 -> Chris Norqual COO
Print Name (Authorized Company Representative (Applicant)) Title
sign here -> [Signature] 4/11/2022
Signature (Authorized Company Representative (Applicant)) Date

GIVEN under my hand and seal of office this, the
day of See Attached California Certificate
Notary Public in and for the State of Texas
My Commission expires: 11/20/24

(Notary Seal)

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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California)
County of Los Angeles)

On 4/7/2022 before me, Kristine Helin, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Chris Norquial
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Signature Kristine Helin
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between ANDERSON-SHIRO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT and SMITH LAKE SOLAR, LLC

EXHIBIT A-1

Supplement 001 to Application for Appraised Value
Limitation on Qualified Property



June 7, 2022

Ms. Annette Holmes
Economic Development & Local Government
Data Analysis & Transparency Division
Texas Comptroller of Public Accounts
111 East 17th Street
Austin, Texas 78774

VIA EMAIL DELIVERY:
Annette.Holmes@cpa.state.tx.us

Re: Application #1781—Anderson Shiro Independent School District (“District”) / Tax Limitation Agreement: Smith Lake Solar, LLC (“Applicant”)

Dear Ms. Holmes:

Pursuant to your email correspondence dated May 10, 2022, please see attached amendment related to the above-mentioned application materials submitted to your office on April 18, 2022. In particular, please note the following amendments to Application #1781:

1. Section 14, Questions 1-7 (Specifically Questions 5 & 7): Has been updated with responses;
2. Tab 4, 7 & 8:
 - (a) Requested sentence has been added;
 - (b) Requested clarification has been added;
3. Tab 11 – Map Revision: Updated as requested;
4. Tab 17: Reinvestment Zone letter has been added; and
5. Fully executed signature page

In addition, the Applicant has provided the following responses to your clarifying questions:

1. Is the Smith Lake Solar, LLC currently known by any other project names? **This project was also known as Sulphur Creek Solar, LLC**
2. Has this project applied to ERCOT at this time? If so, please provide the project’s IGNR number and when was it assigned. **Yes it does have IGNR numbers and they are 23INR0176 and 25INR00045 and were assigned in January of 2021**
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. **This project was also known as Sulphur Creek Solar, LLC**
4. Section 7, Question 2 and Section 13: **Please refer to Mr. Villareal on the language in Tab 10 in reference to this. It has been accepted in previous applications**

Ms. Annette Holmes

June 7, 2022

Page 2

Thank you for your consideration. Please feel free to contact me directly if you have any additional questions.

Sincerely,

A handwritten signature in blue ink that reads "Eddy H. Perez". The signature is fluid and cursive, with the first name "Eddy" being the most prominent.

EDDY HERNANDEZ PEREZ

EHP/cae

Enclosures

Ms. Annette Holmes
June 7, 2022
Page 3

cc: *(Via E-mail)*
Mr. Scott Beene, Superintendent of Schools
Anderson-Shiro Consolidated Independent School District
458 FM 149 West
Anderson, Texas 77830

(Via E-mail)
Ms. Kathy Mathias
Moak, Casey & Associates
901 S. MoPac Expwy, Bldg. III, Suite 310
Austin, Texas 78746

(Via E-mail)
Mr. Chris Norqual, COO
Birch Creek Development LLC
880 Apollo Street, Suite 333
El Segundo, CA 90245

(Via E-mail)
Mr. Forrest Coldren, Project Manager
Pine Gate Renewables, LLC
130 Roberts Street
Asheville, NC 28801

(Via E-mail)
Mr. Steven Van Dyck, Partner
Cummings Westlake, LLC

Grimes County Appraisal District
Attention: Chief Appraiser, Mark Boehnke
360 Hill Street
Anderson, Texas 77830

(Via U.S. Postal Service Delivery)

SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? 1
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) 0
3. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 3a. If yes, attach evidence of industry standard in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
4. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the Texas Workforce Commission website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22). **Note:** If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.
 - a. Non-qualified job wages
- average weekly wage for all jobs (all industries) in the county is \$ 1,002.50
 - b. Qualifying job wage minimum option §313.021(5)(A)
-110% of the average weekly wage for manufacturing jobs in the county is \$ 1,349.43
 - c. Qualifying job wage minimum option §313.021(5)(B)
-110% of the average weekly wage for manufacturing jobs in the region is \$ 809.90
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? \$ 42,114.60
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? \$ 42,114.60
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**.



CUMMINGS WESTLAKE

Smith Lake Solar, LLC
Chapter 313 Application Anderson-Shiro ISD

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.

Smith Lake Solar, LLC (Smith Lake Solar) is requesting an appraised value limitation from Anderson-Shiro Independent School District (ISD) for the Smith Lake Solar Project (the "Project"), a proposed solar powered electric generating and battery storage facility in Grimes County. The proposed Anderson-Shiro ISD Project (this application) will be constructed within a Reinvestment Zones that will be created by Anderson-Shiro ISD. A map showing the location of the project is included in TAB 11.

The full project would have approximately 933,300 panels and associated inverters located in Grimes County with a total capacity of 400 MW (ac) of Solar. The exact number and location of panels and inverters will vary depending upon ongoing siting analysis, manufacturer's availability, prices, and the final megawatt generating capacity of the Project when completed The Applicant requests a value limitation for all facilities and equipment installed for the Project, including;

- underground collection systems that collect the power from the inverters and transfer the power to be put on the grid
- transmission lines
- electrical interconnections,
- roads
- control systems necessary for commercial generation of electricity
- solar modules/panels
- racking and mounting structures
- inverters and skids
- transformers (e.g. medium voltage and auxiliary transformers not inside substation)
- combiner boxes
- battery storage that will only store power generated by the qualified property
- meteorological equipment
- roadways
- maintenance and operations building



CUMMINGS WESTLAKE

Smith Lake Solar, LLC
Chapter 313 Application Anderson-Shiro ISD

- paving
- fencing
- electrical substations
- generation transmission tie line and associated tower
- interconnection facilities
- wiring (generic to include PV and other wiring not included in the underground AC collection)

The permanent battery storage facility will be used for the Smith Lake Solar, LLC project

**NOTE:* The map in TAB 11 shows the potential locations of improvements within Anderson-Shiro ISD boundaries; however, the final number of panels and inverters and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.



TAB 7

Description of Qualified Investment

Smith Lake Solar, LLC proposes to construct a 400 MW (AC) Photovoltaic solar and battery energy storage system that would be sited on approximately 1,850 acres of land west of Roans Prairie in Grimes County. This application covers all qualified property in the reinvestment zone and project boundary within Anderson-Shiro ISD necessary for the commercial operations of the proposed solar project described in Tab 4.

- Qualified Investment and Qualified Property in Anderson-Shiro ISD would generate 400 MW solar and includes underground collection systems
- underground collection systems that collect the power from the inverters and transfer the power to be put on the grid
- transmission lines
- electrical interconnections
- control systems necessary for commercial generation of electricity
- approximately 933,300 solar modules/panels and associated inverters
- racking and mounting structures
- inverter boxes
- combiner boxes
- battery storage that will only store power generated by the qualified property
- meteorological equipment
- roadways, maintenance, and operations building
- paving
- fencing
- electrical substations
- generation transmission tie line and associated towers
- interconnection facilities
- wiring (generic to include PV and other wiring not included in the underground AC collection)

The permanent battery storage facility will be used for the Smith Lake Solar, LLC project



CUMMINGS WESTLAKE

Smith Lake Solar, LLC
Chapter 313 Application Anderson-Shiro ISD

NOTE- The map in TAB 11 shows the proposed project area with the preliminary panel and inverter locations. The exact placement of these panels and inverters is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins.



TAB 8

Description of Qualified Property

Smith Lake Solar, LLC proposes to construct a 400 MW (AC) Photovoltaic solar and battery energy storage system that would be sited on approximately 1,850 acres of land west of Roans Prairie in Grimes County. This application covers all qualified property in the reinvestment zone and project boundary within Anderson-Shiro ISD necessary for the commercial operations of the proposed solar project described in Tab 4.

- Qualified Investment and Qualified Property in Anderson-Shiro ISD would generate 400 MW solar and includes underground collection systems
- underground collection systems that collect the power from the inverters and transfer the power to be put on the grid
- transmission lines
- electrical interconnections
- control systems necessary for commercial generation of electricity
- approximately 933,300 solar modules/panels and associated inverters
- racking and mounting structures
- inverter boxes
- combiner boxes
- battery storage that will only store power generated by the qualified property
- meteorological equipment
- roadways, maintenance, and operations building
- paving
- fencing
- electrical substations
- generation transmission tie line and associated towers
- interconnection facilities
- wiring (generic to include PV and other wiring not included in the underground AC collection)

The permanent battery storage facility will be used for the Smith Lake Solar, LLC project



CUMMINGS WESTLAKE

Smith Lake Solar, LLC
Chapter 313 Application Anderson-Shiro ISD

NOTE- The map in TAB 11 shows the proposed project area with the preliminary panel and inverter locations. The exact placement of these panels and inverters is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins.

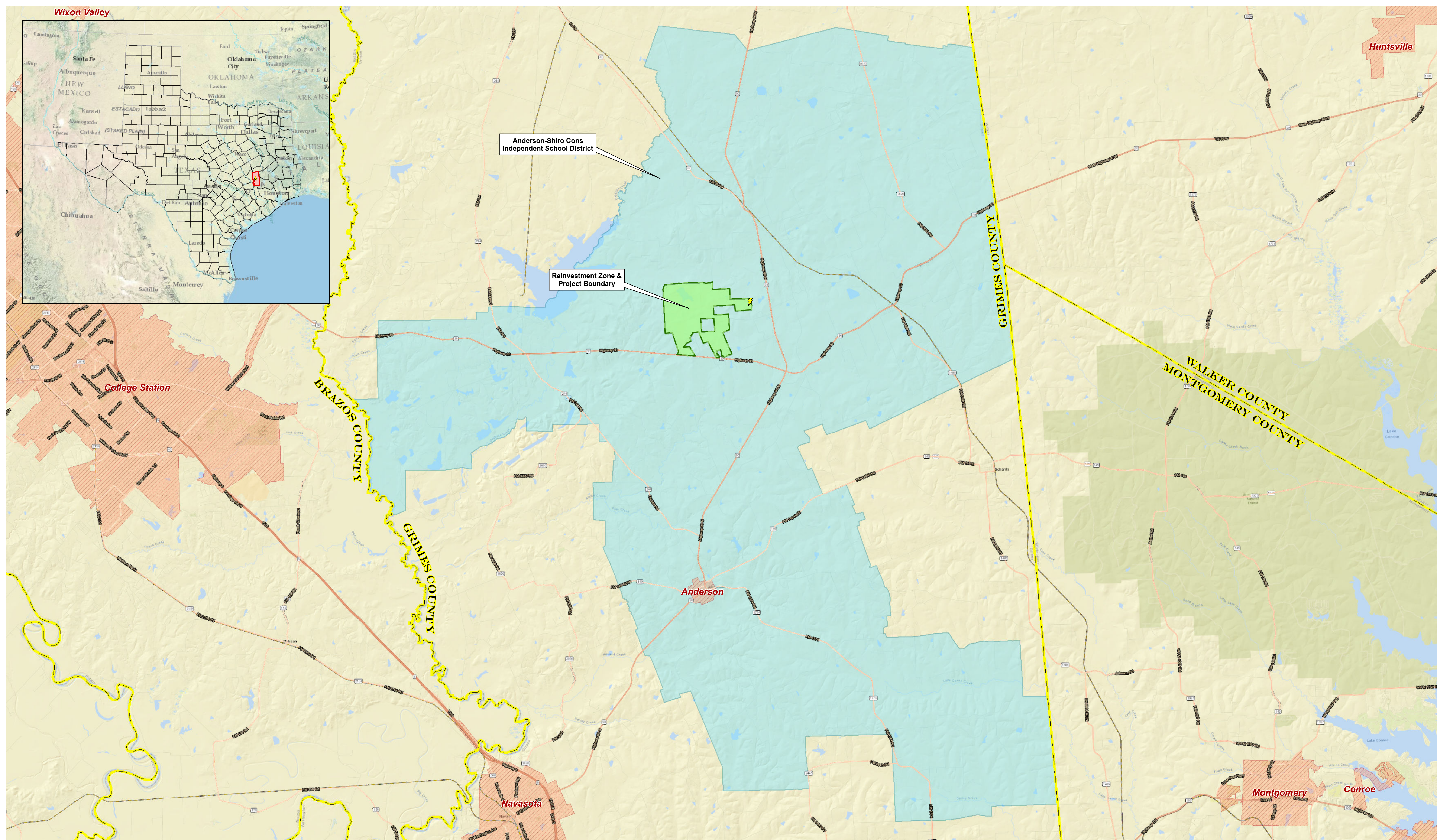
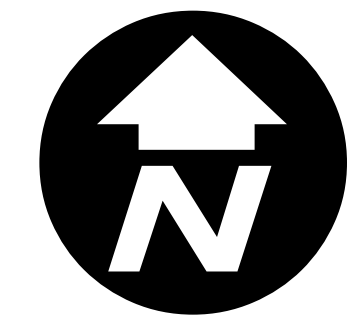
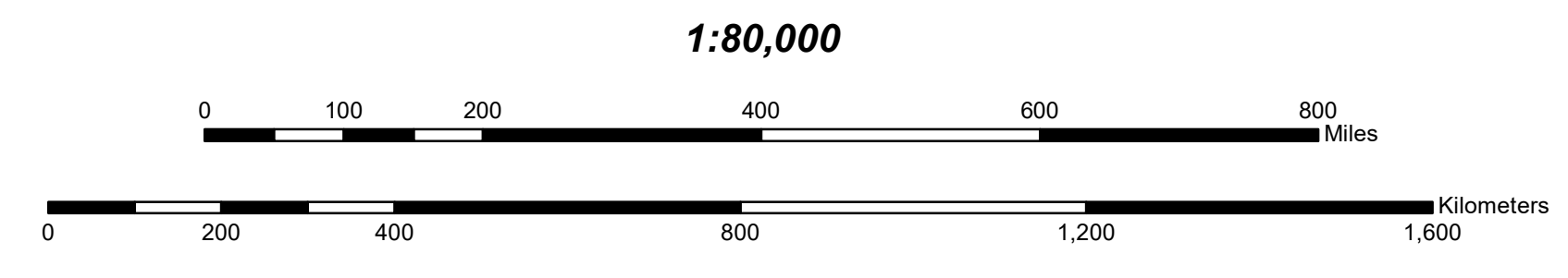


Figure 2. Vicinity Map for the Smith Lake Solar Project in the Anderson-Shiro Cons Independent School District, Grimes County, Texas. Smith Lake Solar, LLC

- Reinvestment Zone & Project Boundary
- Incorporated Area
- Anderson-Shiro Cons ISD
- POI



Coordinate System: NAD 1983 2011 StatePlane Texas South FIPS 4205 F1 US
 Projection: Lambert Conformal Conic
 Datum: NAD 1983 2011
 False Easting: 984,250.0000
 False Northing: 16,404,166.6667
 Central Meridian: -98.5000
 Standard Parallel 1: 28.1667
 Standard Parallel 2: 27.8333
 Latitude Of Origin: 23.6667
 Units: Foot US



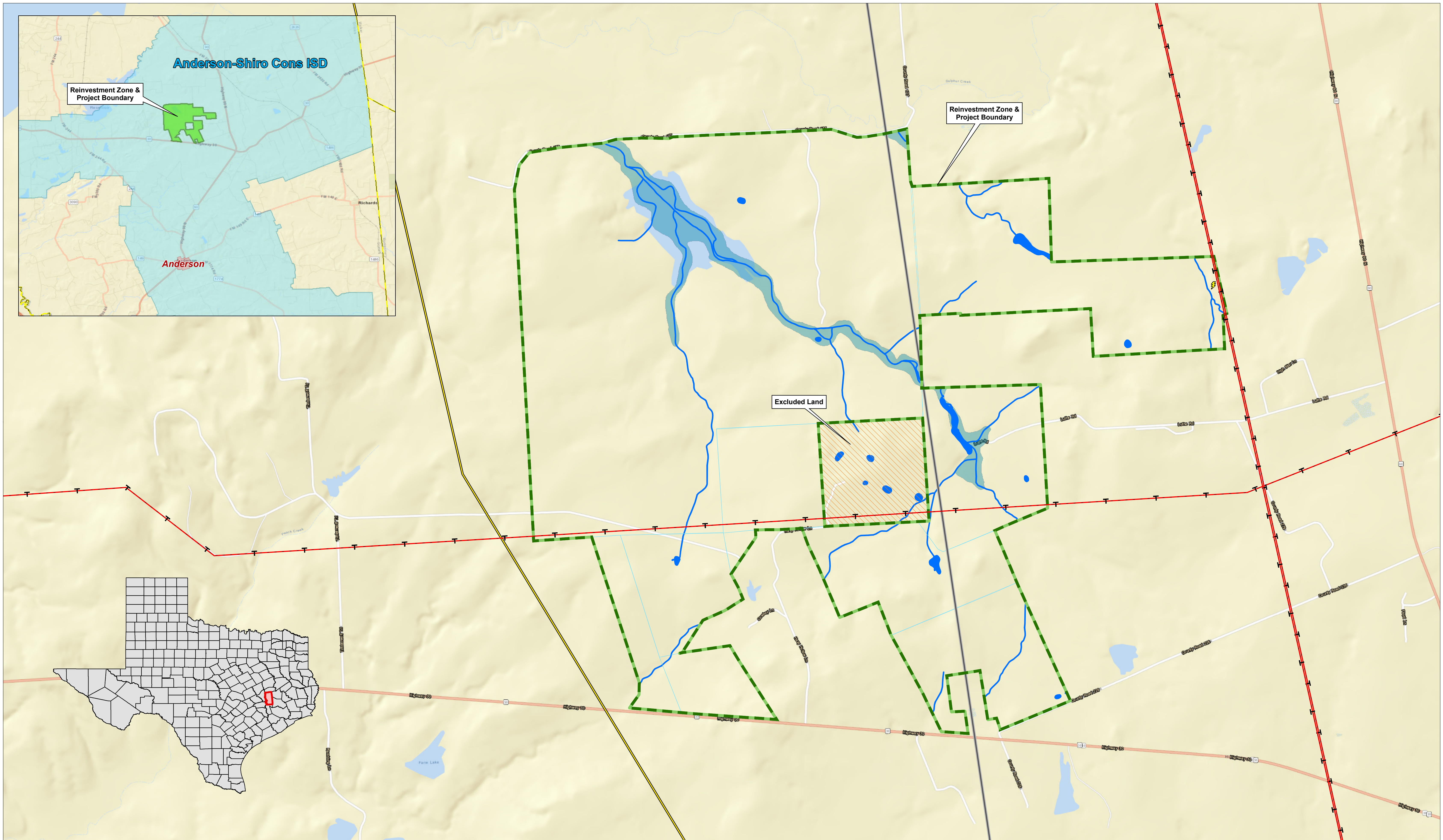
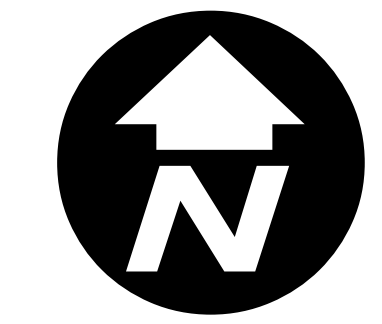
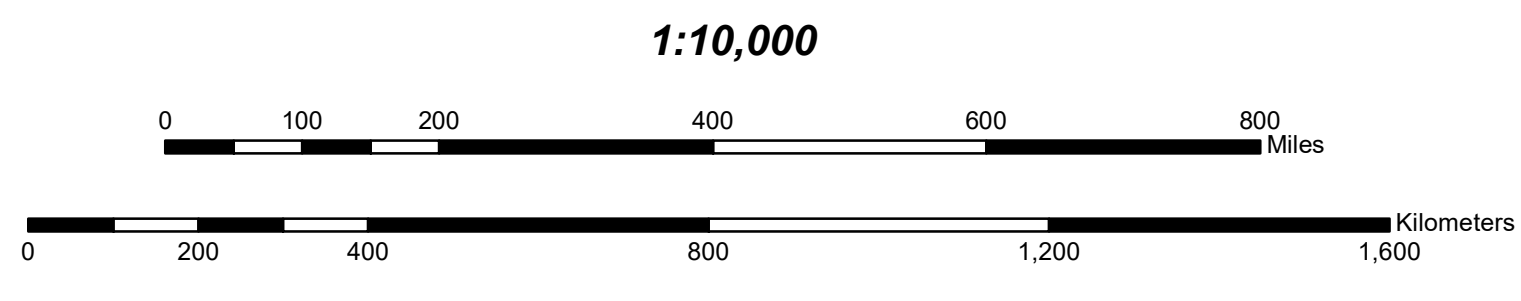


Figure 1. Improvements Map in the Anderson-Shiro Cons Independent School District. Grimes County, Texas. Smith Lake Solar, LLC.

- Reinvestment Zone & Project Boundary (~2,324 Acres)
- Excluded Land
- Project Parcel Outline
- NWI Wetland
- 100 Year Flood Zone
- Natural Gas Pipeline
- Crude Oil Pipeline
- Transmission Line
- POI



Coordinate System: NAD 1983 2011 StatePlane Texas South Central FIPS 4204 FIPS
 Projection: Lambert Conformal Conic
 Datum: NAD 1983 2011
 False Easting: 1,968,500.0000
 False Northing: 13,123,333.3333
 Central Meridian: -99.0000
 Standard Parallel 1: 28.3833
 Standard Parallel 2: 30.2833
 Latitude Of Origin: 27.8333
 Units: Foot US





ANDERSON-SHIRO
CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

Scott Beene, Superintendent
458 FM 149 West
Anderson, TX 77830
Ph 936.873.4500 - Fax 936.873.4515
www.ascisd.net

May 26, 2022

Ms. Annette Holmes
Senior Research Analyst
Local Government Assistance and
Economic Development Division
Texas Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

VIA E-MAIL DELIVERY:
Annette.Holmes@cpa.texas.gov
Ch313.apps@cpa.texas.gov

Re: Anderson-Shiro Consolidated Independent School District—Intent to consider creating a Reinvestment Zone under Chapter 312 of the Texas Tax Code in connection with Application number 1781 submitted by Smith Lake Solar, LLC

Dear Ms. Holmes:

As Superintendent of Schools for the Anderson-Shiro Consolidated Independent School District (the “District”), I am writing this letter to confirm the District’s intent to consider establishing a Reinvestment Zone in connection with the Application for Appraised Value Limitation on Qualified Property submitted by Smith Lake Solar, LLC. In the event Grimes County does not designate a Reinvestment Zone for this project, which currently appears to be the case, the Board of Trustees plans to hold a hearing regarding creation of a Reinvestment Zone prior to considering final approval of the above-referenced Chapter 313 Application and Agreement with Smith Lake Solar, LLC. All Board meetings and hearings on the matter will be conducted in accordance with the Texas Open Meetings Act, Chapters 312 and 313 of the Texas Tax Code, and all other applicable statutes and regulations.

If you have any questions about this letter or any other part of the Application and Agreement processes, please contact the District’s legal counsel, Eddy Hernandez Perez, of Walsh Gallegos Treviño Kyle & Robinson, P.C.

Sincerely,

Scott Beene
Superintendent of Schools
Anderson-Shiro Consolidated Independent School District

cc: Eddy Hernandez Perez, Legal Counsel for Anderson-Shiro CISD (Via E-mail: EPerez@wabsa.com)

Steven Van Dyck
Cummings Westlake, LLC

(Via E-mail: svandyck@cwlp.net)

Texas Comptroller of Public Accounts

Data Analysis and Transparency Form 50-296-A

SECTION 16: Authorized Signatures and Applicant Certification

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

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

1. Authorized School District Representative Signature

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

print here Scott Beene Superintendent Title
Print Name (Authorized School District Representative)
sign here [Signature] 6/3/2022 Date
Signature (Authorized School District Representative)

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 Chris Norqual COO Title
Print Name (Authorized Company Representative (Applicant))
sign here [Signature] 6/2/22 Date
Signature (Authorized Company Representative (Applicant))

GIVEN under my hand and seal of office this, the

day of

Notary Public in and for the State of Texas

(Notary Seal)

My Commission expires.

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



AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between ANDERSON-SHIRO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT and SMITH LAKE SOLAR, LLC

EXHIBIT A-2

Amendment 001 to Application for Appraised Value
Limitation on Qualified Property



WALSH GALLEGOS
TREVINO KYLE & ROBINSON P.C.

June 9, 2022

Ms. Annette Holmes
Economic Development & Local Government
Data Analysis & Transparency Division
Texas Comptroller of Public Accounts
111 East 17th Street
Austin, Texas 78774

VIA EMAIL DELIVERY:
Annette.Holmes@cpa.state.tx.us

Re: Application #1781—Anderson Shiro Independent School District (“District”) / Tax
Limitation Agreement: Smith Lake Solar, LLC (“Applicant”)

Dear Ms. Holmes:

Pursuant to your email correspondence dated May 23, 2022, please see attached amendment related to the above-mentioned application materials submitted to your office on April 18, 2022. In particular, please note the following amendments to Application #1781:

1. Section 14, wages for questions 4(a) and 4(b) have been updated;
2. Tab 13 has been updated to reflect the 4 most recent quarters;
and
3. Fully executed signature page.

Thank you for your consideration. Please feel free to contact me directly if you have any additional questions.

Sincerely,



EDDY HERNANDEZ PEREZ

EHP/arm
Enclosures

Ms. Annette Holmes

June 9, 2022

Page 2

cc: *(Via E-mail)*

Mr. Scott Beene, Superintendent of Schools
Anderson-Shiro Consolidated Independent School District
458 FM 149 West
Anderson, Texas 77830

(Via E-mail)

Ms. Kathy Mathias
Moak, Casey & Associates
901 S. MoPac Expwy, Bldg. III, Suite 310
Austin, Texas 78746

(Via E-mail)

Mr. Chris Norqual, COO
Birch Creek Development LLC
880 Apollo Street, Suite 333
El Segundo, CA 90245

(Via E-mail)

Mr. Forrest Coldren, Project Manager
Pine Gate Renewables, LLC
130 Roberts Street
Asheville, NC 28801

(Via E-mail)

Mr. Steven Van Dyck, Partner
Cummings Westlake, LLC

Grimes County Appraisal District
Attention: Chief Appraiser, Mark Boehnke
360 Hill Street
Anderson, Texas 77830

(Via U.S. Postal Service Delivery)

SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? 1
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) 0
3. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 3a. If yes, attach evidence of industry standard in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
4. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the Texas Workforce Commission website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22). **Note:** If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.
 - a. Non-qualified job wages
- average weekly wage for all jobs (all industries) in the county is \$ 1,051.75
 - b. Qualifying job wage minimum option §313.021(5)(A)
-110% of the average weekly wage for manufacturing jobs in the county is \$ 1,377.20
 - c. Qualifying job wage minimum option §313.021(5)(B)
-110% of the average weekly wage for manufacturing jobs in the region is \$ 809.90
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? \$ 42,114.60
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? \$ 42,114.60
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**.

SMITH LAKE SOLAR, LLC
 TAB 13 TO CHAPTER 313 APPLICATION

GRIMES COUNTY
 CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

| QUARTER | YEAR | AVG WEEKLY WAGES* | ANNUALIZED |
|---------|------|-------------------|--------------|
| FIRST | 2021 | \$ 948 | \$ 49,296 |
| SECOND | 2021 | \$ 969 | \$ 50,388 |
| THIRD | 2021 | \$ 1,039 | \$ 54,028 |
| FOURTH | 2021 | \$ 1,251 | \$ 65,052 |
| AVERAGE | | \$ 1,051.75 | \$ 54,691.00 |

GRIMES COUNTY
 CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

| QUARTER | YEAR | AVG WEEKLY WAGES* | ANNUALIZED |
|---------|------|-------------------|--------------|
| FIRST | 2021 | \$ 1,155 | \$ 60,060 |
| SECOND | 2021 | \$ 1,201 | \$ 62,452 |
| THIRD | 2021 | \$ 1,208 | \$ 62,816 |
| FOURTH | 2021 | \$ 1,444 | \$ 75,088 |
| AVERAGE | | \$ 1,252 | \$ 65,104 |
| X | | 110% | 110% |
| | | \$ 1,377.20 | \$ 71,614.40 |

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

| | YEAR | AVG WEEKLY WAGES* | ANNUALIZED |
|--------------|------|-------------------|--------------|
| COASTAL BEND | 2020 | \$ 736.27 | \$ 38,286 |
| X | | 110% | 110% |
| | | \$ 809.90 | \$ 42,114.60 |

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

| Year | Period | Area | Ownership | Industry Code | Industry | Average Weekly Wage |
|------|--------|--------|-----------|---------------|-----------------------|---------------------|
| 2021 | 1 | GRIMES | Total All | 10 | Total, All Industries | 948 |
| 2021 | 2 | GRIMES | Total All | 10 | Total, All Industries | 969 |
| 2021 | 3 | GRIMES | Total All | 10 | Total, All Industries | 1,039 |
| 2021 | 4 | GRIMES | Total All | 10 | Total, All Industries | 1,251 |

Quarterly Employment and Wages (QCEW)

| Year | Period | Area | Ownership | Industry Code | Industry | Average Weekly Wage |
|------|--------|--------|-----------|---------------|---------------|---------------------|
| 2021 | 1 | GRIMES | Private | 31-33 | Manufacturing | 1,155 |
| 2021 | 2 | GRIMES | Private | 31-33 | Manufacturing | 1,201 |
| 2021 | 3 | GRIMES | Private | 31-33 | Manufacturing | 1,208 |
| 2021 | 4 | GRIMES | Private | 31-33 | Manufacturing | 1,444 |

Texas Comptroller of Public Accounts

Data Analysis and Transparency Form 50-296-A

SECTION 16. Authorized Signatures and Applicant Certification

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

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

1. Authorized School District Representative Signature

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

print here Scott Beene Superintendent Title
Print Name (Authorized School District Representative)
sign here [Signature] 6/3/2022 Date
Signature (Authorized School District Representative)

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 Chris Norqual COO Title
Print Name (Authorized Company Representative (Applicant))
sign here [Signature] 6/2/22 Date
Signature (Authorized Company Representative (Applicant))

GIVEN under my hand and seal of office this, the

day of

Notary Public in and for the State of Texas

(Notary Seal)

My Commission expires.

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



ACKNOWLEDGMENT

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

State of California
County of Los Angeles)

On June 2nd, 2022 before me, Erica Sabiniano, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature *Erica Sabiniano* (Seal)



AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between ANDERSON-SHIRO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT and SMITH LAKE SOLAR, LLC

EXHIBIT A-3

Supplement 002 to Application for Appraised Value
Limitation on Qualified Property

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

| | |
|---|-------------------|
| Destinee | Gesing |
| First Name | Last Name |
| Attorney | |
| Title | |
| Walsh Gallegos Trevino Kyle & Robinson P.C. | |
| Firm Name | |
| 210-979-6633 | 210-979-7024 |
| Phone Number | Fax Number |
| N/A | dgesing@wabsa.com |
| Mobile Number (optional) | Email Address |
| 4. On what date did the district determine this application complete? | April 11, 2022 |

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

| | | |
|-----------------------------|-----------------------------|-------|
| Chris | Norqual | |
| First Name | Last Name | |
| COO | Birch Creek Development LLC | |
| Title | Organization | |
| 880 Apollo Street Suite 333 | | |
| Street Address | | |
| 880 Apollo Street Suite 333 | | |
| Mailing Address | | |
| El Segundo | CA | 90245 |
| City | State | ZIP |
| 213-444-7860 | N/A | |
| Phone Number | Fax Number | |
| N/A | cnorqual@birchcreekdev.com | |
| Mobile Number (optional) | Business Email Address | |

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.

| | | |
|--------------------------|---------------------------|-------|
| Forrest | Coldren | |
| First Name | Last Name | |
| Project Manager | Pine Gate Renewables, LLC | |
| Title | Organization | |
| 130 Roberts St. | | |
| Street Address | | |
| 130 Roberts St. | | |
| Mailing Address | | |
| Asheville | NC | 28801 |
| City | State | ZIP |
| 828-552-5497 | N/A | |
| Phone Number | Fax Number | |
| N/A | fcoldren@pgrenewables.com | |
| Mobile Number (optional) | Business Email Address | |

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

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between ANDERSON-SHIRO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT and SMITH LAKE SOLAR, LLC

EXHIBIT B

Comptroller's Letter and Economic Impact Analysis

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 14, 2022

Scott Beene
Superintendent
Anderson-Shiro Consolidated Independent School District
458 FM 149 West
Anderson, TX 77830

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Anderson-Shiro Consolidated Independent School District and Smith Lake Solar, LLC, Application 1781

Dear Superintendent Beene:

On June 14, 2022, the Comptroller issued written notice that Smith Lake Solar, LLC (applicant) submitted a completed application (Application 1781) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on April 11, 2022 to the Anderson-Shiro Consolidated Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a) Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

¹ All Statutory references are to the Texas Tax Code, unless otherwise noted.

Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.

Sec. 313.024(d-2) Not applicable to Application 1781.

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 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 June 14, 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.

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

Sincerely,

DocuSigned by:

11EA8DEF0EC441E...

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Smith Lake Solar, LLC (project) applying to Anderson-Shiro Consolidated 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 Smith Lake Solar, LLC.

| | |
|---|---------------------------------|
| Applicant | Smith Lake Solar, LLC |
| Tax Code, 313.024 Eligibility Category | Renewable Energy - Solar |
| School District | Anderson-Shiro Consolidated ISD |
| 2020-2021 Average Daily Attendance | 830 |
| County | Grimes |
| Proposed Total Investment in District | \$372,000,000 |
| Proposed Qualified Investment | \$372,000,000 |
| Limitation Amount | \$30,000,000 |
| Qualifying Time Period (Full Years) | 2026-2027 |
| Number of new qualifying jobs committed to by applicant | 1* |
| Number of new non-qualifying jobs estimated by applicant | 0 |
| Average weekly wage of qualifying jobs committed to by applicant | \$810 |
| Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B) | \$810 |
| Minimum annual wage committed to by applicant for qualified jobs | \$42,115 |
| Minimum weekly wage required for non-qualifying jobs | \$1,053 |
| Minimum annual wage required for non-qualifying jobs | \$54,743 |
| Investment per Qualifying Job | \$372,000,000 |
| Estimated M&O levy without any limit (15 years) | \$15,118,265 |
| Estimated M&O levy with Limitation (15 years) | \$5,393,709 |
| Estimated gross M&O tax benefit (15 years) | \$9,724,556 |

* 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 Smith Lake Solar, LLC (modeled).

| Year | Employment | | | Personal Income | | |
|------|------------|--------------------|-------|-----------------|--------------------|--------------|
| | Direct | Indirect + Induced | Total | Direct | Indirect + Induced | Total |
| 2027 | 150 | 129 | 279 | \$8,250,000 | \$14,750,000 | \$23,000,000 |
| 2028 | 1 | 15 | 16 | \$42,115 | \$2,957,885 | \$3,000,000 |
| 2029 | 1 | 5 | 6 | \$42,115 | \$1,957,885 | \$2,000,000 |
| 2030 | 1 | (1) | 0 | \$42,115 | \$957,885 | \$1,000,000 |
| 2031 | 1 | (5) | -4 | \$42,115 | -\$42,115 | \$0 |
| 2032 | 1 | (5) | -4 | \$42,115 | -\$42,115 | \$0 |
| 2033 | 1 | (5) | -4 | \$42,115 | -\$42,115 | \$0 |
| 2034 | 1 | (7) | -6 | \$42,115 | -\$42,115 | \$0 |
| 2035 | 1 | (9) | -8 | \$42,115 | -\$1,042,115 | -\$1,000,000 |
| 2036 | 1 | (9) | -8 | \$42,115 | -\$1,042,115 | -\$1,000,000 |
| 2037 | 1 | (11) | -10 | \$42,115 | -\$1,042,115 | -\$1,000,000 |
| 2038 | 1 | (9) | -8 | \$42,115 | -\$1,042,115 | -\$1,000,000 |
| 2039 | 1 | (3) | -2 | \$42,115 | -\$1,042,115 | -\$1,000,000 |
| 2040 | 1 | (7) | -6 | \$42,115 | -\$1,042,115 | -\$1,000,000 |
| 2041 | 1 | (5) | -4 | \$42,115 | -\$1,042,115 | -\$1,000,000 |

Source: CPA REMI, Smith Lake Solar, LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | Tax Rate* | Anderson-Shiro ISD I&S Tax Levy | Anderson-Shiro ISD M&O Tax Levy | Anderson-Shiro ISD M&O and I&S Tax Levies | Grimes County Tax Levy | Estimated Total Property Taxes |
|------|---------------------------------|---------------------------------|---------------|---------------------------------|---------------------------------|---|------------------------|--------------------------------|
| | | | 0.2230 | 0.8775 | | | 0.5269 | |
| 2028 | \$242,932,400 | \$242,932,400 | | \$541,739 | \$2,131,732 | \$2,673,471 | \$1,280,091 | \$3,953,562 |
| 2029 | \$223,494,060 | \$223,494,060 | | \$498,392 | \$1,961,160 | \$2,459,552 | \$1,177,664 | \$3,637,216 |
| 2030 | \$202,519,660 | \$202,519,660 | | \$451,619 | \$1,777,110 | \$2,228,729 | \$1,067,143 | \$3,295,872 |
| 2031 | \$179,852,960 | \$179,852,960 | | \$401,072 | \$1,578,210 | \$1,979,282 | \$947,705 | \$2,926,986 |
| 2032 | \$155,389,800 | \$155,389,800 | | \$346,519 | \$1,363,545 | \$1,710,065 | \$818,800 | \$2,528,865 |
| 2033 | \$128,973,940 | \$128,973,940 | | \$287,612 | \$1,131,746 | \$1,419,358 | \$679,606 | \$2,098,964 |
| 2034 | \$100,449,140 | \$100,449,140 | | \$224,002 | \$881,441 | \$1,105,443 | \$529,300 | \$1,634,742 |
| 2035 | \$69,633,120 | \$69,633,120 | | \$155,282 | \$611,031 | \$766,312 | \$366,920 | \$1,133,232 |
| 2036 | \$52,488,300 | \$52,488,300 | | \$117,049 | \$460,585 | \$577,634 | \$276,578 | \$854,212 |
| 2037 | \$52,478,100 | \$52,478,100 | | \$117,026 | \$460,495 | \$577,521 | \$276,524 | \$854,046 |
| 2038 | \$52,468,100 | \$52,468,100 | | \$117,004 | \$460,408 | \$577,411 | \$276,472 | \$853,883 |
| 2039 | \$52,458,400 | \$52,458,400 | | \$116,982 | \$460,322 | \$577,305 | \$276,421 | \$853,725 |
| 2040 | \$52,448,900 | \$52,448,900 | | \$116,961 | \$460,239 | \$577,200 | \$276,371 | \$853,571 |
| 2041 | \$52,439,700 | \$52,439,700 | | \$116,941 | \$460,158 | \$577,099 | \$276,322 | \$853,421 |
| 2042 | \$52,430,700 | \$52,430,700 | | \$116,920 | \$460,079 | \$577,000 | \$276,275 | \$853,275 |
| 2043 | \$52,421,900 | \$52,421,900 | | \$116,901 | \$460,002 | \$576,903 | \$276,228 | \$853,131 |
| | | | Total | \$3,842,021 | \$15,118,265 | \$18,960,285 | \$9,078,419 | \$28,038,704 |

Source: CPA, Smith Lake Solar, LLC

*Tax Rate per \$100 Valuation

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

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

| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | | Anderson-Shiro ISD I&S Tax Levy | Anderson-Shiro ISD M&O Tax Levy | Anderson-Shiro ISD M&O and I&S Tax Levies | Grimes County Tax Levy | Estimated Total Property Taxes |
|---|---------------------------------|---------------------------------|--------------|---------------------------------|---------------------------------|---|------------------------|--------------------------------|
| | | | Tax Rate* | 0.2230 | 0.8775 | | 0.5269 | |
| 2028 | \$242,932,400 | \$30,000,000 | | \$541,739 | \$263,250 | \$804,989 | \$0 | \$804,989 |
| 2029 | \$223,494,060 | \$30,000,000 | | \$498,392 | \$263,250 | \$761,642 | \$0 | \$761,642 |
| 2030 | \$202,519,660 | \$30,000,000 | | \$451,619 | \$263,250 | \$714,869 | \$0 | \$714,869 |
| 2031 | \$179,852,960 | \$30,000,000 | | \$401,072 | \$263,250 | \$664,322 | \$0 | \$664,322 |
| 2032 | \$155,389,800 | \$30,000,000 | | \$346,519 | \$263,250 | \$609,769 | \$0 | \$609,769 |
| 2033 | \$128,973,940 | \$30,000,000 | | \$287,612 | \$263,250 | \$550,862 | \$0 | \$550,862 |
| 2034 | \$100,449,140 | \$30,000,000 | | \$224,002 | \$263,250 | \$487,252 | \$0 | \$487,252 |
| 2035 | \$69,633,120 | \$30,000,000 | | \$155,282 | \$263,250 | \$418,532 | \$0 | \$418,532 |
| 2036 | \$52,488,300 | \$30,000,000 | | \$117,049 | \$263,250 | \$380,299 | \$0 | \$380,299 |
| 2037 | \$52,478,100 | \$30,000,000 | | \$117,026 | \$263,250 | \$380,276 | \$0 | \$380,276 |
| 2038 | \$52,468,100 | \$52,468,100 | | \$117,004 | \$460,408 | \$577,411 | \$276,472 | \$853,883 |
| 2039 | \$52,458,400 | \$52,458,400 | | \$116,982 | \$460,322 | \$577,305 | \$276,421 | \$853,725 |
| 2040 | \$52,448,900 | \$52,448,900 | | \$116,961 | \$460,239 | \$577,200 | \$276,371 | \$853,571 |
| 2041 | \$52,439,700 | \$52,439,700 | | \$116,941 | \$460,158 | \$577,099 | \$276,322 | \$853,421 |
| 2042 | \$52,430,700 | \$52,430,700 | | \$116,920 | \$460,079 | \$577,000 | \$276,275 | \$853,275 |
| 2043 | \$52,421,900 | \$52,421,900 | | \$116,901 | \$460,002 | \$576,903 | \$276,228 | \$853,131 |
| | | | | | | | | |
| | | | Total | \$3,842,021 | \$5,393,709 | \$9,235,730 | \$1,658,088 | \$10,893,818 |
| | | | | | | | | |
| | | | Diff | \$0 | \$9,724,556 | \$9,724,556 | \$7,420,331 | \$17,144,887 |
| Assumes School Value Limitation and Tax Abatements with the County. | | | | | | | | |

Source: CPA, Smith Lake Solar, 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 Smith Lake Solar, 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 | 2025 | \$0 | \$0 | \$0 | \$0 |
| | 2026 | \$0 | \$0 | \$0 | \$0 |
| | 2027 | \$0 | \$0 | \$0 | \$0 |
| Limitation Period (10 Years) | 2028 | \$263,250 | \$263,250 | \$1,868,482 | \$1,868,482 |
| | 2029 | \$263,250 | \$526,500 | \$1,697,910 | \$3,566,392 |
| | 2030 | \$263,250 | \$789,750 | \$1,513,860 | \$5,080,252 |
| | 2031 | \$263,250 | \$1,053,000 | \$1,314,960 | \$6,395,212 |
| | 2032 | \$263,250 | \$1,316,250 | \$1,100,295 | \$7,495,507 |
| | 2033 | \$263,250 | \$1,579,500 | \$868,496 | \$8,364,004 |
| | 2034 | \$263,250 | \$1,842,750 | \$618,191 | \$8,982,195 |
| | 2035 | \$263,250 | \$2,106,000 | \$347,781 | \$9,329,976 |
| | 2036 | \$263,250 | \$2,369,250 | \$197,335 | \$9,527,310 |
| | 2037 | \$263,250 | \$2,632,500 | \$197,245 | \$9,724,556 |
| Maintain Viable Presence (5 Years) | 2038 | \$460,408 | \$3,092,908 | \$0 | \$9,724,556 |
| | 2039 | \$460,322 | \$3,553,230 | \$0 | \$9,724,556 |
| | 2040 | \$460,239 | \$4,013,469 | \$0 | \$9,724,556 |
| | 2041 | \$460,158 | \$4,473,628 | \$0 | \$9,724,556 |
| | 2042 | \$460,079 | \$4,933,707 | \$0 | \$9,724,556 |
| Additional Years as Required by 313.026(c)(1) (10 Years) | 2043 | \$460,002 | \$5,393,709 | \$0 | \$9,724,556 |
| | 2044 | \$459,928 | \$5,853,637 | \$0 | \$9,724,556 |
| | 2045 | \$459,855 | \$6,313,491 | \$0 | \$9,724,556 |
| | 2046 | \$459,784 | \$6,773,275 | \$0 | \$9,724,556 |
| | 2047 | \$459,714 | \$7,232,989 | \$0 | \$9,724,556 |
| | 2048 | \$459,647 | \$7,692,636 | \$0 | \$9,724,556 |
| | 2049 | \$459,581 | \$8,152,217 | \$0 | \$9,724,556 |
| | 2050 | \$459,517 | \$8,611,734 | \$0 | \$9,724,556 |
| | 2051 | \$459,454 | \$9,071,188 | \$0 | \$9,724,556 |
| | 2052 | \$459,392 | \$9,530,580 | \$0 | \$9,724,556 |

| | | | |
|--|--------------------|--------------|--------------------|
| | \$9,530,580 | is less than | \$9,724,556 |
|--|--------------------|--------------|--------------------|

| 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, Smith Lake Solar, LLC

| Year | Employment | | | Personal Income | | | Revenue & Expenditure | | |
|------|------------|--------------------|-------|-----------------|--------------------|--------------|-----------------------|---------------------|--------------------|
| | Direct | Indirect + Induced | Total | Direct | Indirect + Induced | Total | Revenue | Expenditure | Net Tax Effect |
| 2027 | 150 | 129 | 279 | \$8,250,000 | \$14,750,000 | \$23,000,000 | 900000 | -500000 | \$1,400,000 |
| 2028 | 1 | 15 | 16 | \$42,115 | \$2,957,885 | \$3,000,000 | 100000 | 200000 | -\$100,000 |
| 2029 | 1 | 5 | 6 | \$42,115 | \$1,957,885 | \$2,000,000 | 0 | 200000 | -\$200,000 |
| 2030 | 1 | (1) | 0 | \$42,115 | \$957,885 | \$1,000,000 | 0 | 200000 | -\$200,000 |
| 2031 | 1 | (5) | -4 | \$42,115 | -\$42,115 | \$0 | -100000 | 200000 | -\$300,000 |
| 2032 | 1 | (5) | -4 | \$42,115 | -\$42,115 | \$0 | -100000 | 100000 | -\$200,000 |
| 2033 | 1 | (5) | -4 | \$42,115 | -\$42,115 | \$0 | -100000 | 100000 | -\$200,000 |
| 2034 | 1 | (7) | -6 | \$42,115 | -\$42,115 | \$0 | -100000 | 100000 | -\$200,000 |
| 2035 | 1 | (9) | -8 | \$42,115 | -\$1,042,115 | -\$1,000,000 | -200000 | 0 | -\$200,000 |
| 2036 | 1 | (9) | -8 | \$42,115 | -\$1,042,115 | -\$1,000,000 | -200000 | 0 | -\$200,000 |
| 2037 | 1 | (11) | -10 | \$42,115 | -\$1,042,115 | -\$1,000,000 | -200000 | -100000 | -\$100,000 |
| 2038 | 1 | (9) | -8 | \$42,115 | -\$1,042,115 | -\$1,000,000 | -200000 | -100000 | -\$100,000 |
| 2039 | 1 | (3) | -2 | \$42,115 | -\$1,042,115 | -\$1,000,000 | -200000 | -100000 | -\$100,000 |
| 2040 | 1 | (7) | -6 | \$42,115 | -\$1,042,115 | -\$1,000,000 | -200000 | -200000 | \$0 |
| 2041 | 1 | (5) | -4 | \$42,115 | -\$1,042,115 | -\$1,000,000 | -200000 | -200000 | \$0 |
| 2042 | 1 | (7) | -6 | \$42,115 | -\$1,042,115 | -\$1,000,000 | -200000 | -200000 | \$0 |
| 2043 | 1 | (7) | -6 | \$42,115 | -\$1,042,115 | -\$1,000,000 | -200000 | -300000 | \$100,000 |
| 2044 | 1 | (11) | -10 | \$42,115 | -\$1,042,115 | -\$1,000,000 | -200000 | -200000 | \$0 |
| 2045 | 1 | (13) | -12 | \$42,115 | -\$2,042,115 | -\$2,000,000 | -300000 | -300000 | \$0 |
| 2046 | 1 | (13) | -12 | \$42,115 | -\$1,042,115 | -\$1,000,000 | -200000 | -300000 | \$100,000 |
| 2047 | 1 | (7) | -6 | \$42,115 | -\$1,042,115 | -\$1,000,000 | -200000 | -300000 | \$100,000 |
| 2048 | 1 | (9) | -8 | \$42,115 | -\$1,042,115 | -\$1,000,000 | -300000 | -300000 | \$0 |
| 2049 | 1 | (11) | -10 | \$42,115 | -\$3,042,115 | -\$3,000,000 | -200000 | -400000 | \$200,000 |
| 2050 | 1 | (11) | -10 | \$42,115 | -\$2,042,115 | -\$2,000,000 | -300000 | -400000 | \$100,000 |
| 2051 | 1 | (11) | -10 | \$42,115 | -\$3,042,115 | -\$3,000,000 | -300000 | -400000 | \$100,000 |
| 2052 | 1 | (13) | -12 | \$42,115 | -\$3,042,115 | -\$3,000,000 | -300000 | -400000 | \$100,000 |
| 2053 | 1 | (17) | -16 | \$42,115 | -\$4,042,115 | -\$4,000,000 | -300000 | -500000 | \$200,000 |
| | | | | | | Total | -\$3,800,000 | -\$4,100,000 | \$300,000 |
| | | | | | | | \$9,830,580 | is greater than | \$9,724,556 |

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 Smith Lake Solar, LLC’s (parent company Birch Creek Development LLC) 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 Birch Creek Development in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Birch Creek Development, was founded in 2019, is a utility-scale solar developer with a 4.9 GW pipeline development across MISO, PJM, Texas, and the U.S. Southeast market.”
 - B. “Due to the extreme competitive power market in Texas all Power Purchase Agreement’s (PPA’s) economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today’s contracted rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electric prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.”

Supporting Information

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

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

Supporting Information

Section 8 of the Application for
a Limitation on Appraised Value

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

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

1. Estimated school board ratification of final agreement October 2022
2. Estimated commencement of construction Q1 - 2026
3. Beginning of qualifying time period (MM/DD/YYYY) 01/01/2026
4. First year of limitation (YYYY) 2028
 - 4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):
 - A. January 1 following the application date
 - B. January 1 following the end of QTP
 - C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations December 2027

SECTION 10: The Property

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

| | |
|---|---|
| M&O (ISD): <u>Anderson-Shiro CISD; 100%; \$0.8775</u> <small>(Name, tax rate and percent of project)</small> | I&S (ISD): <u>Anderson-Shiro CISD ; 100%; \$0.223</u> <small>(Name, tax rate and percent of project)</small> |
| County: <u>Grimes County; 100%; \$0.526933</u> <small>(Name, tax rate and percent of project)</small> | City: <u>NA</u> <small>(Name, tax rate and percent of project)</small> |
| Hospital District: <u>NA</u> <small>(Name, tax rate and percent of project)</small> | Water District: <u>NA</u> <small>(Name, tax rate and percent of project)</small> |
| Other (describe): <u>NA</u> <small>(Name, tax rate and percent of project)</small> | Other (describe): <u>NA</u> <small>(Name, tax rate and percent of project)</small> |

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.

Birch Creek Development, founded in 2019, is a utility-scale solar developer with a 4.9 GW pipeline development pipeline across MISO, PJM, Texas, and the U.S. Southeast markets. Since inception, Birch Creek has placed 28 projects in-service totaling 315 MWs, with an additional 6 projects or 226 MW scheduled to be placed in service in 2022. With headquarters in Los Angeles, CA, Birch's management team has decades of combined experience in developing, financing and constructing utility-scale solar projects in all US markets.

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

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Anderson-Shiro Consolidated ISD–Smith Lake Solar LLC, App. #1781

Comptroller Questions (via email on May 10, 2022):

1. *Is Smith Lake Solar, 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*

Applicant Response (via email on June 7, 2022):

1. *The project was also known as Sulphur Creek Solar, LLC.*
2. *Yes it does have IGNR numbers and they are 23INR0176 and 25INR00045 and were assigned January of 2021.*
3. *This project was also known as Sulphur Creek Solar, LLC.*

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between ANDERSON-SHIRO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT and SMITH LAKE SOLAR, LLC

EXHIBIT C

Independent Economic Impact Evaluation

**CHAPTER 313 PROPERTY VALUE LIMITATION FINANCIAL
IMPACT OF THE PROPOSED
SMITH LAKE SOLAR, LLC PROJECT IN THE
ANDERSON-SHIRO CONSOLIDATED INDEPENDENT SCHOOL
DISTRICT
(PROJECT # 1781)**

PREPARED BY



MOAKCASEY
PROVEN LEADERS ADVANCING TEXAS SCHOOLS

JULY 20, 2022

Executive Summary

Smith Lake Solar, LLC (Company) has requested that the Anderson-Shiro Consolidated Independent School District (ASCISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to ASCISD on April 11, 2022 the Company plans to invest \$242.9 million at its peak taxable value to construct a renewable solar energy electric generation facility. MoakCasey, LLC (MoakCasey) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

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

Under the provisions of Chapter 313, ASCISD may offer a minimum value limitation of \$30 million. This value limitation, under the proposed application, will begin in the 2028-29 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MoakCasey’s initial school finance analysis is detailed in this report. This analysis incorporates to the fullest extent possible the changes approved in House Bill 3 as approved in 2019, and House Bill 1525, as passed in 2021. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

| | |
|--|----------------|
| Total Revenue Loss Payment owed to ASCISD | \$1.95 million |
| Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.) | \$7.8 million |

Application Process

After the school district has submitted an application to the Comptroller’s Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. A Completeness Letter was issued for this application on June 16, 2022.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. After the certificate is received, the district has until the 150th day from the receipt of the Completeness Letter to adopt



an agreement, although extensions may be requested by the Company and granted by the District.

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

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

How the 313 Agreement Interacts with Texas School Finance

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

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

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

Changes in the recapture calculation are an important part of HB 3 and HB 1525, for those districts subject to recapture. Rather than being tied to property wealth exceeding an equalized wealth level per WADA, recapture is now defined as the amount of revenue collected in excess of a district's Tier I allotment, or for Tier II the amount of collections in excess of the entitlement provided for tax effort generating copper-penny level state aid. (Golden pennies are not subject to recapture.) The changes in the recapture methodology may affect the results of revenue protection payments relative to what was calculated when the equalized wealth level was used to determine the amount of recapture owed the state by school districts subject to recapture. It does not appear to be an issue for ASCISD, based on the calculations shown below.

Another significant school funding change is establishing current-year property values to determine state funding and recapture under the Foundation School Program. The traditional approach for the last 30 years has been to rely upon prior-year state property values as determined annually under the Comptroller's State Property Value Study (Section 403 of the



Government Code). The change in House Bill 3 calls for using current-year property values as determined by the Comptroller's Property Value Study, without an explanation as to how the property value study is to be completed on a real-time basis.

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

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

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

The calculations shown below are based on the Section 48.256(d), Education Code directive to use preceding-tax-year property values to determine the revenue protection payment, if any, owed to the school district under the terms of the Chapter 313 Agreement between the Applicant and the School District. These calculations are to be made for each of the ten limitation years under the terms of the Agreement. Chapter 313 is set to expire on December 31, 2022, but its expiration is not expected to affect the eligibility of the current application for a Chapter 313 agreement.

For more detailed information on the school finance funding system, please review the Texas Education Agency's (TEA) website. [The current information is expected to be updated as the details of House Bill 1525 implementation are determined by TEA.](#)

Legislative action on school funding in HB 3 in 2019 and the HB 1525 update in 2021 could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.



Underlying School District Data Assumptions

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

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

| | |
|---------------------------------|-------------------------------------|
| ADA: | 840 |
| Local M&O Tax Base: | \$842.9 million |
| 2021-22 M&O Tax Rate: | \$0.8775 per \$100 of Taxable Value |
| 2022-23 Projected M&O Tax Rate: | \$0.8775 per \$100 of Taxable Value |
| I&S Tax Rate: | \$0.2230 per \$100 of Taxable Value |

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

Table 1 – Base District Information with Smith Lake Solar Project Value and Limitation Values

| Year of Agreement | School Year | ADA | WADA | M&O Tax Rate | I&S Tax Rate | Sec. 48.256(d) | Sec. 48.256(d) | DPV Value with Project per WADA | DPV Value with Limitation per WADA |
|-------------------|-------------|--------|----------|--------------|--------------|--|---|---------------------------------|------------------------------------|
| | | | | | | District Revenue Protection District Property Value with Project | District Revenue Protection District Property Value with Limitation | | |
| QTP1 | 2026-27 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$841,522,390 | \$841,522,390 | \$551,475 | \$551,475 |
| QTP2 | 2027-28 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$841,522,390 | \$841,522,390 | \$551,475 | \$551,475 |
| VL1 | 2028-29 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$841,522,390 | \$841,522,390 | \$551,475 | \$551,475 |
| VL2 | 2029-30 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$1,084,454,790 | \$871,522,390 | \$710,676 | \$571,135 |
| VL3 | 2030-31 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$1,065,016,450 | \$871,522,390 | \$697,937 | \$571,135 |
| VL4 | 2031-32 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$1,044,042,050 | \$871,522,390 | \$684,192 | \$571,135 |
| VL5 | 2032-33 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$1,021,375,350 | \$871,522,390 | \$669,338 | \$571,135 |
| VL6 | 2033-34 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$996,912,190 | \$871,522,390 | \$653,306 | \$571,135 |
| VL7 | 2034-35 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$970,496,330 | \$871,522,390 | \$635,995 | \$571,135 |
| VL8 | 2035-36 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$941,971,530 | \$871,522,390 | \$617,302 | \$571,135 |
| VL9 | 2036-37 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$911,155,510 | \$871,522,390 | \$597,107 | \$571,135 |
| VL10 | 2037-38 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$894,010,690 | \$871,522,390 | \$585,872 | \$571,135 |
| VP1 | 2038-39 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$894,000,490 | \$871,522,390 | \$585,865 | \$571,135 |
| VP2 | 2039-40 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$893,990,490 | \$893,990,490 | \$585,859 | \$585,859 |
| VP3 | 2040-41 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$893,980,790 | \$893,980,790 | \$585,852 | \$585,852 |
| VP4 | 2041-42 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$893,971,290 | \$893,971,290 | \$585,846 | \$585,846 |
| VP5 | 2042-43 | 840.01 | 1,525.95 | \$0.8775 | \$0.2230 | \$893,962,090 | \$893,962,090 | \$585,840 | \$585,840 |

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

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



M&O Impact of the Smith Lake Solar Project on ASCISD

A model is established to make a calculation of the “Baseline Revenue Model” (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the “Value Limitation Revenue Model” (Table 3) by adding the project’s limited value of \$30 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$1.95 million over the course of the Agreement, with nearly all the loss reflected in the first limitation year (2028-29). This information is summarized in Table 5.

Table 2– “Baseline Revenue Model” --Project Value Added to DPV with No Value Limitation

| Year of Agreement | School Year | M&O Taxes @ Compressed Rate | State Aid | Recapture Costs | Additional Local M&O Collections | State Aid from Additional M&O Tax Collections | Recapture from the Additional Local Tax Effort | Other State Aid (includes HH Funds) | Total General Fund |
|-------------------|-------------|-----------------------------|--------------|-----------------|----------------------------------|---|--|-------------------------------------|--------------------|
| QTP1 | 2026-27 | \$6,831,231 | \$2,543,971 | \$0 | \$412,763 | \$324,602 | \$0 | \$0 | \$10,112,567 |
| QTP2 | 2027-28 | \$6,831,231 | \$2,543,971 | \$0 | \$412,763 | \$324,602 | \$0 | \$0 | \$10,112,567 |
| VL1 | 2028-29 | \$8,836,532 | \$2,543,971 | \$0 | \$533,929 | \$419,995 | \$0 | \$0 | \$12,334,427 |
| VL2 | 2029-30 | \$8,675,680 | \$533,706 | \$0 | \$524,210 | \$202,628 | \$0 | \$0 | \$9,936,224 |
| VL3 | 2030-31 | \$8,502,117 | \$694,558 | \$0 | \$513,723 | \$211,578 | \$0 | \$0 | \$9,921,976 |
| VL4 | 2031-32 | \$8,314,550 | \$868,121 | \$0 | \$502,390 | \$221,228 | \$0 | \$0 | \$9,906,289 |
| VL5 | 2032-33 | \$8,112,117 | \$1,055,688 | \$0 | \$490,158 | \$231,648 | \$0 | \$0 | \$9,889,611 |
| VL6 | 2033-34 | \$7,893,526 | \$1,258,121 | \$0 | \$476,950 | \$242,376 | \$0 | \$0 | \$9,870,973 |
| VL7 | 2034-35 | \$7,657,483 | \$1,476,712 | \$0 | \$462,688 | \$254,469 | \$0 | \$0 | \$9,851,352 |
| VL8 | 2035-36 | \$7,402,480 | \$1,712,755 | \$0 | \$447,280 | \$266,952 | \$0 | \$0 | \$9,829,467 |
| VL9 | 2036-37 | \$7,260,607 | \$1,967,757 | \$0 | \$438,707 | \$285,146 | \$0 | \$0 | \$9,952,217 |
| VL10 | 2037-38 | \$7,260,523 | \$2,109,631 | \$0 | \$438,702 | \$299,493 | \$0 | \$0 | \$10,108,349 |
| VP1 | 2038-39 | \$7,256,721 | \$2,109,715 | \$0 | \$438,473 | \$298,888 | \$0 | \$0 | \$10,103,797 |
| VP2 | 2039-40 | \$7,256,643 | \$2,109,798 | \$0 | \$438,468 | \$298,893 | \$0 | \$0 | \$10,103,802 |
| VP3 | 2040-41 | \$7,256,566 | \$2,109,878 | \$0 | \$438,463 | \$298,897 | \$0 | \$0 | \$10,103,804 |
| VP4 | 2041-42 | \$7,256,491 | \$2,109,957 | \$0 | \$438,459 | \$298,902 | \$0 | \$0 | \$10,103,809 |
| VP5 | 2042-43 | \$7,256,418 | \$2,110,033 | \$0 | \$438,454 | \$298,907 | \$0 | \$0 | \$10,103,812 |
| | | \$129,860,916 | \$29,858,343 | \$0 | \$7,846,580 | \$4,779,204 | \$0 | \$0 | \$172,345,043 |

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

M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$9.7 million over the life of the agreement. The ASCISD revenue losses are expected to total approximately \$1.95 million. The total potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$7.8 million, prior to any negotiations with Smith Lake Solar on supplemental payments.

It should be noted that a key element in the revenue-loss calculation appears to be linked to the retention of prior-year property values in the calculation of the revenue protection amount for the 2028-29 school year. Under the standard agreement, these calculations are based on whatever school finance and property tax laws are in effect each year. Future legislative action in 2023 on school funding formulas could affect these calculations.



Table 3 – “Value Limitation Revenue Model” --Project Value Added to DPV with Value Limitation in Effect

| Year of Agreement | School Year | M&O Taxes @ Compressed | | Recapture Costs | Additional Local M&O Collections | State Aid from Additional M&O Tax Collections | Recapture from the Additional Local Tax Effort | Other State Aid (includes HH Funds) | Total General Fund |
|-------------------|-------------|------------------------|---------------------|-----------------|----------------------------------|---|--|-------------------------------------|----------------------|
| | | Rate | State Aid | | | | | | |
| QTP1 | 2026-27 | \$6,831,231 | \$2,543,971 | \$0 | \$412,763 | \$324,602 | \$0 | \$0 | \$10,112,567 |
| QTP2 | 2027-28 | \$6,831,231 | \$2,543,971 | \$0 | \$412,763 | \$324,602 | \$0 | \$0 | \$10,112,567 |
| VL1 | 2028-29 | \$7,074,516 | \$2,543,971 | \$0 | \$427,463 | \$336,526 | \$0 | \$0 | \$10,382,476 |
| VL2 | 2029-30 | \$7,074,516 | \$2,295,721 | \$0 | \$427,463 | \$309,902 | \$0 | \$0 | \$10,107,602 |
| VL3 | 2030-31 | \$7,074,516 | \$2,295,721 | \$0 | \$427,463 | \$309,902 | \$0 | \$0 | \$10,107,602 |
| VL4 | 2031-32 | \$7,074,516 | \$2,295,721 | \$0 | \$427,463 | \$309,902 | \$0 | \$0 | \$10,107,602 |
| VL5 | 2032-33 | \$7,074,516 | \$2,295,721 | \$0 | \$427,463 | \$309,902 | \$0 | \$0 | \$10,107,602 |
| VL6 | 2033-34 | \$7,074,516 | \$2,295,721 | \$0 | \$427,463 | \$309,902 | \$0 | \$0 | \$10,107,602 |
| VL7 | 2034-35 | \$7,074,516 | \$2,295,721 | \$0 | \$427,463 | \$309,902 | \$0 | \$0 | \$10,107,602 |
| VL8 | 2035-36 | \$7,074,516 | \$2,295,721 | \$0 | \$427,463 | \$309,902 | \$0 | \$0 | \$10,107,602 |
| VL9 | 2036-37 | \$7,074,516 | \$2,295,721 | \$0 | \$427,463 | \$309,902 | \$0 | \$0 | \$10,107,602 |
| VL10 | 2037-38 | \$7,074,516 | \$2,295,721 | \$0 | \$427,463 | \$309,902 | \$0 | \$0 | \$10,107,602 |
| VP1 | 2038-39 | \$7,256,721 | \$2,295,721 | \$0 | \$438,473 | \$318,124 | \$0 | \$0 | \$10,309,039 |
| VP2 | 2039-40 | \$7,256,643 | \$2,109,798 | \$0 | \$438,468 | \$298,893 | \$0 | \$0 | \$10,103,802 |
| VP3 | 2040-41 | \$7,256,566 | \$2,109,878 | \$0 | \$438,463 | \$298,897 | \$0 | \$0 | \$10,103,804 |
| VP4 | 2041-42 | \$7,256,491 | \$2,109,957 | \$0 | \$438,459 | \$298,902 | \$0 | \$0 | \$10,103,809 |
| VP5 | 2042-43 | \$7,256,418 | \$2,110,033 | \$0 | \$438,454 | \$298,907 | \$0 | \$0 | \$10,103,812 |
| | | \$120,690,461 | \$39,028,789 | \$0 | \$7,292,473 | \$5,288,571 | \$0 | \$0 | \$172,300,294 |

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

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

| Year of Agreement | School Year | M&O Taxes @ Compressed | | Recapture Costs | Additional Local M&O Collections | State Aid from Additional M&O Tax Collections | Recapture from the Additional Local Tax Effort | Other State Aid (includes HH Funds) | Total General Fund |
|-------------------|-------------|------------------------|--------------------|-----------------|----------------------------------|---|--|-------------------------------------|--------------------|
| | | Rate | State Aid | | | | | | |
| QTP1 | 2026-27 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| QTP2 | 2027-28 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| VL1 | 2028-29 | -\$1,762,016 | \$0 | \$0 | -\$106,466 | -\$83,469 | \$0 | \$0 | -\$1,951,951 |
| VL2 | 2029-30 | -\$1,601,164 | \$1,762,015 | \$0 | -\$96,747 | \$107,274 | \$0 | \$0 | \$171,378 |
| VL3 | 2030-31 | -\$1,427,601 | \$1,601,163 | \$0 | -\$86,260 | \$98,324 | \$0 | \$0 | \$185,626 |
| VL4 | 2031-32 | -\$1,240,034 | \$1,427,600 | \$0 | -\$74,927 | \$88,674 | \$0 | \$0 | \$201,313 |
| VL5 | 2032-33 | -\$1,037,601 | \$1,240,033 | \$0 | -\$62,695 | \$78,254 | \$0 | \$0 | \$217,991 |
| VL6 | 2033-34 | -\$819,010 | \$1,037,600 | \$0 | -\$49,487 | \$67,526 | \$0 | \$0 | \$236,629 |
| VL7 | 2034-35 | -\$582,967 | \$819,009 | \$0 | -\$35,225 | \$55,433 | \$0 | \$0 | \$256,250 |
| VL8 | 2035-36 | -\$327,964 | \$582,966 | \$0 | -\$19,817 | \$42,950 | \$0 | \$0 | \$278,135 |
| VL9 | 2036-37 | -\$186,091 | \$327,964 | \$0 | -\$11,244 | \$24,756 | \$0 | \$0 | \$155,385 |
| VL10 | 2037-38 | -\$186,007 | \$186,090 | \$0 | -\$11,239 | \$10,409 | \$0 | \$0 | -\$747 |
| VP1 | 2038-39 | \$0 | \$186,006 | \$0 | \$0 | \$19,236 | \$0 | \$0 | \$205,242 |
| VP2 | 2039-40 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| VP3 | 2040-41 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| VP4 | 2041-42 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| VP5 | 2042-43 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | -\$9,170,455 | \$9,170,446 | \$0 | -\$554,107 | \$509,367 | \$0 | \$0 | -\$44,749 |

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



Table 5 - Estimated Financial Impact of the Smith Lake Solar Project Property Value Limitation Request Submitted to ASCISD at \$0.87750 per \$100 M&O Tax Rate

| Year of Agreement | School Year | Project Taxable Value for M&O If No Limitation | Project Taxable Value for M&O with Limitation | Assumed M&O Tax Rate | Tax Savings to Company | School District Revenue Protection | Estimated Net Tax Benefits |
|--------------------|-------------|--|---|----------------------|------------------------|------------------------------------|----------------------------|
| QTP1 | 2026-27 | \$0 | \$0 | \$0.8775 | \$0 | \$0 | \$0 |
| QTP2 | 2027-28 | \$0 | \$0 | \$0.8775 | \$0 | \$0 | \$0 |
| VL1 | 2028-29 | \$242,932,400 | \$30,000,000 | \$0.8775 | \$1,868,482 | -\$1,951,951 | -\$83,469 |
| VL2 | 2029-30 | \$223,494,060 | \$30,000,000 | \$0.8775 | \$1,697,910 | \$0 | \$1,697,910 |
| VL3 | 2030-31 | \$202,519,660 | \$30,000,000 | \$0.8775 | \$1,513,860 | \$0 | \$1,513,860 |
| VL4 | 2031-32 | \$179,852,960 | \$30,000,000 | \$0.8775 | \$1,314,960 | \$0 | \$1,314,960 |
| VL5 | 2032-33 | \$155,389,800 | \$30,000,000 | \$0.8775 | \$1,100,295 | \$0 | \$1,100,295 |
| VL6 | 2033-34 | \$128,973,940 | \$30,000,000 | \$0.8775 | \$868,496 | \$0 | \$868,496 |
| VL7 | 2034-35 | \$100,449,140 | \$30,000,000 | \$0.8775 | \$618,191 | \$0 | \$618,191 |
| VL8 | 2035-36 | \$69,633,120 | \$30,000,000 | \$0.8775 | \$347,781 | \$0 | \$347,781 |
| VL9 | 2036-37 | \$52,488,300 | \$30,000,000 | \$0.8775 | \$197,335 | \$0 | \$197,335 |
| VL10 | 2037-38 | \$52,478,100 | \$30,000,000 | \$0.8775 | \$197,245 | -\$747 | \$196,498 |
| VP1 | 2038-39 | \$52,468,100 | \$52,468,100 | \$0.8775 | \$0 | \$0 | \$0 |
| VP2 | 2039-40 | \$52,458,400 | \$52,458,400 | \$0.8775 | \$0 | \$0 | \$0 |
| VP3 | 2040-41 | \$52,448,900 | \$52,448,900 | \$0.8775 | \$0 | \$0 | \$0 |
| VP4 | 2041-42 | \$52,439,700 | \$52,439,700 | \$0.8775 | \$0 | \$0 | \$0 |
| VP5 | 2042-43 | \$52,430,700 | \$52,430,700 | \$0.8775 | \$0 | \$0 | \$0 |
| \$9,724,556 | | | | | | -\$1,952,698 | \$7,771,858 |

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

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

- Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations, which could be significant under HB 3 and HB 1525.
- Legislative changes addressing property value appraisals and exemptions.
- Year-to-year appraisals of project values and district taxable values.
- Changes in school district tax rates and student enrollment.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with ASCISD currently levying a \$0.2230 per \$100 I&S rate. As shown in the Table 6 below, local taxpayers could benefit from the addition of the Smith Lake Solar project to the local I&S tax roll, especially in the early years of the project. ASCISD does not receive state support from the Existing Debt Allotment (EDA) and the Instructional Facilities Allotment (IFA).

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



Table 6 - Estimated Impact of the Smith Lake Solar Project Property Value Limitation Request on ASCISD I&S Tax Rate

| Year of Agreement | School Year | I&S Rate w/out Project | Local Value w/out Project | I&S Taxes w/out Project | Project Full Taxable Value | I&S Rate with Project Value | Change in I&S Rate |
|-------------------|-------------|------------------------|---------------------------|-------------------------|----------------------------|-----------------------------|--------------------|
| QTP1 | 2026-27 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$0 | \$0.223000 | \$0.0000 |
| QTP2 | 2027-28 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$0 | \$0.223000 | \$0.0000 |
| VL1 | 2028-29 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$242,932,400 | \$0.173107 | -\$0.0499 |
| VL2 | 2029-30 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$223,494,060 | \$0.176263 | -\$0.0467 |
| VL3 | 2030-31 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$202,519,660 | \$0.179799 | -\$0.0432 |
| VL4 | 2031-32 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$179,852,960 | \$0.183784 | -\$0.0392 |
| VL5 | 2032-33 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$155,389,800 | \$0.188288 | -\$0.0347 |
| VL6 | 2033-34 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$128,973,940 | \$0.193406 | -\$0.0296 |
| VL7 | 2034-35 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$100,449,140 | \$0.199254 | -\$0.0237 |
| VL8 | 2035-36 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$69,633,120 | \$0.205983 | -\$0.0170 |
| VL9 | 2036-37 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$52,488,300 | \$0.209927 | -\$0.0131 |
| VL10 | 2037-38 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$52,478,100 | \$0.209930 | -\$0.0131 |
| VP1 | 2038-39 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$52,468,100 | \$0.209932 | -\$0.0131 |
| VP2 | 2039-40 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$52,458,400 | \$0.209934 | -\$0.0131 |
| VP3 | 2040-41 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$52,448,900 | \$0.209937 | -\$0.0131 |
| VP4 | 2041-42 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$52,439,700 | \$0.209939 | -\$0.0131 |
| VP5 | 2042-43 | \$0.2230 | \$842,879,319 | \$1,879,621 | \$52,430,700 | \$0.209941 | -\$0.0131 |

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



**Estimated Financial Impact of the #1781 - Smith Lake Solar, LLC
Chapter 313 Property Value Limitation Request Submitted to Anderson-Shiro CISD**

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) |
|-------------------|-------------|--|---|----------------------|------------------------|---|----------------------------|--|--|-------------------------------|
| Year of Agreement | School Year | Project Taxable Value for M&O If No Limitation | Project Taxable Value for M&O With Limitation | Assumed M&O Tax Rate | Tax Savings To Company | ESTIMATED Article IV Revenue Protection Payment | Estimated Net Tax Benefits | FIXED Article VI Supplemental Payment (\$100 / 2020-21 ADA with Deferral) | Total Negotiated Payments to School District | Potential Company Tax Benefit |
| QTP1 | 2026-27 | \$0 | \$0 | \$0.8546 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| QTP2 | 2027-28 | \$0 | \$0 | \$0.8546 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| VL1 | 2028-29 | \$242,932,400 | \$30,000,000 | \$0.8546 | \$1,819,720 | -\$1,891,848 | -\$72,128 | \$249,000 | \$2,140,848 | -\$321,128 |
| VL2 | 2029-30 | \$223,494,060 | \$30,000,000 | \$0.8546 | \$1,653,600 | \$0 | \$1,653,600 | \$83,000 | \$83,000 | \$1,570,600 |
| VL3 | 2030-31 | \$202,519,660 | \$30,000,000 | \$0.8546 | \$1,474,353 | \$0 | \$1,474,353 | \$83,000 | \$83,000 | \$1,391,353 |
| VL4 | 2031-32 | \$179,852,960 | \$30,000,000 | \$0.8546 | \$1,280,643 | \$0 | \$1,280,643 | \$83,000 | \$83,000 | \$1,197,643 |
| VL5 | 2032-33 | \$155,389,800 | \$30,000,000 | \$0.8546 | \$1,071,581 | \$0 | \$1,071,581 | \$83,000 | \$83,000 | \$988,581 |
| VL6 | 2033-34 | \$128,973,940 | \$30,000,000 | \$0.8546 | \$845,831 | \$0 | \$845,831 | \$83,000 | \$83,000 | \$762,831 |
| VL7 | 2034-35 | \$100,449,140 | \$30,000,000 | \$0.8546 | \$602,058 | \$0 | \$602,058 | \$83,000 | \$83,000 | \$519,058 |
| VL8 | 2035-36 | \$69,633,120 | \$30,000,000 | \$0.8546 | \$338,705 | \$0 | \$338,705 | \$83,000 | \$83,000 | \$255,705 |
| VL9 | 2036-37 | \$52,488,300 | \$30,000,000 | \$0.8546 | \$192,185 | \$0 | \$192,185 | \$83,000 | \$83,000 | \$109,185 |
| VL10 | 2037-38 | \$52,478,100 | \$30,000,000 | \$0.8546 | \$192,098 | -\$635 | \$191,463 | \$83,000 | \$83,635 | \$108,463 |
| VP1 | 2038-39 | \$52,468,100 | \$52,468,100 | \$0.8546 | \$0 | \$0 | \$0 | \$83,000 | \$83,000 | -\$83,000 |
| VP2 | 2039-40 | \$52,458,400 | \$52,458,400 | \$0.8546 | \$0 | \$0 | \$0 | \$83,000 | \$83,000 | -\$83,000 |
| VP3 | 2040-41 | \$52,448,900 | \$52,448,900 | \$0.8546 | \$0 | \$0 | \$0 | \$83,000 | \$83,000 | -\$83,000 |
| VP4 | 2041-42 | \$52,439,700 | \$52,439,700 | \$0.8546 | \$0 | \$0 | \$0 | | | \$0 |
| VP5 | 2042-43 | \$52,430,700 | \$52,430,700 | \$0.8546 | \$0 | \$0 | \$0 | | | \$0 |
| TOTALS | | | | | \$9,470,775 | -\$1,892,483 | \$7,578,292 | \$1,245,000 | \$3,137,483 | \$6,333,292 |

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

Fully taxable for I&S

Loss of M&O taxes plus Tier II state aid would have earned on those taxes

Actual amount and when paid is negotiated during Agreement process

% Gross Tax Savings **33.1%** **66.9%**

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this table.

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between ANDERSON-SHIRO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT and SMITH LAKE SOLAR, LLC

EXHIBIT D

Tax Limitation Agreement

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

by and between

**ANDERSON-SHIRO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT**

and

SMITH LAKE SOLAR, LLC

(Texas Taxpayer ID #32081051495)

Comptroller Application #1781

Dated

December 19, 2022

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

STATE OF TEXAS §

COUNTY OF GRIMES §

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 **ANDERSON-SHIRO CONSOLIDATED 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 **SMITH LAKE SOLAR, LLC**, Texas Taxpayer Identification Number 32081051495 hereinafter referred to as the “Applicant.” The Applicant and the District are hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, on April 11, 2022, the Superintendent of Schools of the Anderson-Shiro Consolidated Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on April 11, 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 CCG (Local), and agreed to consider the Application;

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

WHEREAS, the District and the Texas Comptroller’s Office have determined that the Application is complete and June 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 Grimes County Appraisal District established in Grimes County, Texas (the “Grimes 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 September 14, 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 District’s Board of Trustees, by letter dated November 3, 2022, extended the statutory deadline by which the District must consider the Application until December 31, 2022, and the Comptroller was provided notice of such extension as set out under 34 TEXAS ADMIN. CODE SECTION 9.1054(d).

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller’s Office pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, on December 19, 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 19, 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 19, 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 16, 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 19, 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:

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 Smith Lake Solar, LLC, (*Texas Taxpayer ID # 32081051495*), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

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

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

“*Application*” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on April 11, 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.

“*Appraisal District*” means the Grimes County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Anderson-Shiro Consolidated Independent School District.

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

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

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

“County” means Grimes County, Texas.

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

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

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

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

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

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

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

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

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

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

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

“State” means the State of Texas.

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

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

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

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

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

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

“Applicable School Finance Law” means Chapters 48 and 49 of the TEXAS EDUCATION CODE (previously Chapters 42 and 41, and other applicable provisions), the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE); Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District; and, the Constitution and general laws of the State applicable to the school districts of the State, 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 Revenue Protection 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 4.4 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 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, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 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.

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

“Revenue Protection 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.

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 June 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 19, 2022.

C. The Qualifying Time Period for this Agreement:

- i. Starts on January 1, 2026, 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, 2027, 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, 2028, first complete Tax Year that begins after the end of Qualifying Time Period; and
- ii. Ends on December 31, 2037.

E. The Final Termination Date for this Agreement is December 31, 2042, which is the last year of the Tax Limitation Period as defined in Section 2.3.D.ii. plus 5 years.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION. So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- A. the Market Value of the Applicant's Qualified Property; or
- B. THIRTY MILLION DOLLARS (\$30,000,000.00).

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 THIRTY MILLION DOLLARS, (\$30,000,000.00) during the Qualifying Time Period;

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

C. pay an average weekly wage of at least \$1,053 for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;

B. provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;

C. provide such Supplemental Payments as more fully specified in Article VI;

D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and

E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III QUALIFIED PROPERTY

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

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

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein

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

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

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) of the TEXAS TAX CODE as renewable energy electric generation.

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 4.12), it is the intent of the Parties that the District shall, in accordance with the provisions of TEXAS TAX CODE § 313.027(f)(1), be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue as a sole and direct result of the Parties' entering into this Agreement. Such compensation shall be independent of, and in addition to, all such other payments as are set forth in Article V and Article VI. Subject only to the limitations contained in this Agreement (including Section 4.12), it is the intent of the Parties that the risk of any negative financial consequence to the District as a sole and direct result of Applicant's location of Applicant's Qualified Investment and Applicant's Qualified Property in the District and the Parties' entering into this Agreement will be borne by the Applicant and not by the District and be paid by the Applicant to the District in addition to any and all payments due under Article V and Article VI.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF MAINTENANCE AND OPERATIONS REVENUES BY THE DISTRICT. Subject to the provisions of Section 4.12, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of the Tax Limitation Period (the "Revenue Protection Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

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

Where:

(i) “Original M&O Revenue” means the total State and local Maintenance and Operations Revenue that the District would have received for the school year under TEXAS EDUCATION CODE Section 48.256(d) had this Agreement not been entered into by the Parties and the Applicant’s Qualified Property and/or the Applicant’s Qualified Investment been subject to the District’s ad valorem Maintenance and Operations tax rate without any limitation on value at the rate applicable for such Tax Year. For purposes of this calculation, the Consultant will base its calculations upon actual local taxable values for each applicable year as certified by the County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property subject to this Agreement, plus the total appraised value of the Qualified Property subject to this Agreement. The Original M&O Revenue is calculated using the taxable value of the Qualified Property as determined by the Appraisal District for purposes of calculating the value of the Qualified Property that is subject to the District's Interest & Sinking Fund tax.

(ii) “New M&O Revenue” means the total State and local Maintenance and Operations Revenue that District actually received for such school year.

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

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

(ii) For purposes of this calculation, the tax collection rate on the Applicant’s Qualified Property and/or the Applicant’s Qualified Investment 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) All calculations made under this Section 4.2 of this Agreement will reflect the limitation on Appraised Value for such year.

(v) For all calculations made for any Tax 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. All calculations made under this Section 4.2 shall be made by a methodology which isolates the full M&O Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or any other factors not contained in this Agreement.

Section 4.3. COMPENSATION FOR LOSS OF OTHER REVENUES. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

- A. All non-reimbursed costs incurred by the District for extraordinary education-related expenses, as set forth in Section 5.1 below; and
- B. Any other cost to the District, including costs under Section 8.6(C) below (but subject to the limitation set forth in Section 4.4 below), which are directly and solely attributable to compliance with State-imposed requirements relating to this Agreement.

Section 4.4. CALCULATIONS TO BE MADE BY THIRD PARTY.

All calculations under this Agreement shall be made annually by an independent third party (the "Consultant") approved each year by the District. The District agrees that for all Tax Years the Consultant selected by the District shall be Moak, Casey & Associates. If the District desires to select a Consultant other than Moak, Casey & Associates, LLC, such selection must receive the Applicant's consent, which consent shall not be unreasonably withheld, delayed, or conditioned. To the extent not inconsistent with a statutory change to Applicable School Finance Law, all calculations made by the Consultant under this Agreement shall be made using a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

Applicant shall only be responsible for payment of fees and expenses under Section 4.7 not to exceed 15,000 per year for any Tax Year during the Tax Limitation Period, and \$7,500 per year for any Tax Year outside of the Tax Limitation Period.

Section 4.5. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax rolls submitted to the District pursuant to TEXAS TAX CODE § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Consultant selected under Section 4.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Consultant to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Consultant shall be adjusted from time to time by the Consultant to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax rolls or any other changes in student counts, tax collections, or other data.

Section 4.6. DELIVERY OF CALCULATIONS. On or before December 1 of each year for which this Agreement is effective, the Consultant appointed pursuant to Section 4.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Section 4.2, Section 4.3 and Article V of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Consultant shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon seven (7) business days' prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Consultant's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Consultant shall maintain supporting data consistent with

generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit or Applicant's review, any of these documents. The Consultant shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of Consultant's costs resulting from a review or audit of the Consultant's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.7. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Consultant for all calculations under this Agreement under Section 4.6, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants (both of which amounts are subject to the cumulative limitation set forth in Section 4.4 above) for the preparation and filing of any financial reports, disclosures, or Tax Credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement.

Section 4.8. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification prepared pursuant to Sections 4.2, 4.3, or Article V, the Applicant may appeal the findings, in writing, to the Consultant within thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Consultant will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District's Board of Trustees, in writing, within thirty (30) days of the final determination of certification containing the calculations and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Consultant selected under Section 4.4 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and such appeal remains unresolved, the Consultant shall base its calculations upon the values placed upon the Applicant's Qualified Property by the Appraisal District. The calculations shall be readjusted, if necessary, based on the outcome of the appeal as set forth below.

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

Section 4.10. EFFECT OF STATUTORY CHANGES. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 4.12, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the Revenue Protection Amount limit set forth in Section 4.12, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the Revenue Protection Amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District. In the event that it is determined that Applicant owes any amounts under this Section 4.10, the Consultant appointed pursuant to Section 4.4 of this Agreement shall forward to the Parties a certification containing the calculation of the amount owed under this Section 4.10 in sufficient detail to allow the Parties to understand the manner in which the calculations were made, and should the Applicant disagree with such calculation, the Applicant may appeal the findings, in writing, to the Consultant within thirty (30) days of receipt of the certification, after which the provisions of Section 4.8 above shall control.

Section 4.11. OPTION TO TERMINATE AGREEMENT. As used in Section 7.1, “option to terminate” means the options granted to Applicant in paragraphs (A) and (B) of this Section 4.11.

A. In the event that, for any Tax Year of the Tax Limitation Period beginning with the second Tax Year of the Tax Limitation Period, (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, exceeds (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 (an “Agreement Excess Payment”), then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year with respect to which the Agreement Excess Payment occurred. Any termination of this Agreement under this paragraph 4.11(A) shall be effective immediately prior to the second Tax Year next following the Tax Year in which the Agreement Excess Payment occurred. The calculation and comparison of the amounts described in clauses (i) and (ii) of the first sentence of this paragraph 4.11(A) shall be included in all calculations made pursuant to Article IV of this Agreement.

B. In the event that Applicant determines that it will not commence or complete construction of the Applicant’s Qualified Investment prior to the beginning of the Tax Limitation Period, Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of Applicant’s unilateral determination to terminate this Agreement. Any termination of this Agreement under this paragraph 4.11(B) shall be effective immediately. Applicant shall pay any Supplemental Payment owed with respect to the year of termination within thirty (30) days after Applicant delivers the notice of termination.

Section 4.12. ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after 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 the payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EDUCATION-RELATED EXPENSES. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, shall also indemnify and reimburse the District for all non-reimbursable costs, certified by the District’s external auditor to have been incurred by the District for extraordinary education-related expenses directly and solely related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment directly and solely attributable to the project. Applicant shall have the right to contest the findings of the District’s external auditor pursuant to Section 4.8 herein.

ARTICLE VI

SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS. In addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for supplemental payments (the “Supplemental Payments”) set forth in this Article VI.

A. Amounts Exclusive of Indemnity Amounts. It is the express intent of the Parties that the Applicant’s obligation to make Supplemental Payments under this Article VI is separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all payments under Articles IV and VI are subject to the limitations contained in Section 4.12.

B. Adherence to Statutory Limits on Supplemental Payments. It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article VI, shall not exceed the limit imposed by the provisions of TEXAS TAX CODE § 313.027(i) (the “Annual Limit”), as such limit is allowed or required to be increased by the Legislature in a future year of this Agreement.

C. Explicit Identification of Payments to District. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement made pursuant to Chapter 313, TEXAS TAX CODE, unless it is explicitly set forth in this Agreement.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

Notwithstanding the foregoing:

A. the total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 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 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 830 rounded to the whole number.

SECTION 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO ANNUAL LIMIT.

Applicant shall make Supplemental Payments on or before January 31, 2027 (the payment due date for Tax Year 2026), and continuing thereafter on or before January 31 of each year for the maximum period permitted under Section 313.027(i) of the TEXAS TAX CODE, except that Applicant’s final Supplemental Payment shall be due on or before December 31, 2040 (which shall be the payment due date for Tax Year 2040). The amount of each Supplemental Payment owed in this Section 6.3 shall be equal to the Annual Limit (unless paragraph A below applies).

A. Notwithstanding any other statement in this the Agreement, the annual Supplemental Payment obligations for Tax Year 2026 and Tax Year 2027 must be paid by January 31 of the first year of the Tax Limitation Period, provided that if the Applicant timely exercises its option to terminate during the Qualifying Time Period under Section 4.11.B., only one (1) deferred annual Supplemental Payment in the amount of \$50,000 shall be owed.

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

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

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

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

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

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

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

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

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

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

A. All inspections will be made at a mutually agreeable time after the giving of not less than ninety-six (96) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

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

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR. By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

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

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

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

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

audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

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

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

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

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

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

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

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

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:

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

- ii. whether or not such breach is a Material Breach;
- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and

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

- i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
- ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and
- iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

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

Section 9.3. DISPUTE RESOLUTION.

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

C. If payments become due under this Agreement and are not received before the expiration of the ninety (90) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney’s fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax

lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

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

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

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the ninety (90) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

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

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

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

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

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make THIRTY MILLION DOLLARS (\$30,000,000.00) of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

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

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

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

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

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

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

ARTICLE X.

MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

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

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

Anderson-Shiro Consolidated Independent School District
Attention: Superintendent of Schools
Address: 458 FM 149 West
Anderson, Texas 77830
Phone: (936) 873-4500
E-Mail: sbeene@ascisd.net

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

Birch Creek Development, LLC
Attention: Chris Norqual, COO
880 Apollo Street, Suite 333
El Segundo, CA 90245
Phone: (213) 444-7860
E-mail: cnorqual@birchcreekdev.com

Forrest Coldren, Project Manager
Pine Gate Renewables, LLC
130 Roberts Street
Asheville, NC 28801
Phone: (828) 552-5497
E-mail: fcoldren@pgrenewables.com

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

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

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

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 Grimes County.

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

Section 10.7. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any

term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, the term “Law” shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree, or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

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

Section 10.9. INTERPRETATION.

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

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

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

- i. The Act;
- ii. The Comptroller’s Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
- iii. This Agreement and its Attachments including the Application as incorporated by reference.

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

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

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

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

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

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

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

Section 10.14. CONFLICTS OF INTEREST.

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

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

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

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

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

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

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

B. Delivery is deemed complete as follows:

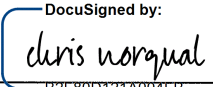
- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
- iii. When transmitted if sent by facsimile, provided a confirmation of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


[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this **19th** day of **December**, 2022.

SMITH LAKE SOLAR, LLC

**ANDERSON-SHIRO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT**

By: 
Printed Name: Chris Norqual
Title: COO

By: 
Kevin Smith, President
Anderson-Shiro Consolidated ISD
Board of Trustees

ATTEST:


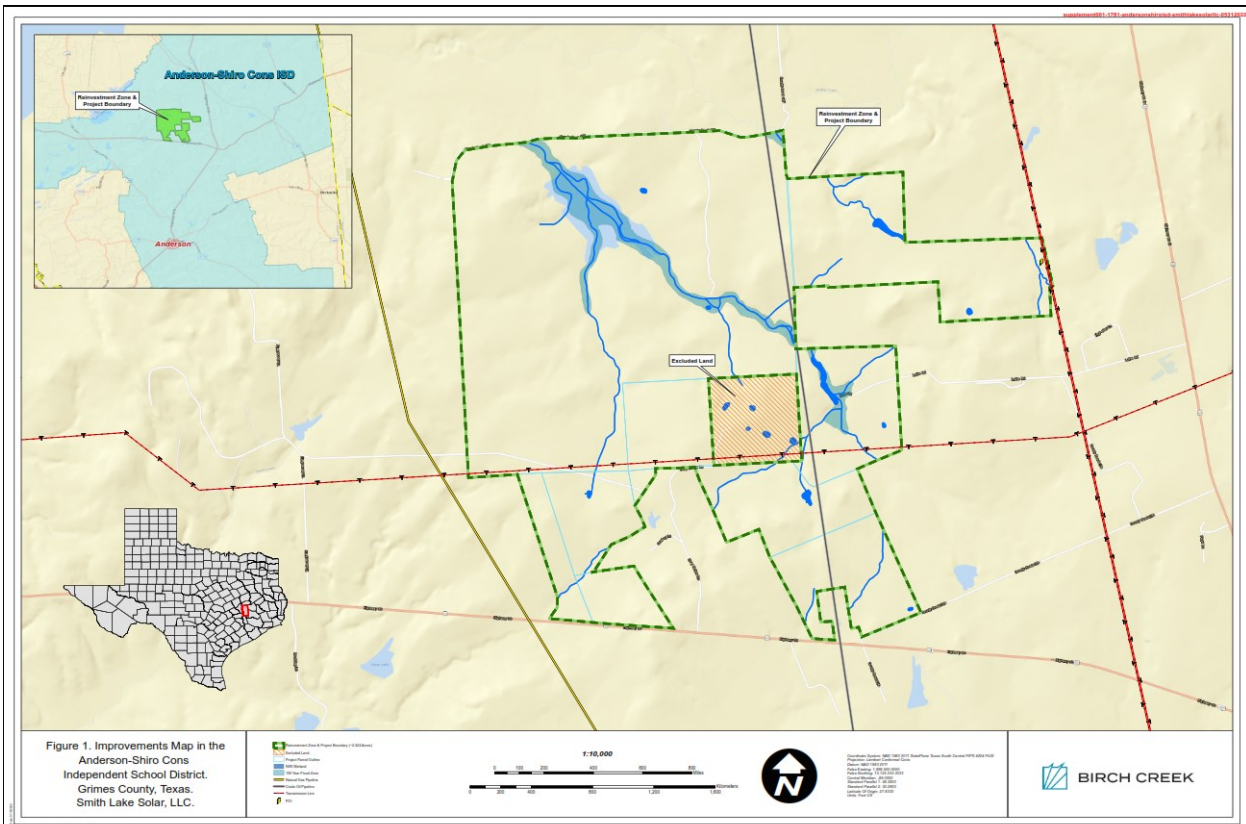
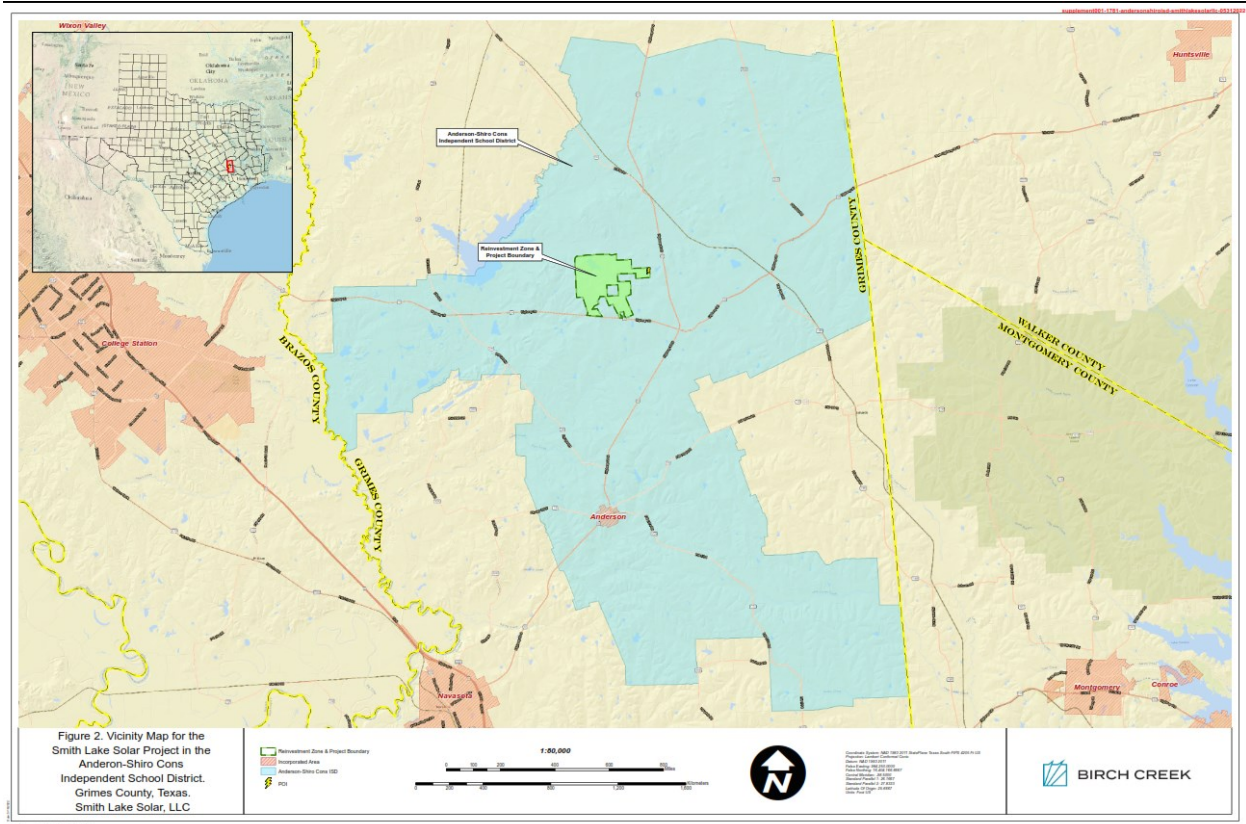

Hope Bay Moriarty, Secretary
Anderson-Shiro Consolidated ISD
Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The legal description of the Reinvestment Zone is located entirely within Grimes County and more particularly described below as the Legal Description of Reinvestment Zone

| GCAD PID | OWNER | LEGAL DESCRIPTION | ACRES |
|----------|----------------------------|-------------------------------|---------|
| R17888 | Kim R. Smith Logging, Inc. | A0310 R LOWE, TRACT 1 | 123.869 |
| R15851 | Kim R. Smith Logging, Inc. | A0145 BBB & CRR, TRACT 13 | 160 |
| R16223 | Kim R. Smith Logging, Inc. | A0188 A EDSON, TRACT 4 | 104.78 |
| R16220 | Kim R. Smith Logging, Inc. | A0188 A EDSON, TRACT 1, ACRES | 1300.82 |
| R61586 | Kim R. Smith Logging, Inc. | A0219 GEO GALASPY, TRACT 4-2 | 53.732 |
| R16745 | Kim R. Smith Logging, Inc. | A0219 GEO GALASPY, TRACT 4 | 81.758 |
| R65906 | Kim R. Smith Logging, Inc. | A0190 C O EDWARDS, TRACT 7-1 | 56.695 |
| R18243 | Kim R. Smith Logging, Inc. | A0334 J C MASSEY, TRACT 1-4 | 164.16 |
| R20083 | Kim R. Smith Logging, Inc. | A0517 L B DANFORD, TRACT 1 | 4.74 |
| R19751 | Last Wagon Ranch LLC | A0472 B WHITE, TRACT 14 | 290 |



**RESOLUTION OF THE
ANDERSON-SHIRO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES**

RESOLUTION DESIGNATING SMITH LAKE SOLAR, LLC REINVESTMENT ZONE

WHEREAS, the Board of Trustees of the Anderson-Shiro Consolidated Independent School District ("District") seeks to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone;

WHEREAS, the District is authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Tax Code §312.0025), for the purpose of authorizing an Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, as authorized by Chapter 313 of the Texas Tax Code; and,

WHEREAS, on November 28, 2022, a hearing before the Board of Trustees of the District was held pursuant to Texas Tax Code 312.201(d), such date being at least seven (7) days after the date of publication of the notice of such public hearing, and the delivery of written notice to the respective presiding officers of each taxing entity which includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

WHEREAS, the Board of Trustees 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 Board of Trustees considered information provided by proponents and opponents of the creation of the reinvestment if any, and in accordance with previously adopted Criteria and Guidelines,

WHEREAS, the Board of Trustees considered the creation of a reinvestment zone related to a tax limitation agreement submitted by Smith Lake Solar, LLC for property within the District's boundaries and depicted in the attached **Exhibits A and B**;

Anderson-Shiro Consolidated Independent School District
*Resolution Creating Smith Lake Solar, LLC
Reinvestment Zone*

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November 28, 2022

**BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE ANDERSON-SHIRO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT:**

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

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

- (a) That the public hearing on the adoption of the *Smith Lake Solar, LLC Reinvestment Zone* has been properly called, held and conducted, and that notices of such hearing have been published as required by law and mailed to the respective presiding officers of the governing bodies of each taxing unit which includes within its boundaries real property that is to be included in the proposed reinvestment zone; and,
- (b) That the boundaries of the *Smith Lake Solar, LLC Reinvestment Zone* are within the boundaries of the District and by the adoption of this Resolution is declared and certified to be the area described in the attached Exhibits A and B; and,
- (c) That creation of the *Smith Lake Solar, LLC Reinvestment Zone* with boundaries as described in Exhibits A and B will result in economic benefits to the District and that the improvements sought are feasible and practical; and,
- (d) *The Smith Lake Solar, LLC Reinvestment Zone* described in Exhibits A and B meets the criteria set forth in Texas Tax Code §312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract investment in the zone that will be a benefit to the property, and would contribute to economic development within the District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the District, hereby creates a reinvestment zone under the provisions of Tex. Tax Code § 312.0025, encompassing the area described by the descriptions in Exhibits A and B, and such reinvestment zone is hereby designated and shall hereafter be referred to as the *Smith Lake Solar, LLC Reinvestment Zone*.

Anderson-Shiro Consolidated Independent School District
*Resolution Creating Smith Lake Solar, LLC
Reinvestment Zone*

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November 28, 2022

SECTION 4. That the *Smith Lake Solar, LLC Reinvestment Zone* shall take immediate effect upon adoption by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such designation.

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 District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in Grimes County, and furthermore, such notice was, in fact, delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED, AND ADOPTED on this **28th day of November, 2022.**

Anderson-Shiro Consolidated Independent School District

By: 

President, Board of Trustees

Attest:

By: 

Secretary, Board of Trustees

Anderson-Shiro Consolidated Independent School District
*Resolution Creating Smith Lake Solar, LLC
Reinvestment Zone*

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November 28, 2022

CERTIFICATION

I hereby certify that the foregoing resolution was presented to the Board of Trustees of the Anderson-Shiro Consolidated Independent School District during a special meeting on November 28, 2022. A quorum of the Board of Trustees being then present, it was then duly moved and seconded that the resolution be adopted according to the following votes,

Ayes: 7
Nays: 0
Abstentions: 0

To certify which, witness my hand this 28th day of November, 2022.

By:  _____
President, Board of Trustees

**EXHIBIT A
LEGAL DESCRIPTION OF PROPOSED
REINVESTMENT ZONE**

Reinvestment Zone Legal Description:

| GCAD PID | OWNER | LEGAL DESCRIPTION | ACRES |
|---------------------|----------------------------|--|----------------|
| R17888 | Kim R. Smith Logging, Inc. | A0310 R LOWE, TRACT 1 | 123.869 |
| R15851 | Kim R. Smith Logging, Inc. | A0145 BBB & CRR, TRACT 13 | 160 |
| R16223 | Kim R. Smith Logging, Inc. | A0188 A EDSON, TRACT 4 | 104.78 |
| R16220 | Kim R. Smith Logging, Inc. | A0188 A EDSON, TRACT 1, ACRES | 1300.82 |
| R61586 | Kim R. Smith Logging, Inc. | A0219 GEO GALASPY, TRACT 4-2 | 53.732 |
| R16745 | Kim R. Smith Logging, Inc. | A0219 GEO GALASPY, TRACT 4 | 81.758 |
| R65906 | Kim R. Smith Logging, Inc. | A0190 C O EDWARDS, TRACT 7-1 | 56.695 |
| R18243 | Kim R. Smith Logging, Inc. | A0334 J C MASSEY, TRACT 1-4 | 164.16 |
| R20083 | Kim R. Smith Logging, Inc. | A0517 L B DANFORD, TRACT 1 | 4.74 |
| R19751 | Last Wagon Ranch LLC | A0472 B WHITE, TRACT 14 | 290 |

EXHIBIT B
MAP OF PROPOSED SMITH LAKE SOLAR, LLC
REINVESTMENT ZONE

The boundaries of the Smith Lake Solar, LLC Reinvestment Zone will be entirely within Anderson-Shiro CISD's boundaries and more particularly described in the following maps:

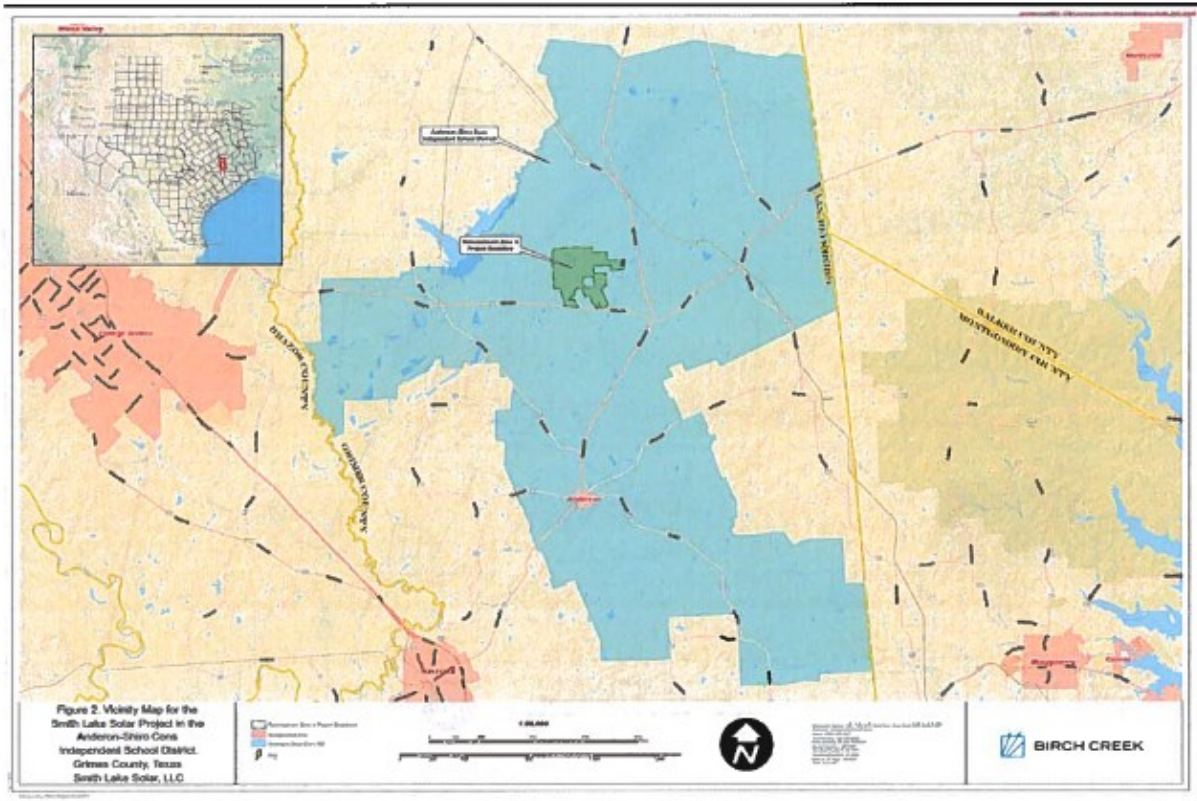
Anderson-Shiro Consolidated Independent School District
Resolution Creating Smith Lake Solar, LLC
Reinvestment Zone

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Agreement for Limitation on Appraised Value
Between Anderson-Shiro CISD and Smith Lake Solar, LLC
December 19, 2022
Exhibit 1

EXHIBIT 1

November 28, 2022
Texas Economic Development Act Agreement
Comptroller Form 50-826 (October 2020)

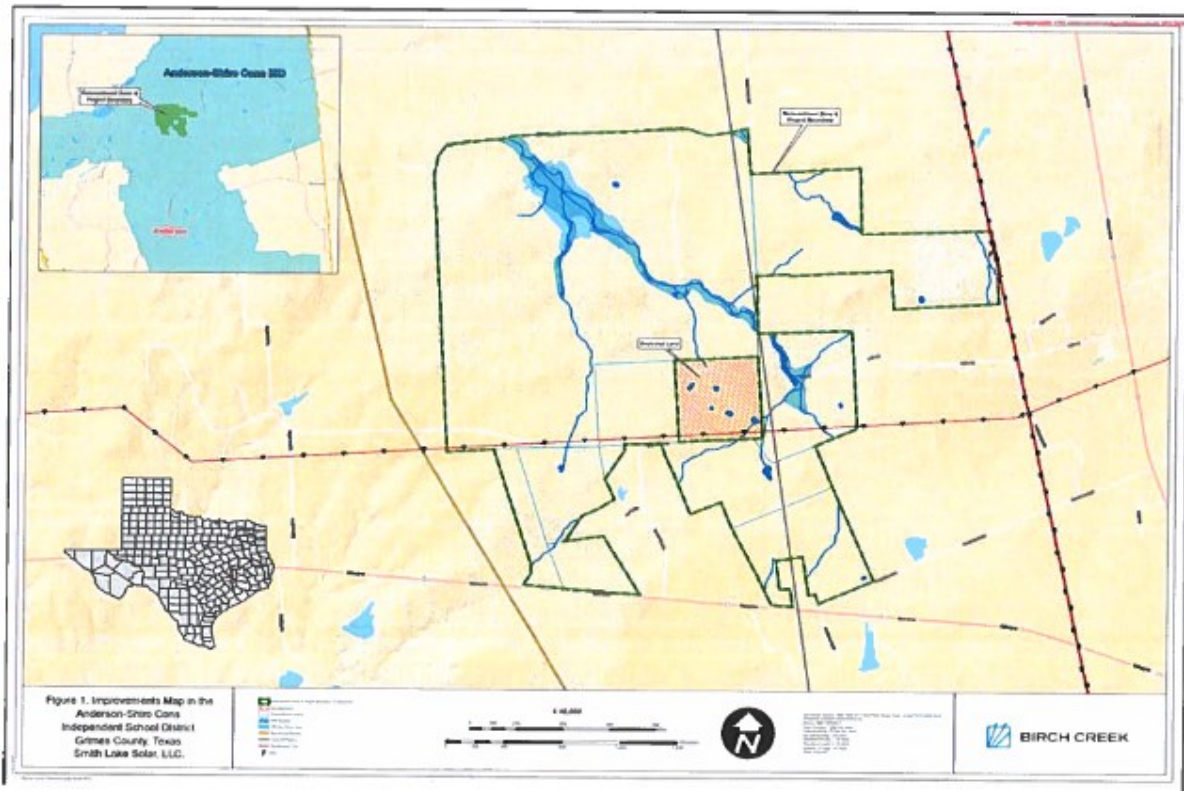


**Anderson-Shiro Consolidated Independent School District
 Resolution Creating Smith Lake Solar, LLC
 Reinvestment Zone**

November 28, 2022

Agreement for Limitation on Appraised Value
 Between Anderson-Shiro CISD and Smith Lake Solar, LLC
 December 19, 2022
 Exhibit 1

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



**Anderson-Shiro Consolidated Independent School District
 Resolution Creating Smith Lake Solar, LLC
 Reinvestment Zone**

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

All Qualified Property will be located within the Reinvestment Zone described in Exhibit 1, above.

EXHIBIT 3

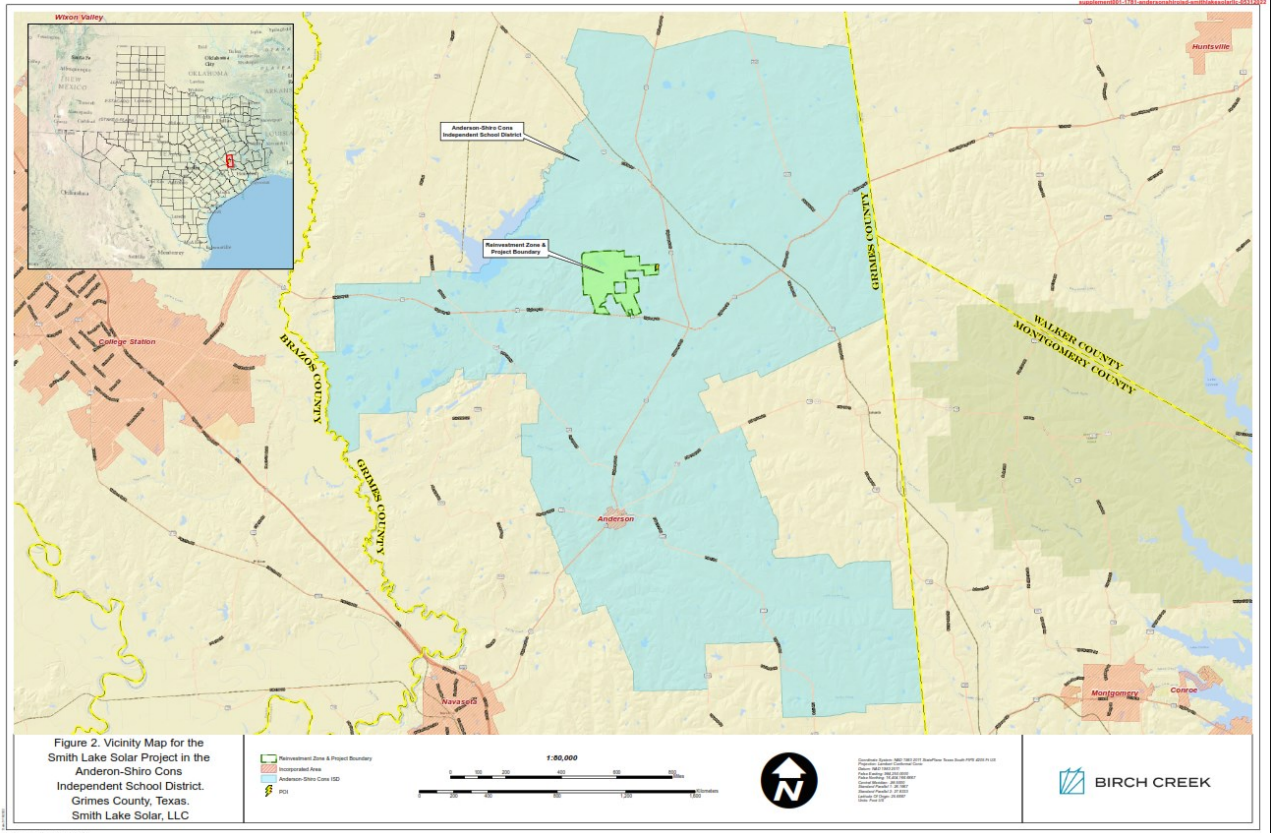
APPLICANT'S QUALIFIED INVESTMENT

Smith Lake Solar, LLC proposes to construct a 400 MW (AC) Photovoltaic solar and battery energy storage system that would be sited on approximately 1,850 acres of land west of Roans Prairie in Grimes County. This application covers all qualified property in the reinvestment zone and project boundary within Anderson-Shiro ISD necessary for the commercial operations of the proposed solar project described in Tab 4.

- Qualified Investment and Qualified Property in Anderson-Shiro ISD would generate 400 MW solar and includes underground collection systems underground collection systems that collect the power from the inverters and transfer the power to be put on the grid
- transmission lines
- electrical interconnections
- control systems necessary for commercial generation of electricity
- approximately 933,300 solar modules/panels and associated inverters
- racking and mounting structures
- inverter boxes
- combiner boxes
- battery storage that will only store power generated by the qualified property
- meteorological equipment
- roadways, maintenance, and operations building
- paving
- fencing
- electrical substations
- generation transmission tie line and associated towers
- interconnection facilities
- wiring (generic to include PV and other wiring not included in the underground AC collection)

The permanent battery storage facility will be used for the Smith Lake Solar, LLC project

NOTE- The map in TAB 11 shows the proposed project area with the preliminary panel and inverter locations. The exact placement of these panels and inverters is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins.



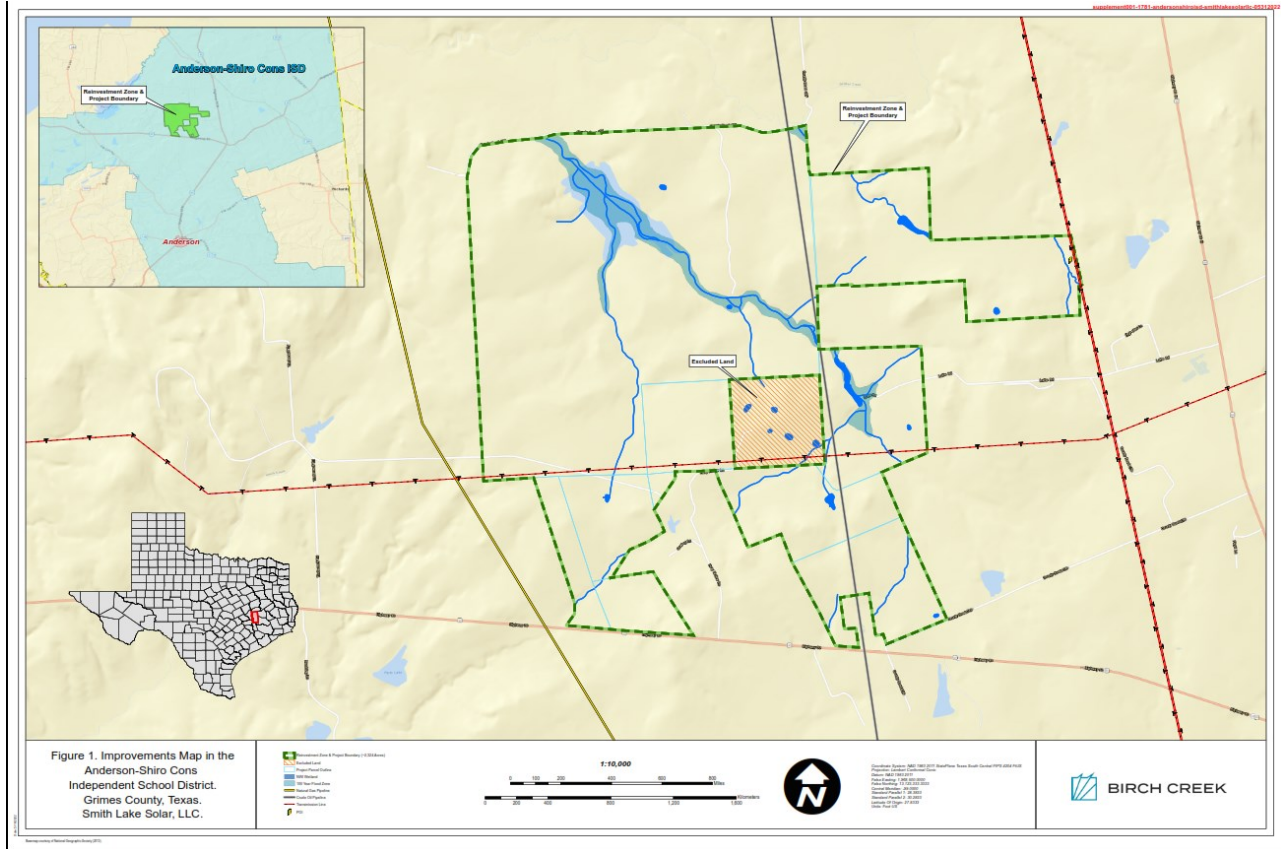


EXHIBIT 4

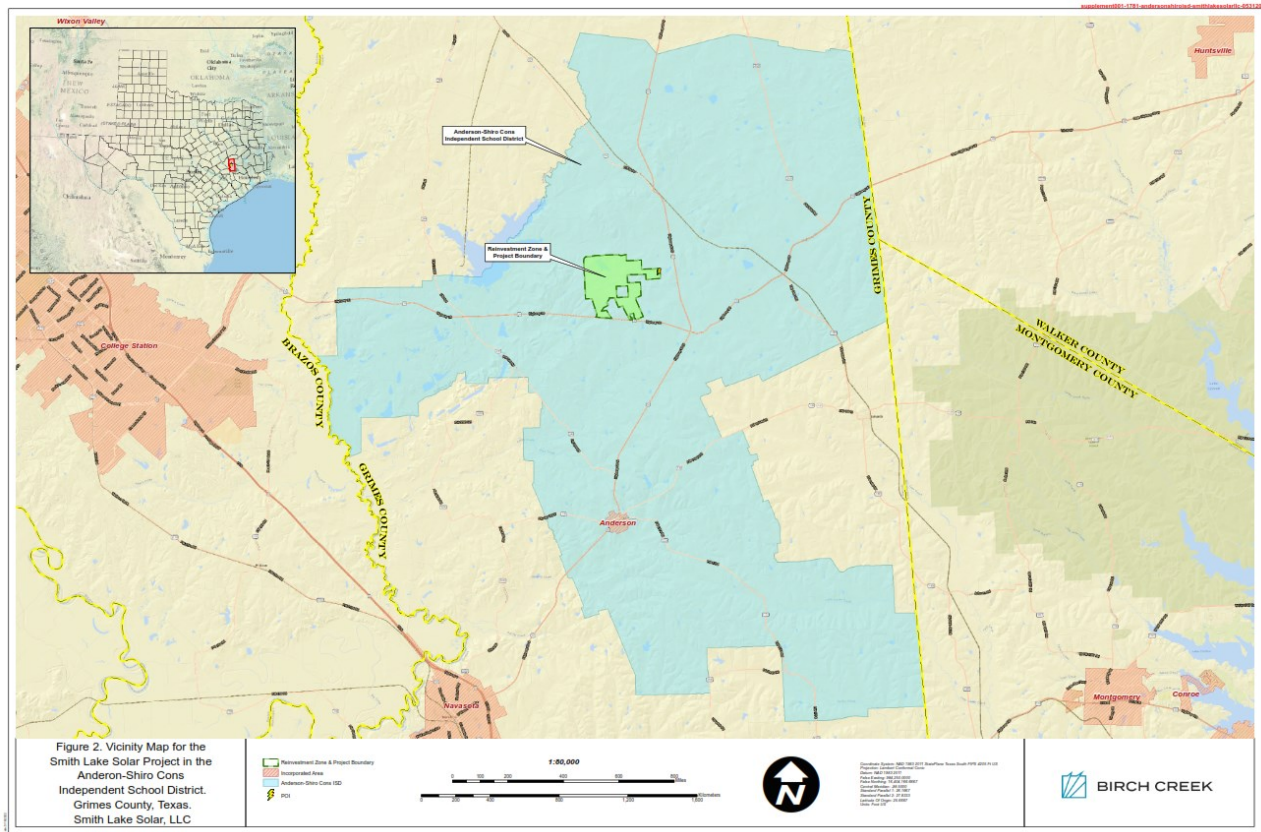
DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Smith Lake Solar, LLC proposes to construct a 400 MW (AC) Photovoltaic solar and battery energy storage system that would be sited on approximately 1,850 acres of land west of Roans Prairie in Grimes County. This application covers all qualified property in the reinvestment zone and project boundary within Anderson-Shiro ISD necessary for the commercial operations of the proposed solar project described in Tab 4.

- Qualified Investment and Qualified Property in Anderson-Shiro ISD would generate 400 MW solar and includes underground collection systems
- underground collection systems that collect the power from the inverters and transfer the power to be put on the grid
- transmission lines
- electrical interconnections
- control systems necessary for commercial generation of electricity
- approximately 933,300 solar modules/panels and associated inverters
- racking and mounting structures
- inverter boxes
- combiner boxes
- battery storage that will only store power generated by the qualified property
- meteorological equipment
- roadways, maintenance, and operations building
- paving
- fencing
- electrical substations
- generation transmission tie line and associated towers
- interconnection facilities
- wiring (generic to include PV and other wiring not included in the underground AC collection)

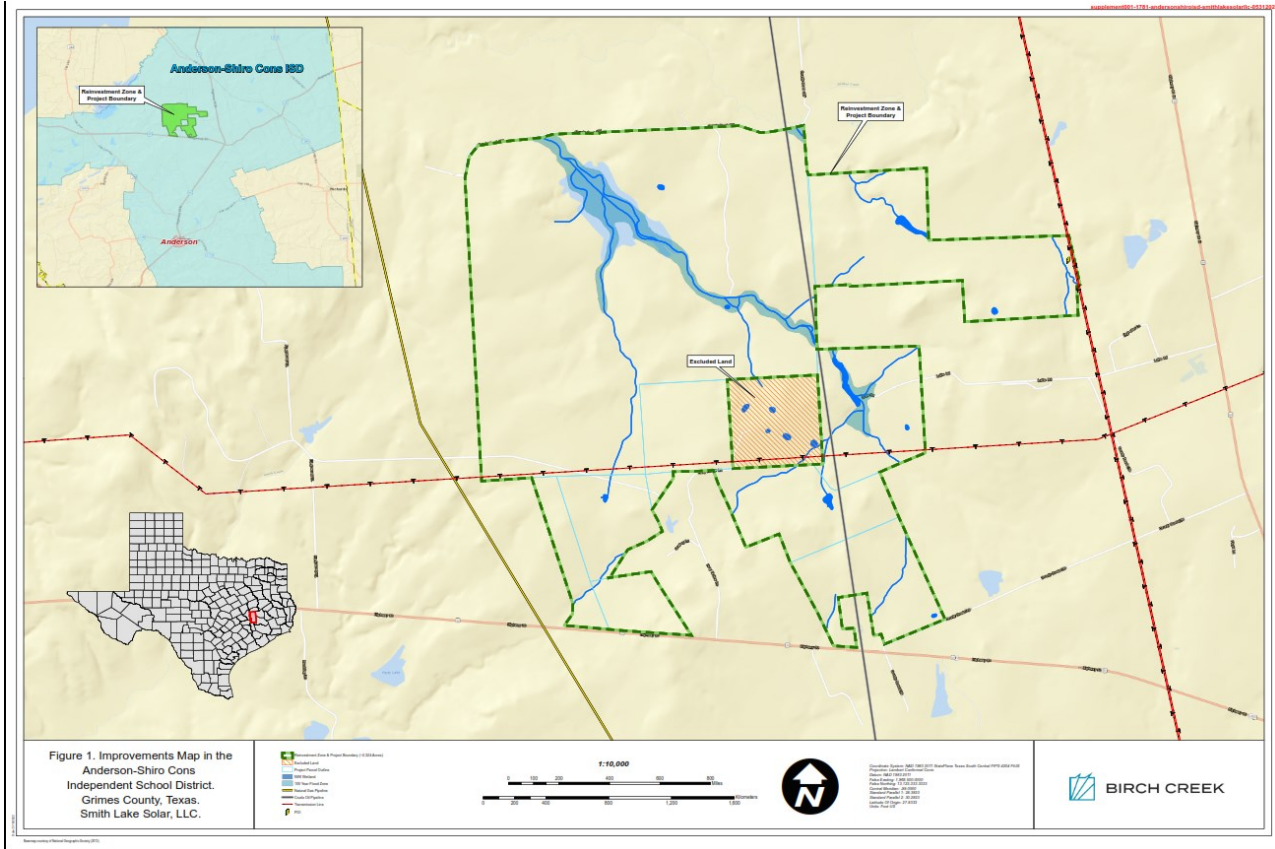
The permanent battery storage facility will be used for the Smith Lake Solar, LLC project

NOTE- The map in TAB 11 shows the proposed project area with the preliminary panel and inverter locations. The exact placement of these panels and inverters is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins.



Agreement for Limitation on Appraised Value
 Between Anderson-Shiro CISD and Smith Lake Solar, LLC
 December 19, 2022
 Exhibit 4

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



Agreement for Limitation on Appraised Value
 Between Anderson-Shiro CISD and Smith Lake Solar, LLC
 December 19, 2022
 Exhibit 4

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

EXHIBIT 5

AGREEMENT SCHEDULE

| | Year of Agreement | School Year | Tax Year | Summary |
|------------------------------|-------------------|-------------|----------|---|
| Limitation Pre-Year | QTP 1 | 2026-2027 | 2026 | Limitation Pre-Year; QTP Begins January 1, 2026 |
| | QTP 2 | 2027-2028 | 2027 | Limitation Pre-Year; QTP Ends December 31, 2027 |
| Limitation Period (10 Years) | 1 | 2028-2029 | 2028 | \$30 Million appraisal limitation |
| | 2 | 2029-2030 | 2029 | \$30 million appraisal limitation |
| | 3 | 2030-2031 | 2030 | \$30 million appraisal limitation |
| | 4 | 2031-2032 | 2031 | \$30 million appraisal limitation |
| | 5 | 2032-2033 | 2032 | \$30 million appraisal limitation |
| | 6 | 2033-2034 | 2033 | \$30 million appraisal limitation |
| | 7 | 2034-2035 | 2034 | \$30 million appraisal limitation |
| | 8 | 2035-2036 | 2035 | \$30 million appraisal limitation |
| | 9 | 2036-2037 | 2036 | \$30 million appraisal limitation |
| | 10 | 2037-2038 | 2037 | \$30 million appraisal limitation; Limitation Period Ends December 31, 2037 |
| Maintain Viable Presence | 11 | 2038-2039 | 2038 | No appraisal limitation; must maintain viable presence |
| | 12 | 2039-2040 | 2039 | No appraisal limitation; must maintain viable presence |
| | 13 | 2040-2041 | 2040 | No appraisal limitation; must maintain viable presence |
| | 14 | 2041-2042 | 2041 | No appraisal limitation; must Maintain viable presence. |
| | 15 | 2042-2043 | 2042 | No appraisal limitation; must maintain viable presence; Final Termination Date: December 31, 2042 |

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between ANDERSON-SHIRO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT and SMITH LAKE SOLAR, LLC

EXHIBIT E

Comptroller's Franchise Tax Account Status



Franchise Tax Account Status

As of : 12/15/2022 13:22:06

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

| SMITH LAKE SOLAR, LLC | |
|--|---|
| Texas Taxpayer Number | 32081051495 |
| Mailing Address | 880 APOLLO ST STE 333 EL SEGUNDO, CA 90245-4782 |
| Right to Transact Business in Texas | ACTIVE |
| State of Formation | TX |
| Effective SOS Registration Date | 09/14/2021 |
| Texas SOS File Number | 0804232409 |
| Registered Agent Name | COGENCY GLOBAL, INC |
| Registered Office Street Address | 1601 ELM ST SUITE 4360 DALLAS, TX 75201 |