

STOCKDALE INDEPENDENT SCHOOL DISTRICT  
SPECIAL CALLED MEETING  
**November 28, 2022**

Board of Trustees of the Stockdale Independent School District held a special called meeting on Monday, November 28, 2022.

Board members present: Mauro Monita, Teri Wolff, Tanner Voelkel, Teri Dugi, CJ Urrabazo, Sherry Lambeck and Blaine Akin

Also present were Superintendent, Todd Deaver; Business Manager, Becky Stewart; Walsh Gallegos Attorneys Ryan Pacher and Elizabeth Neally

Call to order at 6:30 p.m.

President Teri Wolff reserved the right to call a short recess if deemed necessary. She advised all present to refrain from the use of tobacco products on the school grounds and during the meeting. She also reserved the right to call the Board into Closed Session under Texas Government Code Section 551.001 through 551.088, Subchapter D and E.

**Public Hearing:**

Teri Wolff advised the Board and Audience that at this time, we will begin with our Public Hearing regarding the possible creation of the Blackjack Plains Solar Project, LLC Reinvestment Zone as contemplated by the Tax Value Limitation Application submitted by Blackjack Plains Solar Project, LLC. As required by Chapter 312 of the Texas Tax Code, the District posted notice of this hearing in the newspaper and notified the appropriate taxing authorities of the hearing within the designated timelines.

**Public Comments:**

The following Public signed up and addressed the Board of Trustees

Robert Kibbe, Karen Kibbe, Rachel Kibbe, Dave Guracker-by hard copy email read by Rachel Kibbe, Eric Clift with Blackjack Plains Solar, Cameron Morgan, Andy Hastings, Kenneth Klanika, Brian Smith, Marcus Machemehl, Katie Johnson, Jo Wynn, Jett Wynn, Reuben Johnson, Ginger Coleman, Samuel Hastings, Linda Hastings, Dan Ploch, Sandy Cannon, Desi Cooper, Derrick Dehimi, Chris Waters, Troy Reed with Blackjack Plains Solar, Grant Huber with Novis Renewables and Raymond Zepeda

Teri Wolff thanked those speaking for their comments. All interested parties have had an opportunity to speak for or against the designation of the Blackjack Plains Solar Project, LLC Reinvestment Zone and we are ready to move on to our next agenda item.

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Public Hearing:

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Public Comments:

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Teri Wolff thanked those speaking for their comments. All interested parties have had an opportunity to speak for or against the designation of the Novis Renewables, LLC Reinvestment Zone and we are ready to move on to our next agenda item.

**CLOSED SESSION: (Texas Govt. Code Section 551.071, 551.074 and 551.072 et seq)**

The Board was called into closed session at 8:37 p.m.

The Board reconvened to open session at 9:17 p.m.

Closed Agenda items:

- A. Possible action to adopt Criteria & Guidelines for Creating a Reinvestment Zone
  - a. Sherry Lambeck made a motion to adopt and implement the criteria & guidelines for creating a reinvestment zone as presented, effective immediately. The motion was seconded by CJ Urrabazo and passed with Mauro Monita abstaining.
- B. Possible action to adopt Resolution Designating Blackjack Plains Solar Project, LLC Reinvestment Zone
  - a. Tanner Voelkel made a motion to designate the Blackjack Plains Solar Project, LLC Reinvestment zone by way of the resolution as presented. He further moved to authorize the Board President to execute the resolution on behalf of the Board and that a complete copy of the Resolution be included in the official minutes for this meeting. The motion as seconded by CJ Urrabazo and passed with Blaine Akin, Sherry Lambeck and Mauro Monita abstaining.
- C. Possible action to adopt Resolution Designating Novis Renewables LLC Reinvestment Zone
  - a. CJ Urrabazo made a motion to designate the Novis Renewables LLC Reinvestment Zone by way of the resolution as presented. He further moved to authorize the Board President to execute the resolution on behalf of the Board and that a complete copy of the Resolution be included in the official minutes for this meeting. The motion was seconded by Sherry Lambeck and passed with Mauro Monita abstaining.



STOCKDALE INDEPENDENT SCHOOL DISTRICT  
SPECIAL CALLED MEETING  
November 28, 2022

- D. Possible action to make findings associated with Application and proposed Agreement for Tax Value Limitation with Blackjack Plains Solar, LLC as required by Texas Tax Code Chapter 313
  - a. Tanner Voelkel made a motion to adopt the findings on the tax value limitation application submitted by Blackjack Plains Solar Project, LLC as presented and to authorize the Board President to execute the findings on behalf of the Board. He further moved we include a complete copy of the Findings in the final minutes for this meeting. The motion was seconded by CJ Urrabazo and passed with Blaine Akin, Sherry Lambeck and Mauro Monita abstaining.
- E. Possible action to make findings associated with Application and proposed Agreement for Tax Value Limitation with Novis Renewables, LLC as required by Texas Tax Code Chapter 313
  - a. Sherry Lambeck made a motion to adopt the findings on the tax value limitation application submitted by Novis Renewables, LLC as presented and to authorize the Board President to execute the findings on behalf of the Board. She further moved we include a complete copy of the Findings in the final minutes for this meeting. The motion was seconded by Tanner Voelkel and passed with Mauro Monita abstaining.
- F. Possible action to approve proposed Agreement for Tax Value Limitation with Blackjack Plains Solar, LLC
  - a. Tanner Voelkel made a motion to approve the Tax Limitation Application and Agreement with Blackjack Plains Solar Project, LLC as presented and to authorize the Board President to execute the agreement on behalf of the Board. The motion was seconded by CJ Urrabazo and passed with Blaine Akin, Sherry Lambeck and Mauro Monita abstaining.
- G. Possible action to approve proposed Agreement for Tax Value Limitation with Novis Renewables, LLC
  - a. CJ Urrabazo made a motion to approve the Tax Limitation Application and Agreement with Novis Renewables, LLC as presented and to authorize the Board President to execute the agreement on behalf of the Board. The motion was seconded by Tanner Voelkel and passed with Mauro Monita abstaining.

Mr. Deaver made a recommendation to adopt The Resolution for the Bullet-Resistant Shield Program. A motion was made by Sherry Lambeck and seconded by Teri Dugi to accept the recommendation. The motion passed unanimously

Motion to adjourn was made by Teri Dugi and seconded by Mauro Monita. The motion passed unanimously. Meeting adjourned at 9:45 p.m.

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Teri Wolff, President

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Teri Dugi, Secretary

**STOCKDALE INDEPENDENT SCHOOL DISTRICT**  
**REINVESTMENT ZONE CRITERIA AND GUIDELINES**

**WHEREAS**, the Stockdale Independent School District (“District”) is a taxing unit for purposes of Chapter 313, Texas Tax Code, as that term is defined by Texas Tax Code § 1.04(12), and is considering one application for an appraised tax value limitation and desires to consider future applications;

**WHEREAS**, a qualified investment, as that term is defined in Texas Tax Code § 313.021(a) must be located within a designated reinvestment or enterprise zone to qualify under Texas Tax Code § 313.021(2);

**WHEREAS**, under Texas Tax Code § 312.002, the District may designate a reinvestment or enterprise zone within its boundaries to allow a qualifying project to be built within District boundaries; and

**WHEREAS**, the District seeks to enjoy the benefits of appraised value limitation agreements with eligible businesses.

**NOW, THEREFORE**, the Board of Trustees adopts the following Reinvestment Zone Criteria and Guidelines that govern pending and future requests for designation of reinvestment or enterprise zones pursuant to Texas Tax Code § 312.002.

**I. PURPOSE**

The District adopts these reinvestment zone criteria and guidelines to allow for the creation/designation of a reinvestment zone to accommodate a Qualified Investment pursuant to an approved application for appraised value limitation under Chapter 313, Texas Tax Code.

**II. CRITERIA**

- A. The following non-exclusive criteria will be considered in determining whether to designate a Reinvestment Zone in conjunction with an application for appraised value limitation that has not been rejected by the Board:
- (1) Number and types of new jobs to be created by proposed improvements;
  - (2) The wages and benefits to be paid to all new employees as compared to average wages in Wilson County;
  - (3) The anticipated increase in taxable values generated by the proposed improvements;

- (4) The student population growth of the District projected to occur directly as a result of new improvements;
  - (5) The attraction of other new businesses to the area as a result of the project.
- B. After review, the Board of Trustees reserves the right to grant or deny, in whole or in part, each application for designating a reinvestment zone, on a case by case basis and in its sole discretion.

### III. GUIDELINES

- A. An entity may apply for a reinvestment zone designation from the District by declaring its intention in the completed application for appraised value limitation submitted to the Board of Trustees for initial consideration.
- B. Prior to the adoption of a resolution designating a reinvestment or enterprise zone, the District shall:
- (1) Give written notice to the presiding officer of the governing body of each taxing unit in which the property to be subject to the agreement is located not later than the seventh (7th) day before the public hearing; and
  - (2) Publish notice of a public hearing in a newspaper of general circulation within such taxing jurisdiction not later than the seventh (7th) day before the public hearing.
- C. Before acting upon the request at a public hearing, the Board of Trustees may provide the applicant with an opportunity, orally and/or in writing, to present reasons as to why the area should be designated as a reinvestment or enterprise zone.
- D. The Board of Trustees may approve or disapprove the request for designation at the conclusion of the hearing. If the Board does not vote on the request at the conclusion of the hearing, the Board will take action at its next regularly scheduled meeting. If the Board does not vote on the request within thirty (30) days of the public hearing, the request is denied.
- E. The adoption of these Criteria and Guidelines by the Board does not:
- (1) Limit the discretion of the District to decide whether to enter into a specific appraised value limitation agreement or to designate a reinvestment or enterprise zone;
  - (2) Create a property, contract, or other legal rights in any person to have the District consider or grant a specific application for appraised value limitation or request to designate a reinvestment or enterprise zone.

- F. These Criteria and Guidelines are effective upon the date of their adoption and will remain in force for two years subject to further amendment, renewal, or discontinuation by action of the Board of Trustees.

**IV. TERM**

- A. These Criteria and Guidelines are effective upon the date of their adoption and will remain in force for two years subject to further amendment, renewal, or discontinuation by action of the Board of Trustees.

ADOPTED this **28th day of November, 2022.**

By:  \_\_\_\_\_  
President, Board of Trustees

ATTEST:  
 \_\_\_\_\_  
Secretary, Board of Trustees

**CERTIFICATION**

I hereby certify that the foregoing resolution was presented to the Board of Trustees of the Stockdale Independent School District during a properly scheduled and noticed 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:                5      
Nays:                        
Abstentions:       1    

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

By:  \_\_\_\_\_  
President, Board of Trustees

**RESOLUTION OF THE  
STOCKDALE INDEPENDENT SCHOOL DISTRICT  
BOARD OF TRUSTEES**

**RESOLUTION DESIGNATING BLACKJACK PLAINS SOLAR PROJECT, LLC REINVESTMENT ZONE**

**WHEREAS**, the Board of Trustees of the Stockdale 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 Blackjack Plains Solar Project, LLC for property within the District’s boundaries and depicted in the attached **Exhibits A and B**;

**BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE STOCKDALE 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 Stockdale 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 *Blackjack Plains Solar Project, 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;
- (b) That the boundaries of the *Blackjack Plains Solar Project, 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;
- (c) That creation of the *Blackjack Plains Solar Project, 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) *Blackjack Plains Solar Project, 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 *Blackjack Plains Solar Project, LLC Reinvestment Zone*.


SECTION 4. That the *Blackjack Plains Solar Project, 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 Wilson 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.**

**Stockdale Independent School District**

By:  \_\_\_\_\_  
President, Board of Trustees

Attest:

By:  \_\_\_\_\_  
Secretary, Board of Trustees



**CERTIFICATION**

I hereby certify that the foregoing resolution was presented to the Board of Trustees of the Stockdale 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: 234  
Nays: \_\_\_\_\_  
Abstentions: 3

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:**

WCAD PID	GEOGRAPHIC ID	LEGAL DESCRIPTION	ACRES
16611		A0257 B PHILLIPS SUR, TRACT 2 & 2A & A0291 TR 1, 3A, 3B, 4	1006.99
20134503		A0257 B PHILLIPS SUR, TRACT 1B	483
20134502		A0257 B PHILLIPS SUR, TRACT 1A	483.01
20701		J N KOENING SUB, LOT 10 (U-2)	185
20702		J N KOENING SUB, LOT 11 (1/2) (U-2)	92.5
20703		J N KOENING SUB, LOT 11 (1/2) (U-2)	95.22
20704		J N KOENING SUB, LOT 12 (U-2), MH LABEL# PFS0367790 / PFS0367791	186.72
20692		J N KOENING SUB, LOT 2 (U-2)	136
20693		J N KOENING SUB, LOT 3 (U-2)	135.91
20694		J N KOENING SUB, LOT 4-5 (U-2)	276.57
20645		J N KOENING SUB, LOT 1.01 (U-1)	147.6
20647		J N KOENING SUB, LOT 1.02 (PT) (U-1)	64.01
20132064		J N KOENING SUB, LOT 1.02 (PT) (U-1)	10
15095		A0130 E HARCOURT SUR, TRACT 7 & 8	154.06
41750		A0130 E HARCOURT SUR, TRACT 6A & 8A	441.636
16536		A0252 S PHARR SUR, TRACT 5	492.56
16537		A0252 S PHARR SUR, TRACT 6	56.6
39121		A0252 S PHARR SUR, TRACT 6A	56.6
16538		A0252 S PHARR SUR, TRACT 7	112.78
16540		A0252 S PHARR SUR, TRACT 8	199.81
53511		A0252 S PHARR SUR, TRACT 1B	279.51
42818		A0252 S PHARR SUR, TRACT 3B	30.18
42817		A0252 S PHARR SUR, TRACT 3A	92.11
16532		A0252 S PHARR SUR, TRACT 2E (TRACT 6)	47.6
72904		A0252 S PHARR SUR, TRACT 2D (TRACT 5) SOL (122465) LABEL# NTA0872343	15.5
16531		A0252 S PHARR SUR, TRACT 2 (TRACT 4)	9.1
72903		A0252 S PHARR SUR, TRACT 2C (TRACT 3)	15.5
72902		A0252 S PHARR SUR, TRACT 2B (TRACT 2)	5
72901		A0252 S PHARR SUR, TRACT 2A (TRACT 1)	5

16530		A0252 S PHARR SUR, TRACT 1A	121.547
65989		A0252 S PHARR SUR, TRACT 11C	55
16549		A0252 S PHARR SUR, TRACT 10	110.215
16560		A0252 S PHARR SUR, TRACT 14	60.22
20127743		A0252 S PHARR SUR, TRACT 14G	15.425
55420		A0252 S PHARR SUR, TRACT 14B	25
20127741		A0252 S PHARR SUR, TRACT 14E	13.613
20127739		A0252 S PHARR SUR, TRACT 14C	10.01
16551		A0252 S PHARR SUR, TRACT 12, TA (1816/896) LABEL# NTA1638407	4
16557		A0252 S PHARR SUR, TRACT 13F	1
16554		A0252 S PHARR SUR, TRACT 14C	7.22
16555		A0252 S PHARR SUR, TRACT 13D	2.34
41545		A0252 S PHARR SUR, TRACT 11B	3
32625		A0252 S PHARR SUR, TRACT 11A	3
20126697		A0252 S PHARR SUR, TRACT 11J	1.43
20103912		A0252 S PHARR SUR, TRACT 11H	3
16550		A0252 S PHARR SUR, TRACT 11, SOL (1701/721)	7.67
75690		A0252 S PHARR SUR, TRACT 11G, TA (1896/160) LABEL# NTA1551671	10
75689		A0252 S PHARR SUR, TRACT 11F	7.31
73539		A0252 S PHARR SUR, TRACT 11E	7.59
33157		J N KOENING SUB, LOT 7, 8, 8B, 8D (U-2)	309.27
20700		J N KOENING SUB, LOT 9 (U-2)	180
33156		J N KOENING SUB, LOT 8A-8C (U-2)	40
35067		A0252 S PHARR SUR, TRACT 3	10.43
20127742		A0252 S PHARR SUR, TRACT 14F	11.16
16553		A0252 S PHARR SUR, TRACT 13B	2
16556		A0252 S PHARR SUR, TRACT 13E	3.994
16552		A0252 S PHARR SUR, TRACT 13A	2
16546		A0252 S PHARR SUR, TRACT 9C	6.32
16535		A0252 S PHARR SUR, TRACT 4	138.3
20127740		A0252 S PHARR SUR, TRACT 14D	10.01
66237		A0252 S PHARR SUR, TRACT 11D	4.43

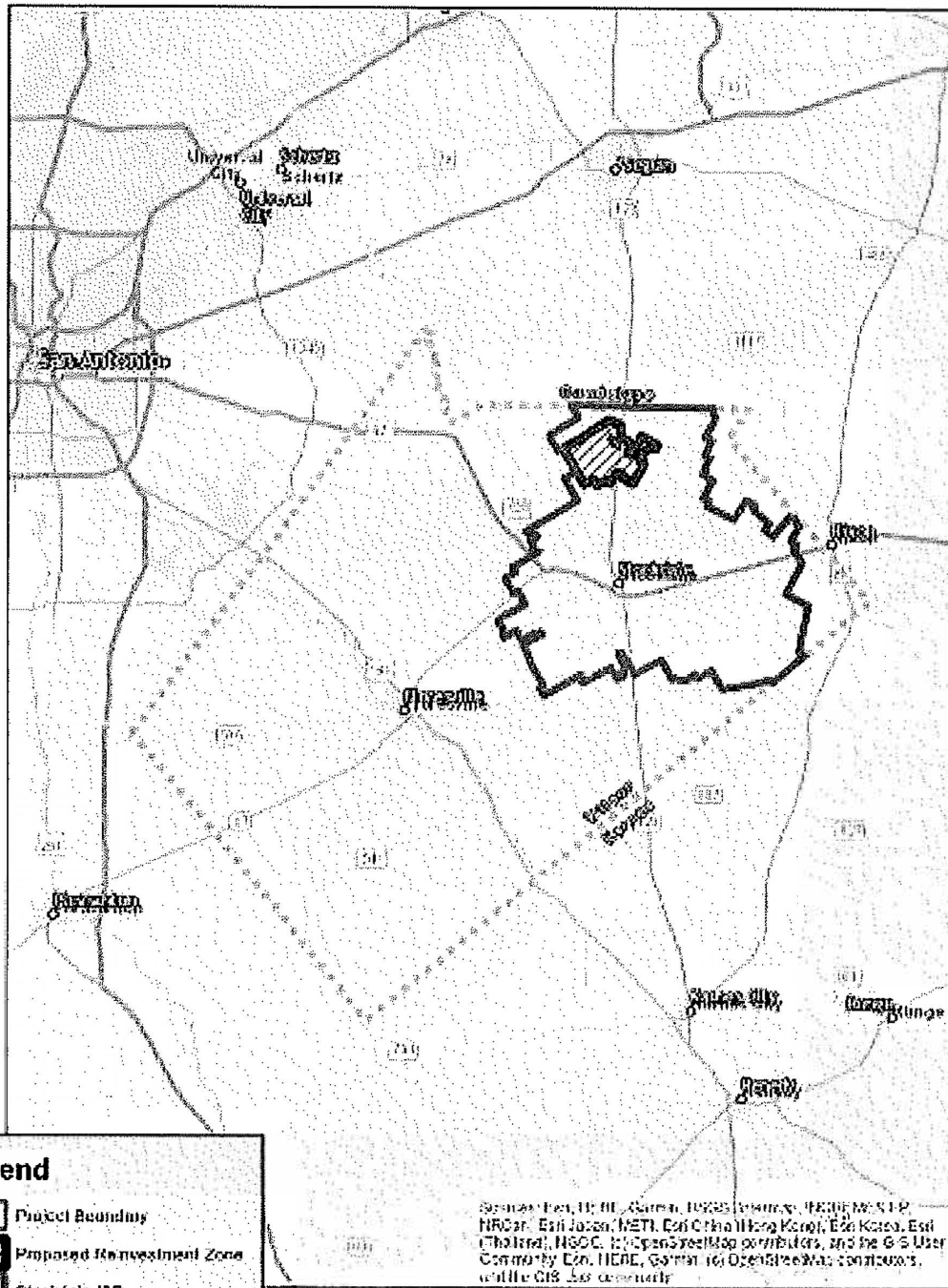
EXHIBIT B  
MAP OF PROPOSED BLACKJACK PLAINS SOLAR PROJECT, LLC  
REINVESTMENT ZONE

The boundaries of the *Blackjack Plains Solar Project, LLC* Reinvestment Zone will be entirely within Stockdale ISD's boundaries and more particularly described in the following maps:





# Blackjack Plains Solar Project, LLC





# Blackjack Plains Solar Project, LLC





**RESOLUTION OF THE  
STOCKDALE INDEPENDENT SCHOOL DISTRICT  
BOARD OF TRUSTEES**

**RESOLUTION DESIGNATING NOVIS RENEWABLES, LLC REINVESTMENT ZONE**

**WHEREAS**, the Board of Trustees of the Stockdale 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 Novis Renewables, LLC for property within the District’s boundaries and depicted in the attached **Exhibits A and B**;

**BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE STOCKDALE 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 Stockdale 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 *Novis Renewables, 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 *Novis Renewables, 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 *Novis Renewables, 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 *Novis Renewables, 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 *Novis Renewables, LLC Reinvestment Zone*.


SECTION 4. That the *Novis Renewables, 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 Wilson 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.**

**Stockdale Independent School District**

By:  \_\_\_\_\_  
President, Board of Trustees

Attest:

By:  \_\_\_\_\_  
Secretary, Board of Trustees

**CERTIFICATION**

I hereby certify that the foregoing resolution was presented to the Board of Trustees of the Stockdale 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:               5      
Nays:                       
Abstentions:       1    

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

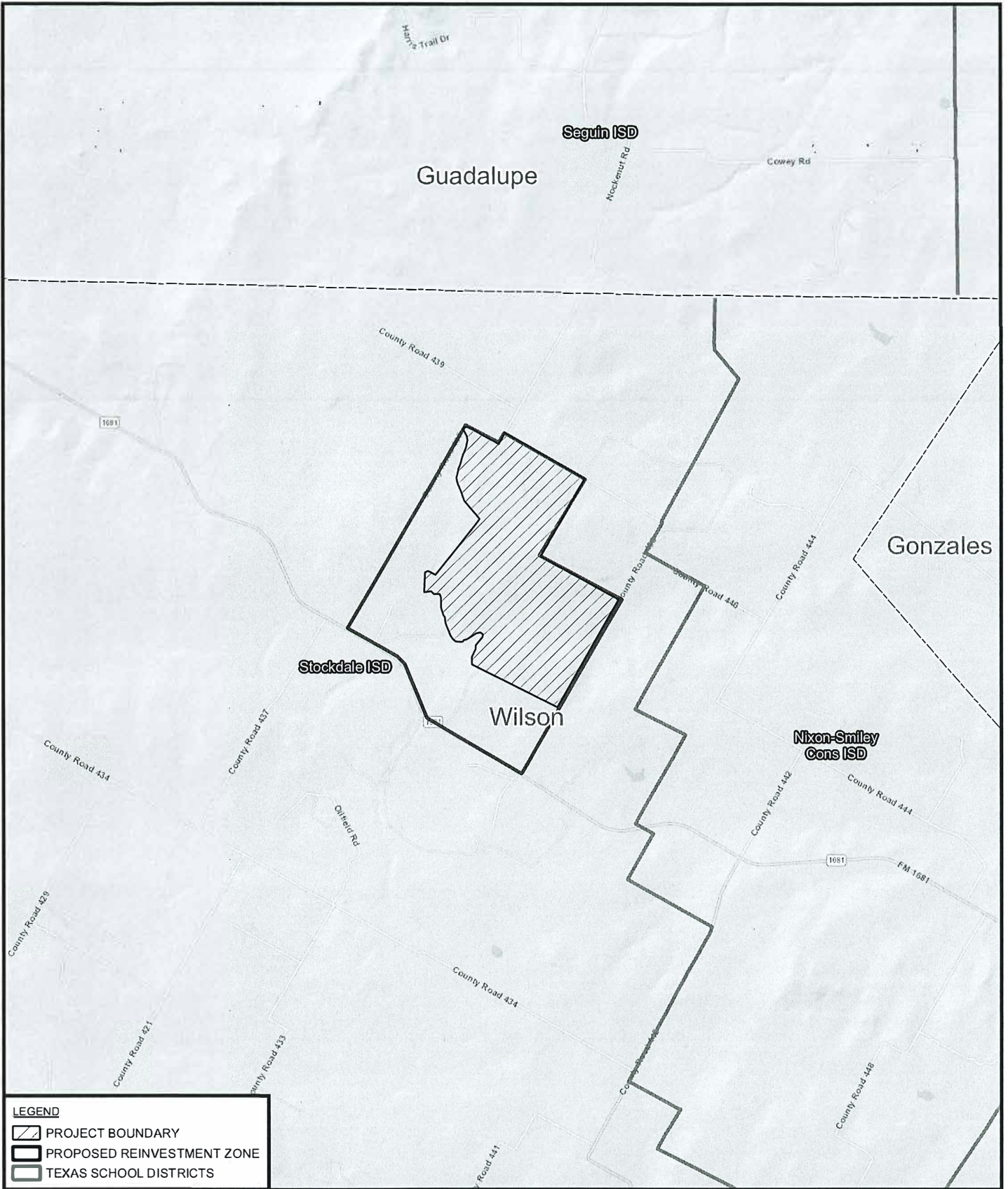
Reinvestment Zone Legal Description:

WCAD PID	GEOGRAPHIC ID	LEGAL DESCRIPTION	ACRES
18178	0523-00000-00101	A0523 N F ROBERTS SUR, TRACT 1 (TR 2 A0155 P W HOBBS SUR)	1,311.14

EXHIBIT B  
MAP OF PROPOSED NOVIS RENEWABLES, LLC  
REINVESTMENT ZONE

The boundaries of the *Novis Renewables, LLC* Reinvestment Zone will be entirely within Stockdale ISD's boundaries and more particularly described in the following maps:





**LEGEND**


- PROJECT BOUNDARY
- PROPOSED REINVESTMENT ZONE
- TEXAS SCHOOL DISTRICTS



**WESTERN LAND SERVICES**  
CONFIDENTIAL



Guadalupe  
Wilson

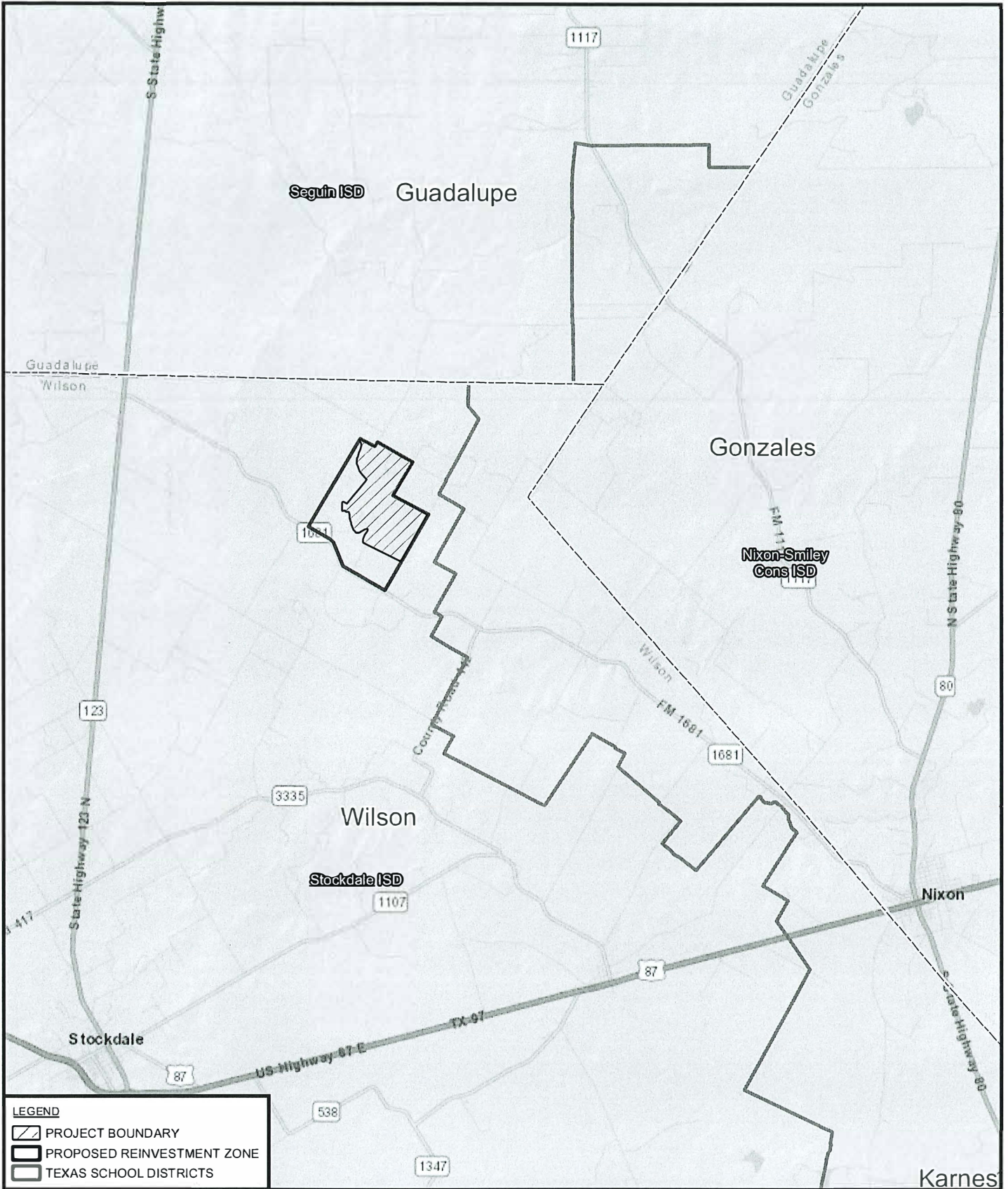


0 10 20 Miles

Created By: EGW  
Date: 5/5/2022 Page: 1 OF 2  
Map ID: GISMAP - 001

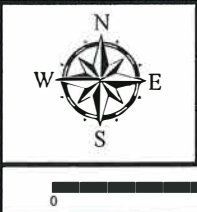
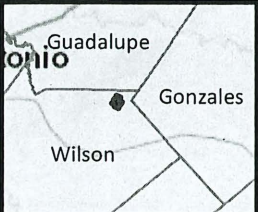
**NOVIS RENEWABLES, LLC**  
SOLAR PROJECT  
  
WILSON COUNTY, TEXAS





LEGEND	
	PROJECT BOUNDARY
	PROPOSED REINVESTMENT ZONE
	TEXAS SCHOOL DISTRICTS

**WESTERN LAND SERVICES**  
CONFIDENTIAL



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Date: 5/5/2022	Page: 2 OF 2
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**NOVIS RENEWABLES, LLC**  
SOLAR PROJECT

WILSON COUNTY, TEXAS























**WALSH GALLEGOS**  
TREVINO KYLE & ROBINSON P.C.

March 28, 2022

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

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

Re: Stockdale Independent School District ("District") / Tax Limitation Agreement:  
Blackjack Plains Solar Project, 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 Stockdale Independent District by Blackjack Plains Solar Project, LLC for public posting.

The Application was received on March 23, 2022. The Board of Trustees of the District elected to consider the application on March 23, 2022. The District determined the Application was complete on March 24, 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 Wilson County Appraisal District.

Please call if you have any questions.

Sincerely,

EDDY HERNANDEZ PEREZ

EHP/arm  
Enclosures

March 28, 2022

Page 2 of 2

cc: *(Via E-mail)*  
Mr. Daniel Fuller, Superintendent of Schools  
Stockdale Independent School District  
503 South Fourth Street  
Stockdale, Texas 78160

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

*(Via E-mail)*  
Mr. Scott Zeimetz, Chief Development Officer  
Savion, LLC  
422 Admiral Blvd  
Kansas City, MO 64106

*(Via E-mail)*  
Mr. Eric Clift, Director of Development  
Savion, LLC  
422 Admiral Blvd  
Kansas City, MO 64106

*(Via E-mail)*  
Mr. Mike Fry, Director-Energy Services  
KE Andrews

Wilson County Appraisal District  
1611 Railroad Street  
Floresville, Texas 78114

*(Via U.S. Postal Service Delivery)*



March 23, 2022

Stockdale Independent School District  
ATT: Daniel Fuller  
503 S. Fourth Street  
Stockdale, Texas 78160

**RE: Blackjack Plains Solar Project, LLC Application for Appraised Value Limitation on Qualified Property**

Superintendent Gonzalez:

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

Blackjack Plains Solar Project, LLC is a 250 MW/AC solar energy generation project, with an additional 125 MW battery energy storage system. The facility will be located within a proposed reinvestment zone in northern Wilson County and northern Stockdale Independent School District.

Enclosed are additional details and further information regarding the description, location, qualified investment, and job creation associated with the development of Blackjack Plains Solar Project, LLC.

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

Sincerely,

A handwritten signature in cursive script that reads "Mike Fry".

Mike Fry-Director, Energy Services  
[mfry@keatax.com](mailto:mfry@keatax.com)

# Blackjack Plains Solar Project, LLC

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

*Tab 1: Pages 1 through 11 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/](http://comptroller.texas.gov/economy/local/ch313/). There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

### SECTION 1: School District Information

#### 1. Authorized School District Representative

March 23, 2022

Date Application Received by District

Daniel

First Name

Fuller

Last Name

Superintendent

Title

Stockdale ISD

School District Name

503 South Fourth St., Stockdale, TX 78160

Street Address

503 South Fourth St.

Mailing Address

Stockdale

City

TX

State

78160

ZIP

830-996-3551

Phone Number

N/A

Fax Number

N/A

Mobile Number (optional)

daniel.fuller@stockdaleisd.org

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 First Name Associate Title Walsh Gallegos Treviño Kyle & Robinson P.C. Firm Name (210) 979-6633 Phone Number N/A Mobile Number <i>(optional)</i>	Perez Last Name  (210) 979-7024 Fax Number eperez@wabsa.com Email Address  March 24, 2022
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------

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

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

Scott First Name Chief Development Officer Title 422 Admiral Blvd Street Address 422 Admiral Blvd Mailing Address Kansas City City 512-820-5197 Phone Number N/A Mobile Number <i>(optional)</i>	Zeimetz Last Name Savion, LLC Organization  MO State N/A Fax Number szeimetz@savionenergy.com Business Email Address  64106 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.

Eric First Name Director of Development Title 422 Admiral Blvd Street Address 422 Admiral Blvd Mailing Address Kansas City City 512-820-5197 Phone Number N/A Mobile Number <i>(optional)</i>	Clifft Last Name Savion, LLC Organization  MO State N/A Fax Number eclifft@savionenergy.com Business Email Address  64106 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)

Mike	Fry
First Name	Last Name
Director, Energy Services	
Title	
KE Andrews	
Firm Name	
469-298-1618	469-298-1617
Phone Number	Fax Number
mfry@keatax.com	
Business Email Address	

SECTION 3: Fees and Payments

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

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

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

\$ 75,000.00	Check
Payment Amount	Transaction Type
Savion, LLC	Blackjack Plains Solar Project, LLC
Payor	Payee
March 17, 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?	Blackjack Plains Solar Project, LLC
2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits)	32083235328
3. Parent Company Name	Savion, LLC
4. Parent Company Tax ID	32073968755
5. NAICS code	221114
6. Is the applicant a party to any other pending or active Chapter 313 agreements?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6a. If yes, please list application number, name of school district and year of agreement	N/A

SECTION 5: Applicant Business Structure

1. Business Organization of Applicant (corporation, limited liability corporation, etc) LLC
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  
Blackjack Plains Solar Project, LLC

2c. Reporting Entity Taxpayer Number  
32083235328

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 August 1, 2022
- 2. Estimated commencement of construction January 1, 2026
- 3. Beginning of qualifying time period (MM/DD/YYYY) January 1, 2026
- 4. First year of limitation (YYYY) January 1, 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 31, 2027

SECTION 10: The Property

- 1. County or counties in which the proposed project will be located Wilson County
- 2. Central Appraisal District (CAD) that will be responsible for appraising the property Wilson 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>Stockdale, .872; 100%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Stockdale, .3076; 100%</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Wilson, .4228; 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>Wilson Co. Hosp. Dist., 1054; 100%</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>Evergeen UWC Dist., 0063; 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>ESD#3, 0873; 100%</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>San Antonio River Auth., 01858; 100%</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: <u>Abatement, 50%, 2028-2037</u> <small>(Incentive type, percentage, start and end year)</small>	City: <u>N/A</u> <small>(Incentive type, percentage, start and end year)</small>
Hospital District: <u>N/A</u> <small>(Incentive type, percentage, start and end year)</small>	Water District: <u>N/A</u> <small>(Incentive type, percentage, start and end year)</small>
Other (describe): <u>N/A</u> <small>(Incentive type, percentage, start and end year)</small>	Other (describe): <u>N/A</u> <small>(Incentive type, percentage, start and end year)</small>

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/](http://comptroller.texas.gov/economy/local/ch313/).

1. At the time of application, what is the estimated minimum qualified investment required for this school district? \$ 40,000,000.00
2. What is the amount of appraised value limitation for which you are applying? \$ 40,000,000.00
- Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)?  Yes  No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
- a specific and detailed description of the qualified investment you propose to make within the project boundary for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
  - a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
  - a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period?  Yes  No

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

1. Attach a detailed description of the qualified property. [See §313.021(2)] The description must include:
- a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
  - a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**);
  - a map or site plan of the proposed qualified property showing the location of the new buildings or new improvements inside the project area boundaries within a vicinity map that includes school district, county and reinvestment zone boundaries (**Tab 11**); and
  - Will any of the proposed qualified property be used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area?  Yes  No
- Note:** Property used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area cannot be considered qualified property and will not be eligible for a limitation. See TAC §9.1051(16).



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

- 2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ... [ ] Yes [x] 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 [x] No
3a. If yes, attach the applicable supporting documentation:
a. evidence that the area qualifies as an enterprise zone as defined by the Governor's Office (Tab 16);
b. legal description of reinvestment zone (Tab 16);
c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
d. guidelines and criteria for creating the zone (Tab 16); and
e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date.
What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? Please See Tab 16

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

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

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

SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? ..... 2
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) ..... 0
3. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? .....  Yes  No
  - 3a. If yes, attach evidence of industry standard in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
4. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the Texas Workforce Commission website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22). **Note:** If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.
  - a. Non-qualified job wages  
- average weekly wage for all jobs (all industries) in the county is ..... \$ 823.50
  - b. Qualifying job wage minimum option §313.021(5)(A)  
-110% of the average weekly wage for manufacturing jobs in the county is ..... \$ 964.09
  - c. Qualifying job wage minimum option §313.021(5)(B)  
-110% of the average weekly wage for manufacturing jobs in the region is ..... \$ 1,207.91
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? ..... \$ 62,811.10
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... \$ 62,811.10
8. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? .....  Yes  No
9. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? .....  Yes  No
  - 9a. If yes, attach in **Tab 13** supporting documentation from the TWC, pursuant to §313.021(3)(F).
10. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? .....  Yes  No
  - 10a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

*Tab 2: Proof of Payment Application Fee*

Attached.

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

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

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

Not Applicable.



## *Tab 4: Detailed Description of the Project*

Blackjack Plains Solar Project, LLC is a 250 MW/AC solar electric generation facility that will be located in northern Wilson County within northern Stockdale Independent School District. The facility will feature 355,056 photovoltaic panels and 47 central inverters.

Blackjack Plains Solar Project, LLC is being developed by Savion. Savion is one of the United States largest utility scale solar and energy storage developers. With over 12.9 gigawatts of solar energy in development, Savion's team is dedicated to the advancement of renewable energy across the country.

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

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

### Generation of Solar Energy:

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

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

Throughout the United States the production of renewable energy has been increasing as the cost of these systems has decreased and technological advancements have improved efficiency. In 2021, Texas ranked 2<sup>nd</sup> in installed solar capacity.<sup>1</sup> The state's geographic position and containment of several large population centers has made Texas a favorable location for renewable energy development.

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

An appraised value limitation on qualified property allows developers to significantly diminish the property tax liability that composes a substantial ongoing cost of operation that directly impacts the economic rate of return for the project. In the absence of an appraised value limitation, the development of renewable energy facilities becomes financially uncertain as the rate of return often fails to meet the minimum return required to proceed. In the event an appraised value limitation agreement is not received by Blackjack Plains Solar Project, LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where either the property tax burden is lower or economic incentives can be secured, namely locations where Savion is currently active including 29 states. Thus, an appraised value limitation agreement between Blackjack Plains Solar Project, LLC and Stockdale Independent School District is the determining factor in the decision to locate this facility within the state of Texas.

---

<sup>1</sup> Solar Energy Industries Association

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

Not Applicable.

## *Tab 7: Description of Qualified Investment*

Blackjack Plains Solar Project, LLC is a 250 MW/AC solar electric generation facility that will be located in northern Wilson County within northern Stockdale Independent School District. The facility will feature 355,056 photovoltaic panels and 47 central inverters.

Blackjack Plains Solar Project, LLC requests that the limitation covers all qualified investment and qualified property located within Stockdale ISD. It is our request that the limitation includes all eligible and ancillary equipment including the following:

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

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

\*The battery energy storage system associated with Blackjack Plains Solar Project, LLC will be used to store energy solely generated from the project and within Stockdale ISD.



2424 Ridge Road  
Rockwall, TX 75087



469.298.1594



[www.keatax.com](http://www.keatax.com)

## *Tab 8: Description of Qualified Property*

Blackjack Plains Solar Project, LLC is a 250 MW/AC solar electric generation facility that will be located in northern Wilson County within northern Stockdale Independent School District. The facility will feature 355,056 photovoltaic panels and 47 central inverters.

Blackjack Plains Solar Project, LLC requests that the limitation covers all qualified investment and qualified property located within Stockdale ISD. It is our request that the limitation includes all eligible and ancillary equipment including the following:

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

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

\*The battery energy storage system associated with Blackjack Plains Solar Project, LLC will be used to store energy solely generated from the project and within Stockdale ISD.

## *Tab 9: Description of Land*

Not Applicable.



2424 Ridge Road  
Rockwall, TX 75087



469.298.1594



[www.keatax.com](http://www.keatax.com)

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

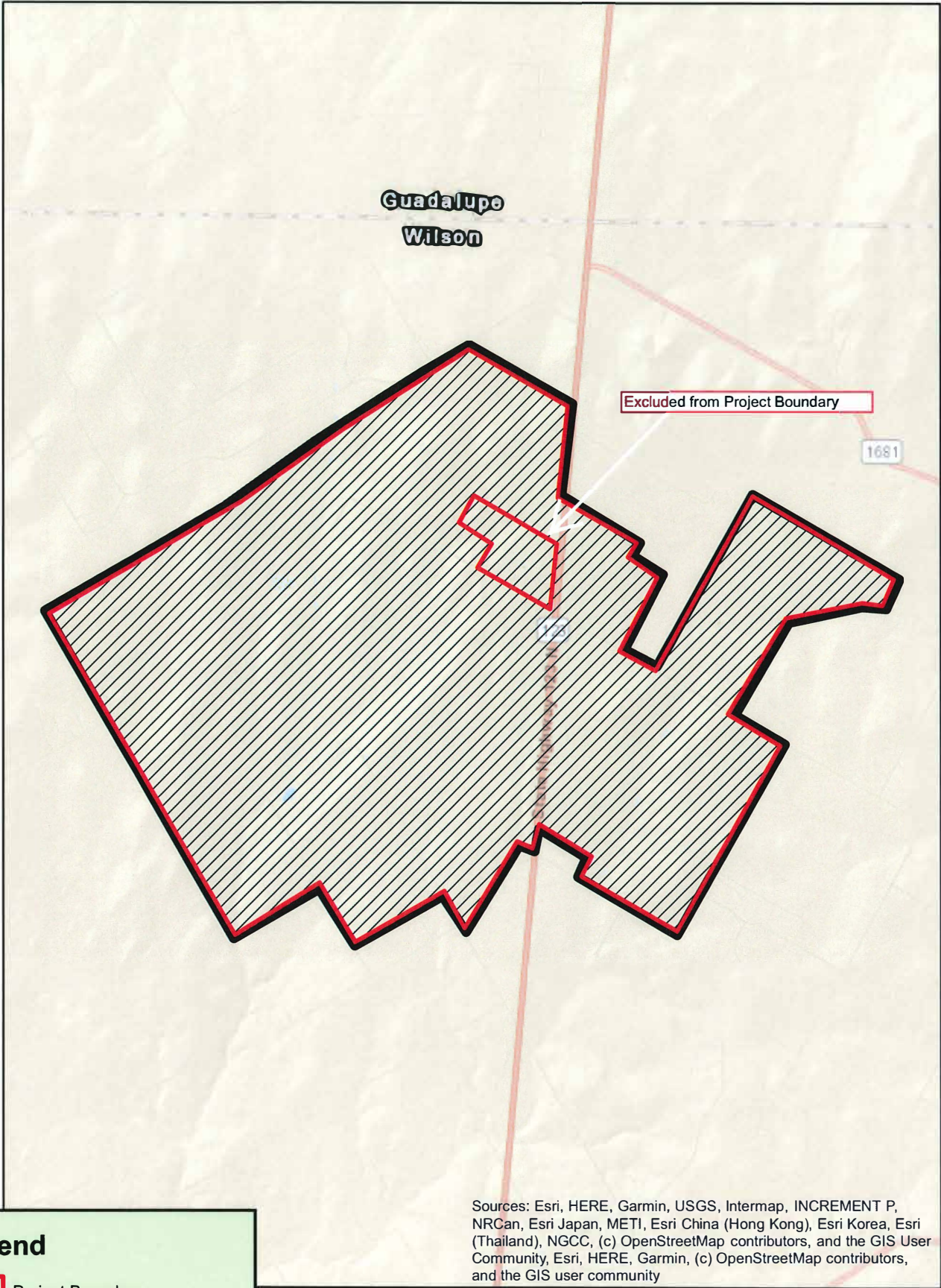
Not Applicable.

## *Tab 11: Maps*

Please See Attached.





# Blackjack Plains Solar Project, LLC



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

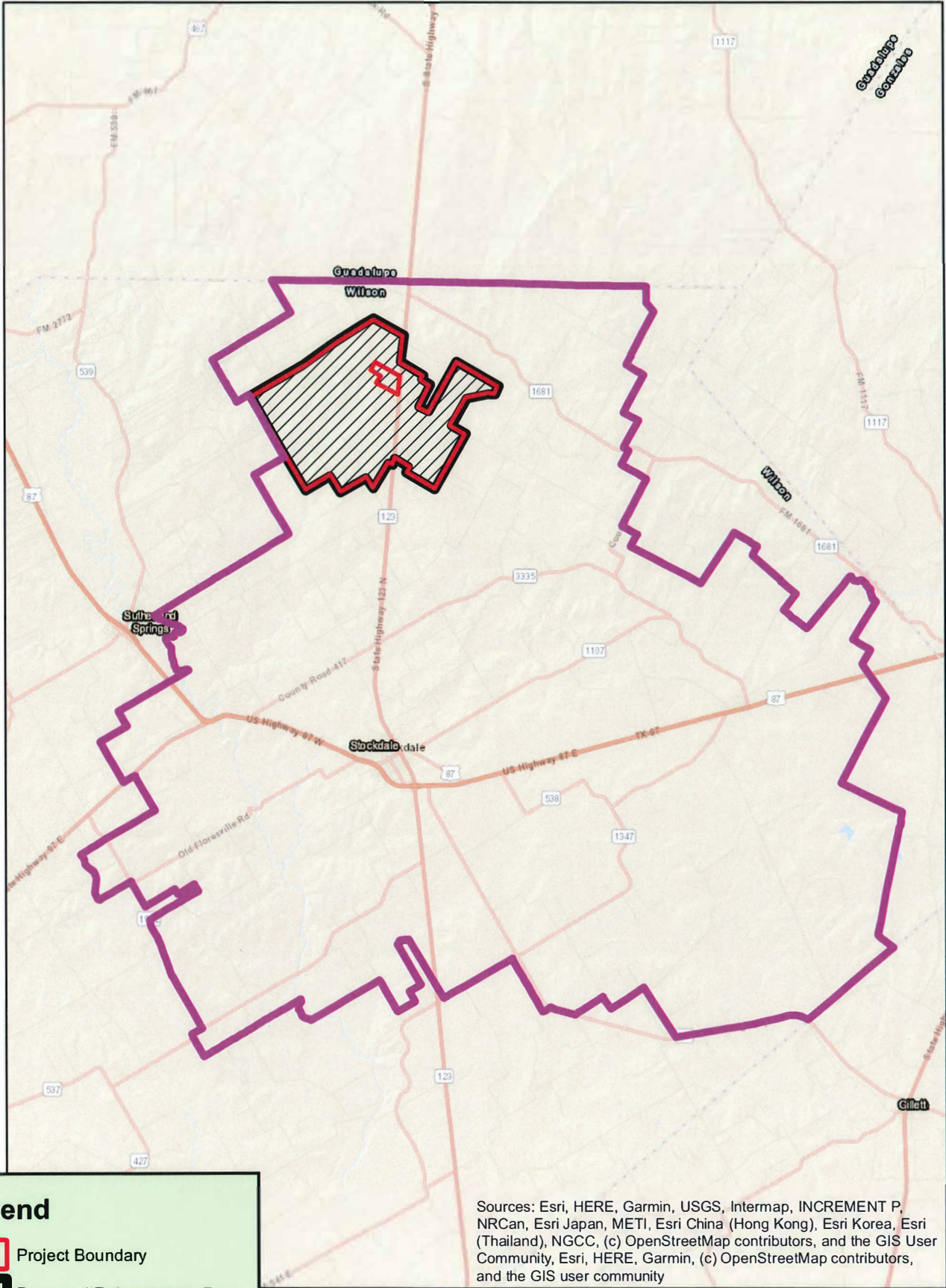
**Legend**

-  Project Boundary
-  Proposed Reinvestment Zone








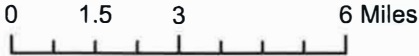
# Blackjack Plains Solar Project, LLC



**Legend**

-  Project Boundary
-  Proposed Reinvestment Zone
-  Stockdale ISD

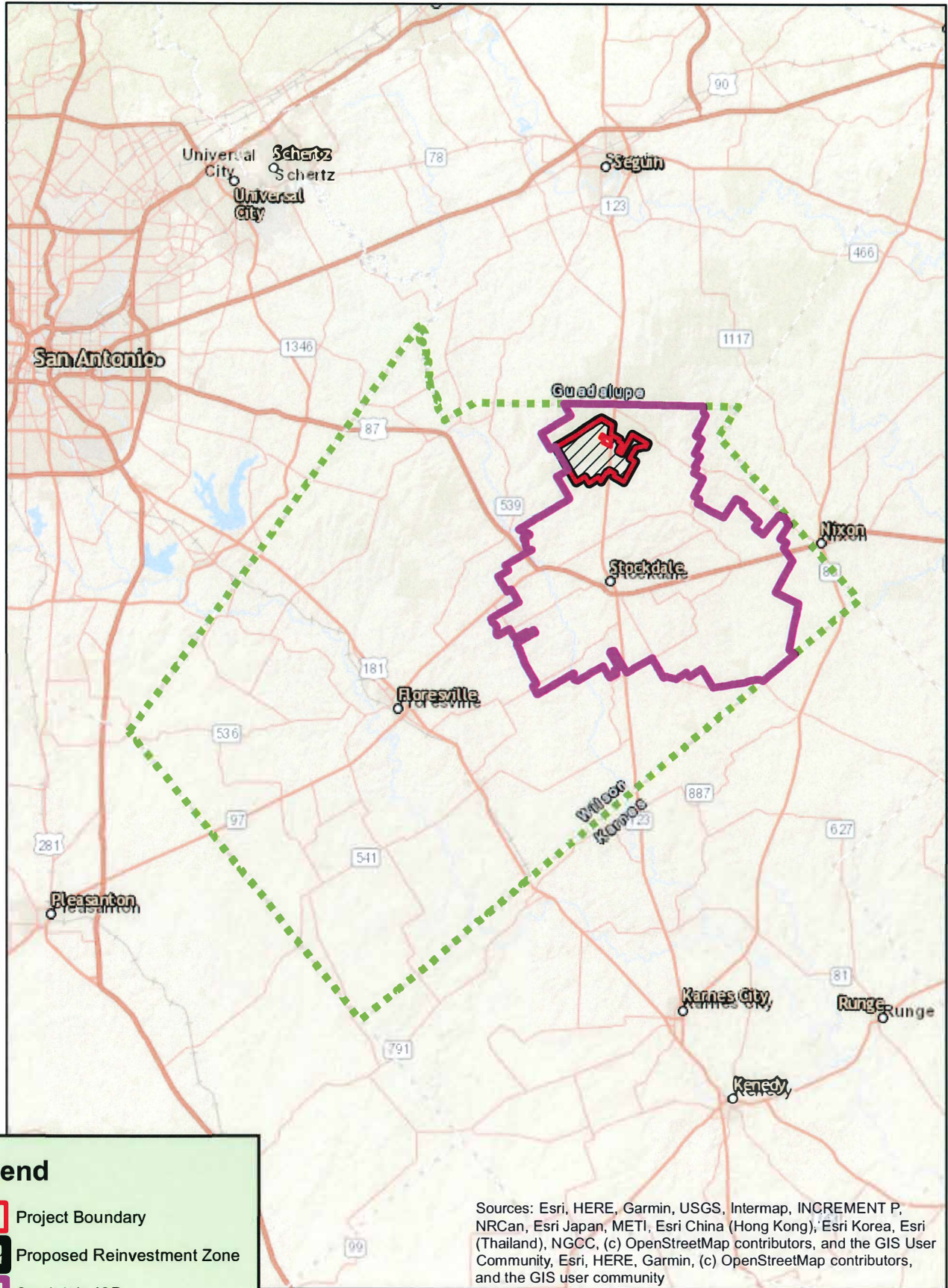
Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community









# Blackjack Plains Solar Project, LLC

N



## Legend

-  Project Boundary
-  Proposed Reinvestment Zone
-  Stockdale ISD
-  Wilson County

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

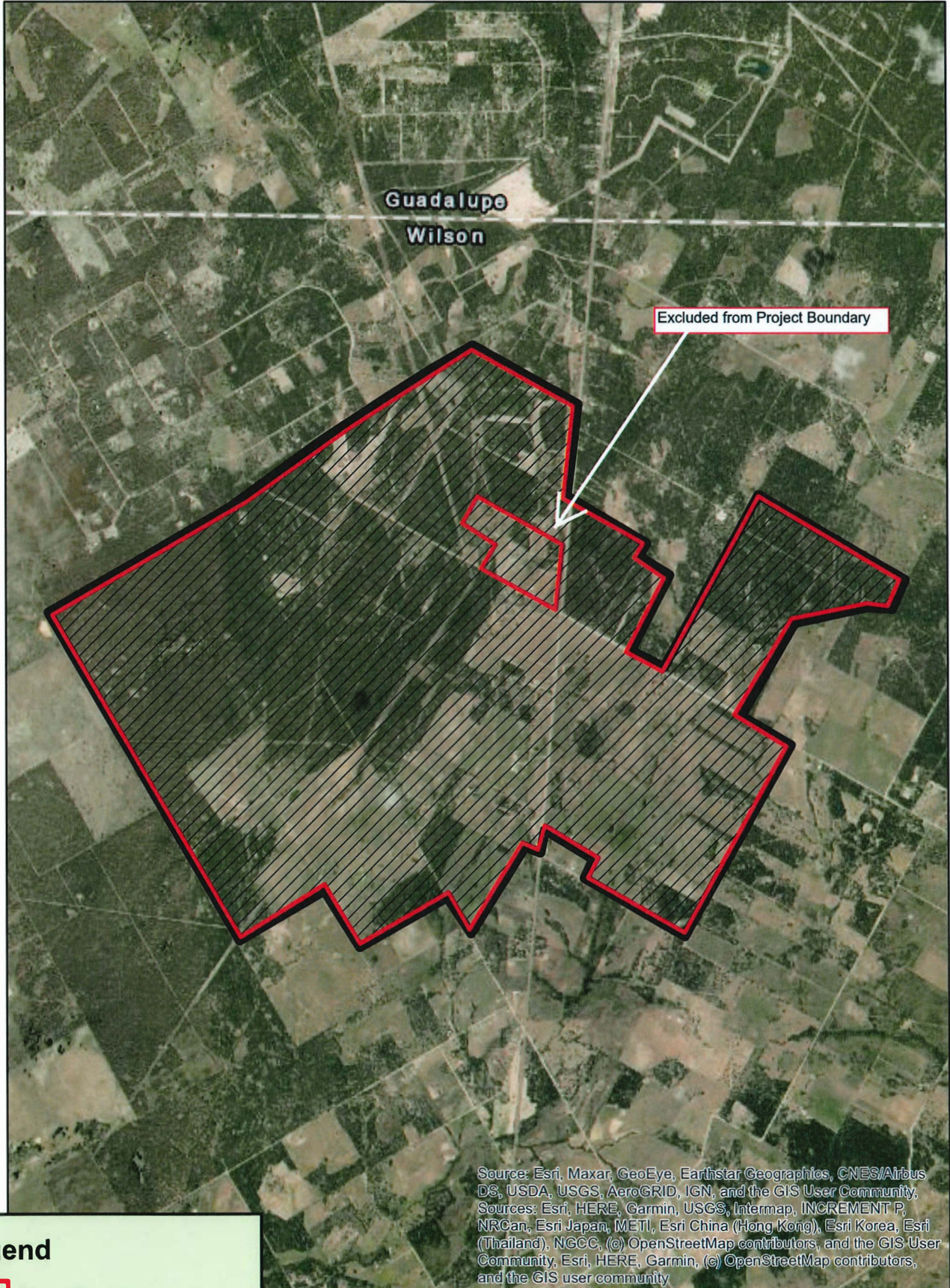
0 4.25 8.5 17 Miles







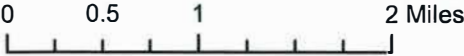
# Blackjack Plains Solar Project, LLC

N



**Legend**

-  Project Boundary
-  Proposed Reinvestment Zone



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

Please See Attached.



March 23, 2022

Stockdale Independent School District  
ATT: Daniel Fuller  
503 S. Fourth Street  
Stockdale, Texas 78160

**RE: Blackjack Plains Solar Project, LLC Application for Appraised Value Limitation on Qualified Property Job Waiver Request**

Superintendent Fuller:

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

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

Renewable energy project create many jobs during the development of the facility. It is anticipated that 250 construction jobs will be created by Blackjack Plains Solar Project, LLC; however, once construction is complete the facility will require a relatively low number of permanent workers. The current industry standard for solar energy sites is 1 worker per 250 MW.

Blackjack Plains Solar Project, LLC kindly requests that you consider the approval of the job waiver request for this project. Undoubtedly, the establishment of this facility will be very beneficial to Stockdale ISD, Wilson County, and the advancement of renewable energy in Texas.

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

Sincerely,



Mike Fry  
Director, Energy Services  
[mfry@keatax.com](mailto:mfry@keatax.com)

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

**Calculation 1: Wilson County Average Weekly Wage: \$823.50**

<i>Quarter</i>	<i>Area</i>	<i>Ownership</i>	<i>Industry</i>	<i>Average Weekly Wage</i>
<i>Q4 2020</i>	<i>Wilson County, TX</i>	<i>Total All</i>	<i>All Industries</i>	<i>\$866.00</i>
<i>Q1 2021</i>	<i>Wilson County, TX</i>	<i>Total All</i>	<i>All Industries</i>	<i>\$772.00</i>
<i>Q2 2021</i>	<i>Wilson County, TX</i>	<i>Total All</i>	<i>All Industries</i>	<i>\$817.00</i>
<i>Q3 2021</i>	<i>Wilson County, TX</i>	<i>Total All</i>	<i>All Industries</i>	<i>\$839.00</i>

Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

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

Year	Period	Area	Ownership	Industry	Average Weekly Wage
2020	01	Wilson	Total All	Total, All Industries	789
2020	02	Wilson	Total All	Total, All Industries	798
2020	03	Wilson	Total All	Total, All Industries	796
2020	04	Wilson	Total All	Total, All Industries	866
2021	01	Wilson	Total All	Total, All Industries	772
2021	02	Wilson	Total All	Total, All Industries	817
2021	03	Wilson	Total All	Total, All Industries	839

**Calculation 2: 110% Wilson County Average Manufacturing Weekly: \$1,166.55**

<i>Quarter</i>	<i>Area</i>	<i>Ownership</i>	<i>Industry</i>	<i>Average Weekly Wage</i>
<i>Q4 2020</i>	<i>Wilson County, TX</i>	<i>Private</i>	<i>Manufacturing</i>	<i>\$1,055.00</i>
<i>Q1 2021</i>	<i>Wilson County, TX</i>	<i>Private</i>	<i>Manufacturing</i>	<i>\$961.00</i>
<i>Q2 2021</i>	<i>Wilson County, TX</i>	<i>Private</i>	<i>Manufacturing</i>	<i>\$1,091.00</i>
<i>Q3 2021</i>	<i>Wilson County, TX</i>	<i>Private</i>	<i>Manufacturing</i>	<i>\$1,135.00</i>

Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

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

Year	Period	Area	Ownership	Industry	Average Weekly Wage
2020	01	Wilson	Private	Manufacturing	1,045
2020	02	Wilson	Private	Manufacturing	1,045
2020	03	Wilson	Private	Manufacturing	988
2020	04	Wilson	Private	Manufacturing	1,055
2021	01	Wilson	Private	Manufacturing	961
2021	02	Wilson	Private	Manufacturing	1,091
2021	03	Wilson	Private	Manufacturing	1,135



**Calculation 3: 110% Regional Manufacturing Wage: \$1,207.91 weekly or \$62,811.10 annually**

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

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

Please See Attached.

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

Date **3/23/2022**  
 Applicant Name **Blackjack Plains Solar Project LLC**  
 ISD Name **Stockdale ISD**

Form 50-296A  
 Revised October 2020

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
				Column A	Column B	Column C	Column D	Column E	
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other 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]		Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district				Not eligible to become Qualified Property				[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application		2025-2026	2025						
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period									
Complete tax years of qualifying time period	QTP1	2026-2027	2026	\$ 93,750,000.00					\$ 93,750,000.00
	QTP2	2027-2028	2027	\$ 187,000,000.00	\$ 500,000.00				\$ 187,500,000.00
<b>Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]</b>				<b>\$ 280,750,000.00</b>	<b>\$ 500,000.00</b>				<b>\$ 281,250,000.00</b>
				<b>Enter amounts from TOTAL row above in Schedule A2</b>					
<b>Total Qualified Investment (sum of green cells)</b>				<b>\$ 281,250,000.00</b>					

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

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

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

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

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

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

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

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

Date **3/23/2022**  
 Applicant Name **Blackjack Plains Solar Project LLC**  
 ISD Name **Stockdale ISD**

Form 50-296A

Revised October 2020

PROPERTY INVESTMENT AMOUNTS									
(Estimated Investment in each year. Do not put cumulative totals.)									
				Column A	Column B	Column C	Column D	Column E	
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will not become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)	
Enter amounts from TOTAL row in Schedule A1 in the row below									
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		\$ 280,750,000.00	\$ 500,000.00			\$ 281,250,000.00	
Each year prior to start of value limitation period		2022-2023	2022						
Each year prior to start of value limitation period		2023-2024	2023						
Each year prior to start of value limitation period		2024-2025	2024						
Each year prior to start of value limitation period		2025-2026	2025						
Each year prior to start of value limitation period	QTP 1	2026-2027	2026	\$ 93,750,000.00				\$ 93,750,000.00	
Each year prior to start of value limitation period	QTP 2	2027-2028	2027	\$ 187,000,000.00	\$ 500,000.00			\$ 187,500,000.00	
Value limitation period***	1	2028-2029	2028						
	2	2029-2030	2029						
	3	2030-2031	2030						
	4	2031-2032	2031						
	5	2032-2033	2032						
	6	2033-2034	2033						
	7	2034-2035	2034						
	8	2035-2026	2035						
	9	2036-2037	2036						
	10	2037-2038	2037						
Total Investment made through limitation				\$ 280,750,000.00	\$ 500,000.00			\$ 281,250,000.00	
Continue to maintain viable presence	11	2038-2039	2038						
	12	2039-2040	2039						
	13	2040-2041	2040						
	14	2041-2042	2041						
	15	2042-2043	2042						
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2043-2044	2043						
	17	2044-2045	2044						
	18	2045-2046	2045						
	19	2046-2047	2046						
	20	2047-2048	2047						
	21	2048-2049	2048						
	22	2049-2050	2049						
	23	2050-2051	2050						
	24	2051-2052	2051						
	25	2052-2053	2052						

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

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

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

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

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

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

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

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

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

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

Date 3/23/2022

Applicant Name Blackjack Plains Solar Project LLC

Form 50-296A

ISD Name Stockdale ISD

Revised October 2020

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period	0	2022-2023	2022						
Each year prior to start of Value Limitation Period	0	2023-2024	2023						
Each year prior to start of Value Limitation Period	0	2024-2025	2024						
Each year prior to start of Value Limitation Period	0	2025-2026	2025						
Each year prior to start of Value Limitation Period	0	2026-2027	2026						
Each year prior to start of Value Limitation Period	0	2027-2028	2027			\$ 46,875,000.00	\$ 46,875,000.00	\$ 46,875,000.00	\$ 46,875,000.00
Value Limitation Period	1	2028-2029	2028	\$ 500,000.00	\$ 280,750,000.00	\$ 281,250,000.00	\$ 281,250,000.00	\$ 40,000,000.00	\$ 40,000,000.00
	2	2029-2030	2029	\$ 485,000.00	\$ 258,290,000.00	\$ 258,775,000.00	\$ 258,775,000.00	\$ 40,000,000.00	\$ 40,000,000.00
	3	2030-2031	2030	\$ 470,000.00	\$ 233,022,500.00	\$ 233,492,500.00	\$ 233,492,500.00	\$ 40,000,000.00	\$ 40,000,000.00
	4	2031-2032	2031	\$ 455,000.00	\$ 210,562,500.00	\$ 211,017,500.00	\$ 211,017,500.00	\$ 40,000,000.00	\$ 40,000,000.00
	5	2032-2033	2032	\$ 440,000.00	\$ 186,230,833.33	\$ 186,670,833.33	\$ 186,670,833.33	\$ 40,000,000.00	\$ 40,000,000.00
	6	2033-2034	2033	\$ 425,000.00	\$ 162,367,083.33	\$ 162,792,083.33	\$ 162,792,083.33	\$ 40,000,000.00	\$ 40,000,000.00
	7	2034-2035	2034	\$ 410,000.00	\$ 138,503,333.33	\$ 138,913,333.33	\$ 138,913,333.33	\$ 40,000,000.00	\$ 40,000,000.00
	8	2035-2036	2035	\$ 395,000.00	\$ 114,639,583.33	\$ 115,034,583.33	\$ 115,034,583.33	\$ 40,000,000.00	\$ 40,000,000.00
	9	2036-2037	2036	\$ 380,000.00	\$ 90,775,833.33	\$ 91,155,833.33	\$ 91,155,833.33	\$ 40,000,000.00	\$ 40,000,000.00
	10	2037-2038	2037	\$ 365,000.00	\$ 66,912,083.33	\$ 67,277,083.33	\$ 67,277,083.33	\$ 40,000,000.00	\$ 40,000,000.00
Continue to maintain viable presence	11	2038-2039	2038	\$ 350,000.00	\$ 56,150,000.00	\$ 56,500,000.00	\$ 56,500,000.00	\$ 56,500,000.00	\$ 56,500,000.00
	12	2039-2040	2039	\$ 335,000.00	\$ 56,150,000.00	\$ 56,485,000.00	\$ 56,485,000.00	\$ 56,485,000.00	\$ 56,485,000.00
	13	2040-2041	2040	\$ 320,000.00	\$ 56,150,000.00	\$ 56,470,000.00	\$ 56,470,000.00	\$ 56,470,000.00	\$ 56,470,000.00
	14	2041-2042	2041	\$ 305,000.00	\$ 56,150,000.00	\$ 56,455,000.00	\$ 56,455,000.00	\$ 56,455,000.00	\$ 56,455,000.00
	15	2042-2043	2042	\$ 290,000.00	\$ 56,150,000.00	\$ 56,440,000.00	\$ 56,440,000.00	\$ 56,440,000.00	\$ 56,440,000.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2043-2044	2043	\$ 275,000.00	\$ 56,150,000.00	\$ 56,425,000.00	\$ 56,425,000.00	\$ 56,425,000.00	\$ 56,425,000.00
	17	2044-2045	2044	\$ 260,000.00	\$ 56,150,000.00	\$ 56,410,000.00	\$ 56,410,000.00	\$ 56,410,000.00	\$ 56,410,000.00
	18	2045-2046	2045	\$ 245,000.00	\$ 56,150,000.00	\$ 56,395,000.00	\$ 56,395,000.00	\$ 56,395,000.00	\$ 56,395,000.00
	19	2046-2047	2046	\$ 230,000.00	\$ 56,150,000.00	\$ 56,380,000.00	\$ 56,380,000.00	\$ 56,380,000.00	\$ 56,380,000.00
	20	2047-2048	2047	\$ 215,000.00	\$ 56,150,000.00	\$ 56,365,000.00	\$ 56,365,000.00	\$ 56,365,000.00	\$ 56,365,000.00
	21	2048-2049	2048	\$ 200,000.00	\$ 56,150,000.00	\$ 56,350,000.00	\$ 56,350,000.00	\$ 56,350,000.00	\$ 56,350,000.00
	22	2049-2050	2049	\$ 185,000.00	\$ 56,150,000.00	\$ 56,335,000.00	\$ 56,335,000.00	\$ 56,335,000.00	\$ 56,335,000.00
	23	2050-2051	2050	\$ 170,000.00	\$ 56,150,000.00	\$ 56,320,000.00	\$ 56,320,000.00	\$ 56,320,000.00	\$ 56,320,000.00
	24	2051-2052	2051	\$ 155,000.00	\$ 56,150,000.00	\$ 56,305,000.00	\$ 56,305,000.00	\$ 56,305,000.00	\$ 56,305,000.00
	25	2052-2053	2052	\$ 140,000.00	\$ 56,150,000.00	\$ 56,290,000.00	\$ 56,290,000.00	\$ 56,290,000.00	\$ 56,290,000.00

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

Only include market value for eligible property on this schedule.



**Schedule C: Employment Information**

Date **3/23/2022**  
 Applicant Name **Blackjack Plains Solar Project LLC**  
 ISD Name **Stockdale ISD**

**Form 50-296A**  
 Revised October 2020

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2022-2023	2022					
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2023-2024	2023					
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2024-2025	2024					
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2025-2026	2025					
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2026-2027	2026	250	\$ 40,000.00			
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2027-2028	2027	250	\$ 40,000.00			
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2028-2029	2028				2	\$ 62,811.10
	2	2029-2030	2029				2	\$ 62,811.10
	3	2030-2031	2030				2	\$ 62,811.10
	4	2031-2032	2031				2	\$ 62,811.10
	5	2032-2033	2032				2	\$ 62,811.10
	6	2033-2034	2033				2	\$ 62,811.10
	7	2034-2035	2034				2	\$ 62,811.10
	8	2035-2036	2035				2	\$ 62,811.10
	9	2036-2037	2036				2	\$ 62,811.10
	10	2037-2038	2037				2	\$ 62,811.10
Years Following Value Limitation Period	11 through 25	2038-2051	2038-2050				2	\$ 62,811.10

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

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

Not Applicable.



2424 Ridge Road  
Rockwall, TX 75087



469.298.1594



[www.keatax.com](http://www.keatax.com)

## *Tab 16: Description of Reinvestment or Enterprise Zone*

Currently, it is anticipated that Stockdale ISD will create the proposed reinvestment zone prior to the execution of the agreement. Please find attached their letter of intent.



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

Please See Attached.

**SECTION 16: Authorized Signatures and Applicant Certification**

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

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

**1. Authorized School District Representative Signature**

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

print here ▶ Daniel Fuller  
Print Name (Authorized School District Representative) Superintendent

sign here ▶ *[Signature]*  
Signature (Authorized School District Representative) 3/23/2022  
Date

**2. Authorized Company Representative (Applicant) Signature and Notarization**

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

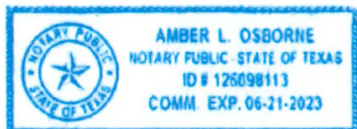
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here ▶ Scott Zeimet  
Print Name (Authorized Company Representative (Applicant)) Authorized Person

sign here ▶ *[Signature]*  
Signature (Authorized Company Representative (Applicant)) 3.23.22  
Date

GIVEN under my hand and seal of office this, the

23<sup>rd</sup> day of March, 2022



(Notary Seal)

*[Signature]*  
Notary Public in and for the State of Texas

My Commission expires: 6/21/2023

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 STOCKDALE INDEPENDENT SCHOOL  
DISTRICT and BLACKJACK PLAINS SOLAR PROJECT, LLC

## EXHIBIT A-1

Amendment One to Application for Appraised Value  
Limitation on Qualified Property



April 10, 2022

Stockdale Independent School District  
ATT: Daniel Fuller  
503 S. Fourth Street  
Stockdale, Texas 78160

**RE: App# 1739-Stockdale ISD-Blackjack Plains Solar Project, LLC-Amendment One**

Superintendent Fuller:

Please find attached Amendment One for Application 1739-Blackjack Plains Solar Project, LLC. We kindly request you review and consider the following changes:

*Section 3: Payee Updated to Stockdale Independent School District*

*Section 7 Q2.: "Land has existing improvements" selected*

*Section 14 Q4b.: Salary information updated*

*Tab 10: Statement regarding existing property added.*

*Tab 14: Updated Schedule C*

*Tab 16: Letter of Intent added*

*Tab 17: Updated signature page provided*

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

Sincerely,

A handwritten signature in black ink that reads "Mike Fry". The signature is written in a cursive style.

Mike Fry-Director, Energy Services  
[mfry@keatax.com](mailto:mfry@keatax.com)

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

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

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

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

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

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

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

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

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

### SECTION 1: School District Information

#### 1. Authorized School District Representative

March 23, 2022

Date Application Received by District

Roxanne

First Name

Moczygemba

Last Name

Interim Superintendent

Title

Stockdale ISD

School District Name

503 South Fourth St., Stockdale, TX 78160

Street Address

503 South Fourth St.

Mailing Address

Stockdale

City

TX

State

78160

ZIP

830-996-3551

Phone Number

N/A

Fax Number

N/A

Mobile Number (optional)

roxanne.moczygemba@stockdaleisd.org

Email Address

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

Texas Comptroller of Public Accounts

Data Analysis and  
Transparency  
Form 50-296-A

SECTION 2: Applicant Information *(continued)*

4. Authorized Company Consultant *(If Applicable)*

Mike First Name	Fry Last Name
Director, Energy Services Title	
KE Andrews Firm Name	
469-298-1618 Phone Number	469-298-1617 Fax Number
mfry@keatax.com Business Email Address	

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district?  Yes  No  
 The total fee shall be paid at the same time the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

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

\$ 75,000.00 Payment Amount	Check Transaction Type
Savion, LLC Payor	Stockdale Independent School District Payee
3/17/2022 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? Blackjack Plains Solar Project, LLC

2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32083235328

3. Parent Company Name Savion, LLC

4. Parent Company Tax ID 32073968755

5. NAICS code 221114

6. Is the applicant a party to any other pending or active Chapter 313 agreements?  Yes  No

6a. If yes, please list application number, name of school district and year of agreement N/A

SECTION 5: Applicant Business Structure

1. Business Organization of Applicant *(corporation, limited liability corporation, etc)* LLC

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

Blackjack Plains Solar Project, LLC

2c. Reporting Entity Taxpayer Number

32083235328

- 3. Is the applicant current on all tax payments due to the State of Texas?
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas?

SECTION 6: Eligibility Under Tax Code Chapter 313.024

- 1. Are you an entity subject to the tax under Tax Code, Chapter 171?
2. The property will be used for one of the following activities:
(1) manufacturing
(2) research and development
(3) a clean coal project, as defined by Section 5.001, Water Code
(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code
(5) renewable energy electric generation
(6) electric power generation using integrated gasification combined cycle technology
(7) nuclear electric power generation
(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)
(9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051\*
3. Are you requesting that any of the land be classified as qualified investment?
4. Will any of the proposed qualified investment be leased under a capitalized lease?
5. Will any of the proposed qualified investment be leased under an operating lease?
6. Are you including property that is owned by a person other than the applicant?
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?

\*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.
2. Check the project characteristics that apply to the proposed project:
Land has no existing improvements
Expansion of existing operation on the land
Land has existing improvements
Relocation within Texas

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

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

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

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

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



SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? ..... 2
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) ..... 0
3. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? .....  Yes  No
  - 3a. If yes, attach evidence of industry standard in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
4. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the Texas Workforce Commission website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22). **Note:** If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.
  - a. Non-qualified job wages
    - average weekly wage for all jobs (all industries) in the county is..... \$ 823.50
  - b. Qualifying job wage minimum option §313.021(5)(A)
    - 110% of the average weekly wage for manufacturing jobs in the county is ..... \$ 1,166.55
  - c. Qualifying job wage minimum option §313.021(5)(B)
    - 110% of the average weekly wage for manufacturing jobs in the region is..... \$ 1,207. 91
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? ..... \$ 62,811.10
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... \$ 62,811.10
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 10: Description of All Property Not Eligible to Become Qualified Property (if applicable)*

All existing property within the project boundary is not owned by Blackjack Plains Solar Project, LLC and will not be part of the project.

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

Please See Attached.

Schedule C: Employment Information

Date 3/23/2022  
 Applicant Name Blackjack Plains Solar Project LLC  
 ISD Name Stockdale ISD

Form 50-296A  
 Revised October 2020

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
				Number of Construction FTE's	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2022-2023	2022					
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2023-2024	2023					
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2024-2025	2024					
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2025-2026	2025					
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2026-2027	2026	200	\$ 40,000.00			
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2027-2028	2027	200	\$ 40,000.00			
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2028-2029	2028				2	\$ 62,811.10
	2	2029-2030	2029				2	\$ 62,811.10
	3	2030-2031	2030				2	\$ 62,811.10
	4	2031-2032	2031				2	\$ 62,811.10
	5	2032-2033	2032				2	\$ 62,811.10
	6	2033-2034	2033				2	\$ 62,811.10
	7	2034-2035	2034				2	\$ 62,811.10
	8	2035-2036	2035				2	\$ 62,811.10
	9	2036-2037	2036				2	\$ 62,811.10
	10	2037-2038	2037				2	\$ 62,811.10
Years Following Value Limitation Period	11 through 25	2038-2053	2038-2052				2	\$ 62,811.10

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

## *Tab 16: Description of Reinvestment or Enterprise Zone*

Currently, it is anticipated that Stockdale ISD will create the proposed reinvestment zone prior to the execution of the agreement. Please find attached their letter of intent.

May 4, 2022

Savion, LLC  
C/o Mr. Scott Zeimetz  
Savion, LLC  
422 Admiral Blvd.  
Kansas, MO 64106

*VIA E-MAIL: [szeimetz@savionenergy.com](mailto:szeimetz@savionenergy.com)  
AND VIA U.S. POSTAL SERVICE*

Re: Stockdale Independent School District—Intent to consider creating a Reinvestment Zone under Chapter 312 of the Texas Tax Code in connection with Application Number 1739 submitted by Blackjack Plains Solar Project, LLC

Dear Mr. Zeimetz:

As Superintendent of Schools for the Stockdale 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 Number 1739 submitted by Blackjack Plains Solar Project, LLC in the event the Wilson County does not designate a Reinvestment Zone for this project. In the event the Wilson County does not designate a Reinvestment Zone for this project, the Board of Trustees plans to hold a hearing regarding creation of a Reinvestment Zone on the same day it considers final approval of the proposed Chapter 313 Application and Agreement with Blackjack Plains Solar Project, 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,



Roxanne Moczygemba  
Interim Superintendent of Schools  
Stockdale Independent School District

cc: Eddy Hernandez Perez, Legal Counsel for Stockdale ISD (*Via E-mail: [EPerez@wabsa.com](mailto:EPerez@wabsa.com)*)

Mike Fry, Director, Energy Services (*Via E-mail: [mfr-y@keatax.com](mailto:mfr-y@keatax.com)*)  
KE Andrews

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

Please See Attached.

SECTION 16: Authorized Signatures and Applicant Certification

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

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

1. Authorized School District Representative Signature

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

print here Roxanne Moczygemba Interim Superintendent
Print Name (Authorized School District Representative) Title
sign here Roxanne M. Moczygemba 05/03/2022
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 Scott Zeimetz Authorized Person
Print Name (Authorized Company Representative (Applicant)) Title
sign here Scott Zeimetz 4.8.22
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the 8th day of April, 2022
Suzanne Ripley
Notary Public in and for the State of Texas Missouri
My Commission expires: 10/07/2023

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 STOCKDALE INDEPENDENT SCHOOL  
DISTRICT and BLACKJACK PLAINS SOLAR PROJECT, 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

August 5, 2022

Roxanne Moczygemba  
Interim Superintendent  
Stockdale Independent School District  
503 South Fourth St.  
Stockdale, Texas 78160

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Stockdale Independent School District and Blackjack Plains Solar Project, LLC, Application 1739

Dear Superintendent Moczygemba:

On May 9, 2022, the Comptroller issued written notice that Blackjack Plains Solar Project, LLC (applicant) submitted a completed application (Application 1739) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on March 28, 2022, to the Stockdale 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 B; 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.

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<sup>1</sup> 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 1739.

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 B.

#### **Certificate decision required by 313.025(d)**

Determination required by 313.026(c)(1)

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

Determination required by 313.026(c)(2)

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

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

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

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by **December 31, 2022**.

Note that any building or improvement existing as of the application review start date of May 9, 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](mailto: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:  
  
11EA6DEF0EC441E...

Lisa Craven  
Deputy Comptroller

Enclosure

cc: Will Counihan

### Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Blackjack Plains Solar Project, LLC (project) applying to Stockdale 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 Blackjack Plains Solar Project, LLC.

Applicant	Blackjack Plains Solar Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Stockdale ISD
2020-2021 Average Daily Attendance	718
County	Wilson
Proposed Total Investment in District	\$281,250,000
Proposed Qualified Investment	\$281,250,000
Limitation Amount	\$40,000,000
Qualifying Time Period (Full Years)	2026-2027
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,208
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,208
Minimum annual wage committed to by applicant for qualified jobs	\$62,811
Minimum weekly wage required for non-qualifying jobs	\$824.50
Minimum annual wage required for non-qualifying jobs	\$42,874
Investment per Qualifying Job	\$140,625,000
Estimated M&O levy without any limit (15 years)	\$18,099,265
Estimated M&O levy with Limitation (15 years)	\$6,358,842
Estimated gross M&O tax benefit (15 years)	\$11,740,423

\* 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 Blackjack Plains Solar Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2026	250	197	447	\$10,000,000	\$22,840,000	\$32,840,000
2027	250	209	459	\$10,000,000	\$27,350,000	\$37,350,000
2028	2	14	16	\$125,622	\$6,714,378	\$6,840,000
2029	2	(2)	0	\$125,622	\$3,784,378	\$3,910,000
2030	2	(12)	-10	\$125,622	\$854,378	\$980,000
2031	2	(22)	-20	\$125,622	-\$125,622	\$0
2032	2	(20)	-18	\$125,622	-\$1,345,622	-\$1,220,000
2033	2	(22)	-20	\$125,622	-\$1,585,622	-\$1,460,000
2034	2	(23)	-21	\$125,622	-\$1,835,622	-\$1,710,000
2035	2	(20)	-18	\$125,622	-\$2,565,622	-\$2,440,000
2036	2	(18)	-16	\$125,622	-\$2,325,622	-\$2,200,000
2037	2	(16)	-14	\$125,622	-\$2,325,622	-\$2,200,000
2038	2	(14)	-12	\$125,622	-\$2,565,622	-\$2,440,000
2039	2	(10)	-8	\$125,622	-\$1,835,622	-\$1,710,000
2040	2	(12)	-10	\$125,622	-\$3,055,622	-\$2,930,000
2041	2	(10)	-8	\$125,622	-\$2,325,622	-\$2,200,000
2042	2	(12)	-10	\$125,622	-\$2,565,622	-\$2,440,000

Source: CPA REMI, Blackjack Plains Solar Project, 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*	Stockdale I&S Tax Levy	Stockdale M&O Tax Levy	Stockdale M&O and I&S Tax Levies	Wilson County Tax Levy	Wilson Co. Hosp. Dist. Tax Levy	Evergreen UWC Dist. Tax Levy	ESD #3 Tax Levy	San Antonio River Auth. Tax Levy	Estimated Total Property Taxes
				0.3076	0.8720		0.4228	0.1054	0.0063	0.0873	0.0186	
2027	\$46,875,000	\$46,875,000		\$144,188	\$408,750	\$552,938	\$198,188	\$49,406	\$2,953	\$40,922	\$8,709	\$853,116
2028	\$281,250,000	\$281,250,000		\$865,125	\$2,452,500	\$3,317,625	\$1,189,125	\$296,438	\$17,719	\$245,531	\$52,256	\$5,118,694
2029	\$258,775,000	\$258,775,000		\$795,992	\$2,256,518	\$3,052,510	\$1,094,101	\$272,749	\$16,303	\$225,911	\$48,080	\$4,709,653
2030	\$233,492,500	\$233,492,500		\$718,223	\$2,036,055	\$2,754,278	\$987,206	\$246,101	\$14,710	\$203,839	\$43,383	\$4,249,517
2031	\$211,017,500	\$211,017,500		\$649,090	\$1,840,073	\$2,489,162	\$892,182	\$222,412	\$13,294	\$184,218	\$39,207	\$3,840,476
2032	\$186,670,833	\$186,670,833		\$574,199	\$1,627,770	\$2,201,969	\$789,244	\$196,751	\$11,760	\$162,964	\$34,683	\$3,397,372
2033	\$162,792,083	\$162,792,083		\$500,748	\$1,419,547	\$1,920,295	\$688,285	\$171,583	\$10,256	\$142,117	\$30,247	\$2,962,783
2034	\$138,913,333	\$138,913,333		\$427,297	\$1,211,324	\$1,638,622	\$587,326	\$146,415	\$8,752	\$121,271	\$25,810	\$2,528,195
2035	\$115,034,583	\$115,034,583		\$353,846	\$1,003,102	\$1,356,948	\$486,366	\$121,246	\$7,247	\$100,425	\$21,373	\$2,093,606
2036	\$91,155,833	\$91,155,833		\$280,395	\$794,879	\$1,075,274	\$385,407	\$96,078	\$5,743	\$79,579	\$16,937	\$1,659,018
2037	\$67,277,083	\$67,277,083		\$206,944	\$586,656	\$793,600	\$284,448	\$70,910	\$4,238	\$58,733	\$12,500	\$1,224,429
2038	\$56,500,000	\$56,500,000		\$173,794	\$492,680	\$666,474	\$238,882	\$59,551	\$3,560	\$49,325	\$10,498	\$1,028,289
2039	\$56,485,000	\$56,485,000		\$173,748	\$492,549	\$666,297	\$238,819	\$59,535	\$3,559	\$49,311	\$10,495	\$1,028,016
2040	\$56,470,000	\$56,470,000		\$173,702	\$492,418	\$666,120	\$238,755	\$59,519	\$3,558	\$49,298	\$10,492	\$1,027,743
2041	\$56,455,000	\$56,455,000		\$173,656	\$492,288	\$665,943	\$238,692	\$59,504	\$3,557	\$49,285	\$10,489	\$1,027,470
2042	\$56,440,000	\$56,440,000		\$173,609	\$492,157	\$665,766	\$238,628	\$59,488	\$3,556	\$49,272	\$10,487	\$1,027,197
			<b>Total</b>	<b>\$6,384,557</b>	<b>\$18,099,265</b>	<b>\$24,483,822</b>	<b>\$8,775,653</b>	<b>\$2,187,686</b>	<b>\$130,763</b>	<b>\$1,812,002</b>	<b>\$385,647</b>	<b>\$37,775,573</b>

Source: CPA, Blackjack Plains Solar Project, LLC

\*Tax Rate per \$100 Valuation



**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Wilson 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	Tax Rate*	Stockdale ISD I&S Tax Levy	Stockdale ISD M&O Tax Levy	Stockdale M&O and I&S Tax Levies	Wilson County Tax Levy	Wilson Co. Hosp. Dist. Tax Levy	Evergreen UWC Dist. Tax Levy	ESD #3 Tax Levy	San Antonio River Auth. Tax Levy	Estimated Total Property Taxes
2027	\$46,875,000	\$46,875,000	0.3076	\$144,188	\$408,750	\$552,938	\$198,188	\$49,406	\$2,953	\$40,922	\$8,709	\$853,116
2028	\$281,250,000	\$40,000,000		\$865,125	\$348,800	\$1,213,925	\$594,563	\$296,438	\$17,719	\$245,531	\$52,256	\$2,420,431
2029	\$258,775,000	\$40,000,000		\$795,992	\$348,800	\$1,144,792	\$547,050	\$272,749	\$16,303	\$225,911	\$48,080	\$2,254,885
2030	\$233,492,500	\$40,000,000		\$718,223	\$348,800	\$1,067,023	\$493,603	\$246,101	\$14,710	\$203,839	\$43,383	\$2,068,659
2031	\$211,017,500	\$40,000,000		\$649,090	\$348,800	\$997,890	\$446,091	\$222,412	\$13,294	\$184,218	\$39,207	\$1,903,113
2032	\$186,670,833	\$40,000,000		\$574,199	\$348,800	\$922,999	\$394,622	\$196,751	\$11,760	\$162,964	\$34,683	\$1,723,780
2033	\$162,792,083	\$40,000,000		\$500,748	\$348,800	\$849,548	\$344,142	\$171,583	\$10,256	\$142,117	\$30,247	\$1,547,894
2034	\$138,913,333	\$40,000,000		\$427,297	\$348,800	\$776,097	\$293,663	\$146,415	\$8,752	\$121,271	\$25,810	\$1,372,008
2035	\$115,034,583	\$40,000,000		\$353,846	\$348,800	\$702,646	\$243,183	\$121,246	\$7,247	\$100,425	\$21,373	\$1,196,122
2036	\$91,155,833	\$40,000,000		\$280,395	\$348,800	\$629,195	\$192,703	\$96,078	\$5,743	\$79,579	\$16,937	\$1,020,236
2037	\$67,277,083	\$40,000,000		\$206,944	\$348,800	\$555,744	\$142,224	\$70,910	\$4,238	\$58,733	\$12,500	\$844,350
2038	\$56,500,000	\$56,500,000		\$173,794	\$492,680	\$666,474	\$238,882	\$59,551	\$3,560	\$49,325	\$10,498	\$1,028,289
2039	\$56,485,000	\$56,485,000		\$173,748	\$492,549	\$666,297	\$238,819	\$59,535	\$3,559	\$49,311	\$10,495	\$1,028,016
2040	\$56,470,000	\$56,470,000		\$173,702	\$492,418	\$666,120	\$238,755	\$59,519	\$3,558	\$49,298	\$10,492	\$1,027,743
2041	\$56,455,000	\$56,455,000		\$173,656	\$492,288	\$665,943	\$238,692	\$59,504	\$3,557	\$49,285	\$10,489	\$1,027,470
2042	\$56,440,000	\$56,440,000		\$173,609	\$492,157	\$665,766	\$238,628	\$59,488	\$3,556	\$49,272	\$10,487	\$1,027,197
			<b>Total</b>	<b>\$6,384,557</b>	<b>\$6,358,842</b>	<b>\$12,743,399</b>	<b>\$5,083,808</b>	<b>\$2,187,686</b>	<b>\$130,763</b>	<b>\$1,812,002</b>	<b>\$385,647</b>	<b>\$22,343,306</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$11,740,423</b>	<b>\$11,740,423</b>	<b>\$3,691,845</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,432,267</b>

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Blackjack Plains Solar Project, 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 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that Blackjack Plains Solar Project, 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	\$408,750	\$408,750	\$0	\$0
Limitation Period (10 Years)	2028	\$348,800	\$757,550	\$2,103,700	\$2,103,700
	2029	\$348,800	\$1,106,350	\$1,907,718	\$4,011,418
	2030	\$348,800	\$1,455,150	\$1,687,255	\$5,698,673
	2031	\$348,800	\$1,803,950	\$1,491,273	\$7,189,945
	2032	\$348,800	\$2,152,750	\$1,278,970	\$8,468,915
	2033	\$348,800	\$2,501,550	\$1,070,747	\$9,539,662
	2034	\$348,800	\$2,850,350	\$862,524	\$10,402,186
	2035	\$348,800	\$3,199,150	\$654,302	\$11,056,488
	2036	\$348,800	\$3,547,950	\$446,079	\$11,502,567
	2037	\$348,800	\$3,896,750	\$237,856	\$11,740,423
Maintain Viable Presence (5 Years)	2038	\$492,680	\$4,389,430	\$0	\$11,740,423
	2039	\$492,549	\$4,881,979	\$0	\$11,740,423
	2040	\$492,418	\$5,374,398	\$0	\$11,740,423
	2041	\$492,288	\$5,866,685	\$0	\$11,740,423
	2042	\$492,157	\$6,358,842	\$0	\$11,740,423
Additional Years as Required by 313.026(c)(1) (10 Years)	2043	\$492,026	\$6,850,868	\$0	\$11,740,423
	2044	\$491,895	\$7,342,763	\$0	\$11,740,423
	2045	\$491,764	\$7,834,528	\$0	\$11,740,423
	2046	\$491,634	\$8,326,161	\$0	\$11,740,423
	2047	\$491,503	\$8,817,664	\$0	\$11,740,423
	2048	\$491,372	\$9,309,036	\$0	\$11,740,423
	2049	\$491,241	\$9,800,277	\$0	\$11,740,423
	2050	\$491,110	\$10,291,388	\$0	\$11,740,423
	2051	\$490,980	\$10,782,367	\$0	\$11,740,423
	2052	\$490,849	\$11,273,216	\$0	\$11,740,423
		<u>\$11,273,216</u>	is less than	<u>\$11,740,423</u>	

**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, Blackjack Plains Solar Project, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2026	250	197	447	\$10,000,000	\$22,840,000	\$32,840,000	1410000	-850000	\$2,260,000
2027	250	209	459	\$10,000,000	\$27,350,000	\$37,350,000	1480000	-560000	\$2,040,000
2028	2	14	16	\$125,622	\$6,714,378	\$6,840,000	130000	590000	-\$460,000
2029	2	(2)	0	\$125,622	\$3,784,378	\$3,910,000	80000	570000	-\$490,000
2030	2	(12)	-10	\$125,622	\$854,378	\$980,000	-20000	510000	-\$530,000
2031	2	(22)	-20	\$125,622	-\$125,622	\$0	-110000	420000	-\$530,000
2032	2	(20)	-18	\$125,622	-\$1,345,622	-\$1,220,000	-160000	350000	-\$510,000
2033	2	(22)	-20	\$125,622	-\$1,585,622	-\$1,460,000	-210000	240000	-\$450,000
2034	2	(23)	-21	\$125,622	-\$1,835,622	-\$1,710,000	-220000	180000	-\$400,000
2035	2	(20)	-18	\$125,622	-\$2,565,622	-\$2,440,000	-270000	80000	-\$350,000
2036	2	(18)	-16	\$125,622	-\$2,325,622	-\$2,200,000	-280000	0	-\$280,000
2037	2	(16)	-14	\$125,622	-\$2,325,622	-\$2,200,000	-260000	-80000	-\$180,000
2038	2	(14)	-12	\$125,622	-\$2,565,622	-\$2,440,000	-310000	-140000	-\$170,000
2039	2	(10)	-8	\$125,622	-\$1,835,622	-\$1,710,000	-310000	-210000	-\$100,000
2040	2	(12)	-10	\$125,622	-\$3,055,622	-\$2,930,000	-350000	-310000	-\$40,000
2041	2	(10)	-8	\$125,622	-\$2,325,622	-\$2,200,000	-370000	-340000	-\$30,000
2042	2	(12)	-10	\$125,622	-\$2,565,622	-\$2,440,000	-440000	-370000	-\$70,000
2043	2	(18)	-16	\$125,622	-\$3,545,622	-\$3,420,000	-490000	-430000	-\$60,000
2044	2	(22)	-20	\$125,622	-\$4,035,622	-\$3,910,000	-520000	-440000	-\$80,000
2045	2	(20)	-18	\$125,622	-\$4,515,622	-\$4,390,000	-600000	-550000	-\$50,000
2046	2	(23)	-21	\$125,622	-\$5,005,622	-\$4,880,000	-530000	-570000	\$40,000
2047	2	(16)	-14	\$125,622	-\$5,005,622	-\$4,880,000	-520000	-620000	\$100,000
2048	2	(20)	-18	\$125,622	-\$5,495,622	-\$5,370,000	-560000	-660000	\$100,000
2049	2	(25)	-23	\$125,622	-\$6,475,622	-\$6,350,000	-530000	-710000	\$180,000
2050	2	(22)	-20	\$125,622	-\$5,985,622	-\$5,860,000	-530000	-770000	\$240,000
2051	2	(20)	-18	\$125,622	-\$6,475,622	-\$6,350,000	-550000	-800000	\$250,000
2052	2	(22)	-20	\$125,622	-\$6,965,622	-\$6,840,000	-600000	-820000	\$220,000
<b>Total</b>							<b>-\$5,640,000</b>	<b>-\$6,290,000</b>	<b>\$650,000</b>
							<b>\$11,923,216</b>	is greater than	<b>\$11,740,423</b>

**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 Blackjack Plains Solar Project, LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Blackjack Plains Solar Project, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “There are several factors that contribute to Texas favorability for development, one however that does not is the state’s notoriously high property tax burden—ranking in the top 10 across the Stockdale States.”
  - B. “In the event an appraised value limitation agreement is not received by Blackjack Plains Solar Project, LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where either the property tax burden is lower or economic incentives can be secured, namely locations where Savion is currently active including 29 states. Thus, an appraised value limitation agreement between Blackjack Plains Solar Project, LLC and Stockdale Independent School District is the determining factor in the decision to locate this facility within the state of Texas.”
- Comptroller questions and applicant responses (via email on May 5, 2022):

Is this project known by any other name?  
The project is NOT known by any other name...just Blackjack Plains Solar Project, LLC.  
Has this project applied to ERCOT at this time? If so, please provide the project IGNR number.  
NO the project has not applied at this time to enter the ERCOT interconnect queue and, thus, does NOT have an IGNR number.

### 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



**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 ..... August 1, 2022
  2. Estimated commencement of construction ..... January 1, 2026
  3. Beginning of qualifying time period (MM/DD/YYYY) ..... January 1, 2026
  4. First year of limitation (YYYY) ..... January 1, 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 31, 2027

SECTION 10: The Property

1. County or counties in which the proposed project will be located ..... Wilson County
2. Central Appraisal District (CAD) that will be responsible for appraising the property ..... Wilson 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>Stockdale, .872; 100%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Stockdale, .3076; 100%</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Wilson, .4228; 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>Wilson Co. Hosp. Dist., 1054; 100%</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>Evergeen UWC Dist., .0063; 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>ESD#3, .0873; 100%</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>San Antonio River Auth., .01858; 100%</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*

Throughout the United States the production of renewable energy has been increasing as the cost of these systems has decreased and technological advancements have improved efficiency. In 2021, Texas ranked 2<sup>nd</sup> in installed solar capacity.<sup>1</sup> The state's geographic position and containment of several large population centers has made Texas a favorable location for renewable energy development.

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

An appraised value limitation on qualified property allows developers to significantly diminish the property tax liability that composes a substantial ongoing cost of operation that directly impacts the economic rate of return for the project. In the absence of an appraised value limitation, the development of renewable energy facilities becomes financially uncertain as the rate of return often fails to meet the minimum return required to proceed. In the event an appraised value limitation agreement is not received by Blackjack Plains Solar Project, LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where either the property tax burden is lower or economic incentives can be secured, namely locations where Savion is currently active including 29 states. Thus, an appraised value limitation agreement between Blackjack Plains Solar Project, LLC and Stockdale Independent School District is the determining factor in the decision to locate this facility within the state of Texas.

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<sup>1</sup> Solar Energy Industries Association

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT  
MAINTENANCE AND OPERATIONS TAXES by and between STOCKDALE INDEPENDENT SCHOOL  
DISTRICT and BLACKJACK PLAINS SOLAR PROJECT, LLC

## EXHIBIT C

Independent Economic Impact Evaluation

**CHAPTER 313 PROPERTY VALUE LIMITATION FINANCIAL  
IMPACT OF THE PROPOSED  
BLACKJACK PLAINS SOLAR PROJECT LLC PROJECT IN THE  
STOCKDALE INDEPENDENT SCHOOL DISTRICT  
(PROJECT # 1739)**

**PREPARED BY**



**MOAKCASEY**  
PROVEN LEADERS ADVANCING TEXAS SCHOOLS

**JUNE 8, 2022**

## Executive Summary

Blackjack Plains Solar Project LLC (Company) has requested that the Stockdale Independent School District (SISD) 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 SISD on March 23, 2022, the Company plans to invest \$281.3 million at its peak taxable value to construct a renewable solar energy electric generation facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Blackjack Plains 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, SISD may offer a minimum value limitation of \$40 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.

MCA’s initial school finance analysis is detailed in this report. This analysis incorporates to the fullest extent possible the changes approved in House Bill 3 as approved in 2019, 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 SISD	\$2.4 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$9.3 million

## Application Process

After the school district has submitted an application to the Comptroller’s Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. A Completeness Letter was issued for this application on May 9, 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 150<sup>th</sup> day from the receipt of the Completeness Letter to adopt





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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. 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 SISD, 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:	750
Local M&O Tax Base	\$310.2 million
2021-22 M&O Tax Rate:	\$0.8720 per \$100 of Taxable Value
2022-23 Projected M&O Tax Rate:	\$0.8720 per \$100 of Taxable Value
I&S Tax Rate:	\$0.3076 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 Blackjack Plains 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	750.23	1,408.71	\$0.8720	\$0.3076	\$349,519,103	\$349,519,103	\$248,112	\$248,112
QTP2	2027-28	750.23	1,408.71	\$0.8720	\$0.3076	\$349,519,103	\$349,519,103	\$248,112	\$248,112
VL1	2028-29	750.23	1,408.71	\$0.8720	\$0.3076	\$396,394,103	\$396,394,103	\$281,387	\$281,387
VL2	2029-30	750.23	1,408.71	\$0.8720	\$0.3076	\$630,769,103	\$389,519,103	\$447,763	\$276,507
VL3	2030-31	750.23	1,408.71	\$0.8720	\$0.3076	\$608,294,103	\$389,519,103	\$431,808	\$276,507
VL4	2031-32	750.23	1,408.71	\$0.8720	\$0.3076	\$583,011,603	\$389,519,103	\$413,861	\$276,507
VL5	2032-33	750.23	1,408.71	\$0.8720	\$0.3076	\$560,536,603	\$389,519,103	\$397,907	\$276,507
VL6	2033-34	750.23	1,408.71	\$0.8720	\$0.3076	\$536,189,936	\$389,519,103	\$380,624	\$276,507
VL7	2034-35	750.23	1,408.71	\$0.8720	\$0.3076	\$512,311,186	\$389,519,103	\$363,673	\$276,507
VL8	2035-36	750.23	1,408.71	\$0.8720	\$0.3076	\$488,432,436	\$389,519,103	\$346,722	\$276,507
VL9	2036-37	750.23	1,408.71	\$0.8720	\$0.3076	\$473,770,745	\$398,736,162	\$336,315	\$283,050
VL10	2037-38	750.23	1,408.71	\$0.8720	\$0.3076	\$449,891,995	\$398,736,162	\$319,364	\$283,050
VP1	2038-39	750.23	1,408.71	\$0.8720	\$0.3076	\$426,013,245	\$398,736,162	\$302,413	\$283,050
VP2	2039-40	750.23	1,408.71	\$0.8720	\$0.3076	\$415,236,162	\$415,236,162	\$294,763	\$294,763
VP3	2040-41	750.23	1,408.71	\$0.8720	\$0.3076	\$415,221,162	\$415,221,162	\$294,752	\$294,752
VP4	2041-42	750.23	1,408.71	\$0.8720	\$0.3076	\$415,206,162	\$415,206,162	\$294,741	\$294,741
VP5	2042-43	750.23	1,408.71	\$0.8720	\$0.3076	\$415,191,162	\$415,191,162	\$294,731	\$294,731

\*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 Blackjack Plains Project on SISD

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 \$40 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$2.4 million over the course of the Agreement, with 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	\$2,748,702	\$5,871,280	\$0	\$167,196	\$496,598	\$0	-\$6,094	\$9,277,682
QTP2	2027-28	\$3,126,308	\$5,871,280	\$0	\$190,165	\$565,167	\$0	-\$6,740	\$9,746,180
VL1	2028-29	\$5,054,001	\$5,485,967	\$0	\$307,421	\$769,818	\$0	-\$10,345	\$11,606,862
VL2	2029-30	\$4,869,256	\$3,559,405	\$0	\$296,183	\$356,100	\$0	-\$9,900	\$9,071,044
VL3	2030-31	\$4,661,434	\$3,744,149	\$0	\$283,542	\$363,542	\$0	-\$9,422	\$9,043,245
VL4	2031-32	\$4,476,689	\$3,951,972	\$0	\$272,305	\$376,130	\$0	-\$8,978	\$9,068,118
VL5	2032-33	\$4,276,560	\$4,136,716	\$0	\$260,131	\$384,141	\$0	-\$8,514	\$9,049,034
VL6	2033-34	\$4,080,277	\$4,336,846	\$0	\$248,192	\$394,586	\$0	-\$8,048	\$9,051,853
VL7	2034-35	\$3,883,993	\$4,533,129	\$0	\$236,253	\$403,890	\$0	-\$7,592	\$9,049,673
VL8	2035-36	\$3,761,959	\$4,729,412	\$0	\$228,830	\$421,198	\$0	-\$7,283	\$9,134,116
VL9	2036-37	\$3,565,675	\$4,849,931	\$0	\$216,890	\$418,913	\$0	-\$6,908	\$9,044,501
VL10	2037-38	\$3,369,392	\$5,046,215	\$0	\$204,951	\$427,972	\$0	-\$6,532	\$9,041,998
VP1	2038-39	\$3,278,092	\$5,242,498	\$0	\$199,397	\$450,410	\$0	-\$6,363	\$9,164,034
VP2	2039-40	\$3,277,971	\$5,331,086	\$0	\$199,390	\$467,132	\$0	-\$6,363	\$9,269,216
VP3	2040-41	\$3,277,850	\$5,331,209	\$0	\$199,383	\$467,139	\$0	-\$6,363	\$9,269,218
VP4	2041-42	\$3,277,729	\$5,331,332	\$0	\$199,375	\$467,146	\$0	-\$6,362	\$9,269,220
VP5	2042-43	\$3,277,609	\$5,331,456	\$0	\$199,368	\$467,153	\$0	-\$6,362	\$9,269,224
		<b>\$64,263,497</b>	<b>\$82,683,883</b>	<b>\$0</b>	<b>\$3,908,972</b>	<b>\$7,697,035</b>	<b>\$0</b>	<b>-\$128,169</b>	<b>\$158,425,218</b>

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

### M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$11.7 million over the life of the agreement. The SISD revenue losses are expected to total approximately \$2.4 million in the first limitation year. The total potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$9.3 million, prior to any negotiations with Blackjack Plains 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 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	\$2,748,702	\$5,871,280	\$0	\$167,196	\$496,598	\$0	-\$6,094	\$9,277,682
QTP2	2027-28	\$3,126,308	\$5,871,280	\$0	\$190,165	\$565,167	\$0	-\$6,740	\$9,746,180
VL1	2028-29	\$3,070,926	\$5,485,967	\$0	\$186,796	\$467,247	\$0	-\$7,541	\$9,203,395
VL2	2029-30	\$3,070,926	\$5,542,480	\$0	\$186,796	\$479,476	\$0	-\$7,358	\$9,272,320
VL3	2030-31	\$3,070,926	\$5,542,480	\$0	\$186,796	\$479,476	\$0	-\$7,173	\$9,272,505
VL4	2031-32	\$3,070,926	\$5,542,480	\$0	\$186,796	\$479,476	\$0	-\$6,990	\$9,272,688
VL5	2032-33	\$3,070,926	\$5,542,480	\$0	\$186,796	\$479,476	\$0	-\$6,810	\$9,272,868
VL6	2033-34	\$3,070,926	\$5,542,480	\$0	\$186,796	\$479,476	\$0	-\$6,621	\$9,273,057
VL7	2034-35	\$3,070,926	\$5,542,480	\$0	\$186,796	\$479,476	\$0	-\$6,442	\$9,273,236
VL8	2035-36	\$3,145,175	\$5,542,480	\$0	\$191,312	\$490,464	\$0	-\$6,411	\$9,363,020
VL9	2036-37	\$3,145,175	\$5,466,716	\$0	\$191,312	\$475,052	\$0	-\$6,313	\$9,271,942
VL10	2037-38	\$3,145,175	\$5,466,716	\$0	\$191,312	\$475,052	\$0	-\$6,215	\$9,272,040
VP1	2038-39	\$3,278,092	\$5,466,716	\$0	\$199,397	\$494,846	\$0	-\$6,363	\$9,432,688
VP2	2039-40	\$3,277,971	\$5,331,086	\$0	\$199,390	\$467,132	\$0	-\$6,363	\$9,269,216
VP3	2040-41	\$3,277,850	\$5,331,209	\$0	\$199,383	\$467,139	\$0	-\$6,363	\$9,269,218
VP4	2041-42	\$3,277,729	\$5,331,332	\$0	\$199,375	\$467,146	\$0	-\$6,362	\$9,269,220
VP5	2042-43	\$3,277,609	\$5,331,456	\$0	\$199,368	\$467,153	\$0	-\$6,362	\$9,269,224
		\$53,196,268	\$93,751,118	\$0	\$3,235,782	\$8,209,852	\$0	-\$112,521	\$158,280,499

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

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
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	-\$1,983,075	\$0	\$0	-\$120,625	-\$302,571	\$0	\$2,804	-\$2,403,467
VL2	2029-30	-\$1,798,330	\$1,983,075	\$0	-\$109,387	\$123,376	\$0	\$2,542	\$201,276
VL3	2030-31	-\$1,590,508	\$1,798,331	\$0	-\$96,746	\$115,934	\$0	\$2,249	\$229,260
VL4	2031-32	-\$1,405,763	\$1,590,508	\$0	-\$85,509	\$103,346	\$0	\$1,988	\$204,570
VL5	2032-33	-\$1,205,634	\$1,405,764	\$0	-\$73,335	\$95,335	\$0	\$1,704	\$223,834
VL6	2033-34	-\$1,009,351	\$1,205,634	\$0	-\$61,396	\$84,890	\$0	\$1,427	\$221,204
VL7	2034-35	-\$813,067	\$1,009,351	\$0	-\$49,457	\$75,586	\$0	\$1,150	\$223,563
VL8	2035-36	-\$616,784	\$813,068	\$0	-\$37,518	\$69,266	\$0	\$872	\$228,904
VL9	2036-37	-\$420,500	\$616,785	\$0	-\$25,578	\$56,139	\$0	\$595	\$227,441
VL10	2037-38	-\$224,217	\$420,501	\$0	-\$13,639	\$47,080	\$0	\$317	\$230,042
VP1	2038-39	\$0	\$224,218	\$0	\$0	\$44,436	\$0	\$0	\$268,654
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
		-\$11,067,229	\$11,067,235	\$0	-\$673,190	\$512,817	\$0	\$15,648	-\$144,719

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



**Table 5 - Estimated Financial Impact of the Blackjack Plains Project Property Value Limitation Request Submitted to SISD at \$0.872 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	\$0.8720	\$0	\$0	\$0
QTP2	2027-28	\$46,875,000	\$46,875,000	\$0.8720	\$0	\$0	\$0
<b>VL1</b>	2028-29	\$281,250,000	\$40,000,000	\$0.8720	\$2,103,700	-\$2,403,467	-\$299,767
<b>VL2</b>	2029-30	\$258,775,000	\$40,000,000	\$0.8720	\$1,907,718	\$0	\$1,907,718
<b>VL3</b>	2030-31	\$233,492,500	\$40,000,000	\$0.8720	\$1,687,255	\$0	\$1,687,255
<b>VL4</b>	2031-32	\$211,017,500	\$40,000,000	\$0.8720	\$1,491,273	\$0	\$1,491,273
<b>VL5</b>	2032-33	\$186,670,833	\$40,000,000	\$0.8720	\$1,278,970	\$0	\$1,278,970
<b>VL6</b>	2033-34	\$162,792,083	\$40,000,000	\$0.8720	\$1,070,747	\$0	\$1,070,747
<b>VL7</b>	2034-35	\$138,913,333	\$40,000,000	\$0.8720	\$862,524	\$0	\$862,524
<b>VL8</b>	2035-36	\$115,034,583	\$40,000,000	\$0.8720	\$654,302	\$0	\$654,302
<b>VL9</b>	2036-37	\$91,155,833	\$40,000,000	\$0.8720	\$446,079	\$0	\$446,079
<b>VL10</b>	2037-38	\$67,277,083	\$40,000,000	\$0.8720	\$237,856	\$0	\$237,856
VP1	2038-39	\$56,500,000	\$56,500,000	\$0.8720	\$0	\$0	\$0
VP2	2039-40	\$56,485,000	\$56,485,000	\$0.8720	\$0	\$0	\$0
VP3	2040-41	\$56,470,000	\$56,470,000	\$0.8720	\$0	\$0	\$0
VP4	2041-42	\$56,455,000	\$56,455,000	\$0.8720	\$0	\$0	\$0
VP5	2042-43	\$56,440,000	\$56,440,000	\$0.8720	\$0	\$0	\$0
<b>\$11,740,423</b>						<b>-\$2,403,467</b>	<b>\$9,336,956</b>

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 SISD currently levying a \$0.3076 per \$100 I&S rate. As shown in the Table 6 below, local taxpayers could receive a substantial benefit in the early years of the project from the addition of the Blackjack Plains project to the local I&S tax roll. SISD 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 Blackjack Plains Project Property Value Limitation Request on SISD 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	\$0.3076	\$536,647,736	\$1,650,728	\$0	\$0.307600	\$0.0000
QTP2	2027-28	\$0.3076	\$514,500,060	\$1,582,602	\$46,875,000	\$0.281915	-\$0.0257
VL1	2028-29	\$0.3076	\$494,813,237	\$1,522,046	\$281,250,000	\$0.196124	-\$0.1115
VL2	2029-30	\$0.3076	\$472,665,560	\$1,453,919	\$258,775,000	\$0.198775	-\$0.1088
VL3	2030-31	\$0.3076	\$452,978,737	\$1,393,363	\$233,492,500	\$0.202975	-\$0.1046
VL4	2031-32	\$0.3076	\$430,831,060	\$1,325,236	\$211,017,500	\$0.206472	-\$0.1011
VL5	2032-33	\$0.3076	\$411,144,237	\$1,264,680	\$186,670,833	\$0.211550	-\$0.0960
VL6	2033-34	\$0.3076	\$388,996,560	\$1,196,553	\$162,792,083	\$0.216850	-\$0.0908
VL7	2034-35	\$0.3076	\$369,309,737	\$1,135,997	\$138,913,333	\$0.223523	-\$0.0841
VL8	2035-36	\$0.3076	\$359,466,325	\$1,105,718	\$115,034,583	\$0.233028	-\$0.0746
VL9	2036-37	\$0.3076	\$359,466,325	\$1,105,718	\$91,155,833	\$0.245376	-\$0.0622
VL10	2037-38	\$0.3076	\$359,466,325	\$1,105,718	\$67,277,083	\$0.259106	-\$0.0485
VP1	2038-39	\$0.3076	\$359,466,325	\$1,105,718	\$56,500,000	\$0.265819	-\$0.0418
VP2	2039-40	\$0.3076	\$359,466,325	\$1,105,718	\$56,485,000	\$0.265829	-\$0.0418
VP3	2040-41	\$0.3076	\$359,466,325	\$1,105,718	\$56,470,000	\$0.265838	-\$0.0418
VP4	2041-42	\$0.3076	\$359,466,325	\$1,105,718	\$56,455,000	\$0.265848	-\$0.0418
VP5	2042-43	\$0.3076	\$359,466,325	\$1,105,718	\$56,440,000	\$0.265858	-\$0.0417

**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.**

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT  
MAINTENANCE AND OPERATIONS TAXES by and between STOCKDALE INDEPENDENT SCHOOL  
DISTRICT and BLACKJACK PLAINS SOLAR PROJECT, LLC

## EXHIBIT D

Tax Limitation Agreement

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

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by and between

**STOCKDALE INDEPENDENT SCHOOL DISTRICT**

and

**BLACKJACK PLAINS SOLAR PROJECT, LLC**

*(Texas Taxpayer ID #32083235328)*

Comptroller Application #1739

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Dated

\_\_\_\_\_, 2022

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

STATE OF TEXAS

§

COUNTY OF WILSON

§

§

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 **STOCKDALE 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 **Blackjack Plains Solar Project, LLC**, Texas Taxpayer Identification Number **32083235328** hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

**RECITALS**

**WHEREAS**, on March 23, 2022, the Superintendent of Schools of the Stockdale Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

**WHEREAS**, on March 23, 2022, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCGB (Local), and agreed to consider the Application;

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

**WHEREAS**, the District and the Texas Comptroller's Office have determined that the Application is complete and May 9, 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 Wilson County Appraisal District established in Wilson County, Texas (the "Wilson 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 August 5, 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 Trustee, by appropriate action dated September 23, 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 \_\_\_\_\_, 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 \_\_\_\_\_, 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 \_\_\_\_\_, 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 313.021(2)(A)(iv)(b) of the TEXAS TAX CODE;

**WHEREAS**, on \_\_\_\_\_, 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 \_\_\_\_\_, 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 BLACKJACK PLAINS SOLAR PROJECT, LLC, (*Texas Taxpayer ID # 32083235328*), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term "Applicant" shall also include the Applicant's assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

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

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

"Application" means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on March 23, 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 Wilson County Appraisal District.

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

"Commercial Operation" means the date on which the Project becomes commercially operational, has installed or constructed Qualified Property on the Land, and is able to generate electricity and is synchronized to the grid.

"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 Wilson County, Texas.

"District" or "School District" means the Stockdale 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 B 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, pandemics, 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 313.027 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 the 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.

"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.

"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, less (iii) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 49 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable.

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

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

## **ARTICLE II**

### **AUTHORITY, PURPOSE AND LIMITATION AMOUNTS**

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

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

**Section 2.3. TERM OF THE AGREEMENT.**

A. The Application Review Start Date for this Agreement is May 9, 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 \_\_\_\_\_, 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 date of the commencement of Commercial Operation; and
- ii. Ends on December 31, 2037, which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i plus 9 years.

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. FORTY MILLION DOLLARS (\$40,000,000.00).

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 313.022(b) 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 \$40,000,000.00 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 \$824.50 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 such Supplemental Payments as more fully specified in Article VI;
- C. 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
- D. 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 a 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 7.1), 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 in each Tax Year that this Agreement is in effect to the extent this Agreement is a sole and direct cause of such loss, all as calculated in Section 4.2, below. Such compensation shall be independent of, and in addition to, all such other payments as are set forth in Article V and Article VI. **It is the intent of the Parties that the risk of any and all Lost M&O Revenue to the extent directly and solely caused as a result of, or on account of, entering into this Agreement, will be borne by the Applicant and not by the District.**

**Section 4.2. CALCULATING THE AMOUNT OF LOSS OF MAINTENANCE AND OPERATIONS REVENUES BY THE DISTRICT.** Subject to the provisions of Section 7.1, 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 the Applicant’s Qualified Investment been subject to the District’s ad valorem Maintenance and Operations tax rate. For purposes of this calculation, the Third Party 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. In this calculation, the total appraised value of the Qualified Property subject to this Agreement will be used for the Qualified Property in lieu of the property’s M&O taxable value. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant’s Qualified Property will be used for the Qualified Property in lieu of the property’s M&O taxable value.)

(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.
  - (vi) 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:

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") selected and appointed each year by the District and approved by the Applicant as hereafter provided. The District agrees that for all Tax Years the Consultant selected by the District shall be Moak, Casey & Associates, LLC. 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.

**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 reasonable 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, 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 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. However, Applicant shall not be liable for the reimbursement or payment of fees and expenses under this Section 4.7 in excess of \$12,000 per year for any Tax Year during the Tax Limitation Period, and \$7,500 per year for any Tax Year outside the Tax Limitation Period.

A. Based on the amount of Qualified Property and the construction schedule of Applicant's Project as set forth in the Application, the Parties anticipate that the Applicant will have a significant Revenue Protection payment in the first Tax year of the Tax Limitation Period. Therefore, the Parties agree that the Revenue Protection Payment calculated with respect to the first Tax year per the terms in Section 4.2 of this Agreement will be paid in equal halves during the first two years of the Tax Limitation Period (2028 and 2029, with such payments being due on January 31, 2029, and January 31, 2030, respectively).



**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 7.1, 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 7.1, 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.

**Section 4.11. ANTI-CORRUPTION.** For the purposes of this Section 4.11 only, "Anti-Corruption Laws" shall mean, only to the extent applicable to United States governmental entities and political subdivisions thereof, (a) the United States Foreign Corrupt Practices Act of 1977; and (b) all applicable national, regional, provincial, state, municipal or local Laws that prohibit tax evasion, money laundering or otherwise dealing in the proceeds of crime or the bribery of, or the providing of unlawful gratuities, facilitation payments, or other benefits to, any government official or any other person. Each Party represents, warrants, and covenants that in connection with this

Agreement and the business resulting therefrom: (i) it is aware of and will comply with Anti-Corruption Laws; (ii) whether directly or indirectly, it has not made, offered, authorized, or accepted and will not make, offer, authorize, or accept any payment, gift, promise, or other advantage, to or for the use or benefit of any government official or any other person where that payment, gift, promise, or other advantage would comprise a facilitation payment or otherwise violate the Anti-Corruption Laws; (iii) it has maintained and will maintain adequate written policies and procedures to comply with Anti-Corruption Laws or, alternatively, has made itself aware of and shall adhere to the Shell General Business Principles and the Shell Code of Conduct ([www.shell.com/about-us/our-values](http://www.shell.com/about-us/our-values)); (iv) it has maintained and will maintain adequate internal controls, including but not limited to using reasonable efforts to ensure that all transactions are accurately recorded and reported in its books and records to reflect truly the activities to which they pertain, such as the purpose of each transaction, with whom it was entered into, for whom it was undertaken, or what was exchanged; (v) it will, to its knowledge, retain such books and records for the period required by applicable Law or a Party's own retention policies, whichever is longer; (vi) in the event a Party becomes aware it has breached an obligation in this paragraph, it will promptly notify the other Party, subject to the preservation of legal privilege; (vii) it has used and will use reasonable efforts to require any subcontractors, agents, or any other third parties to also comply with the foregoing requirements in this paragraph; and (viii) only a Party (and not its Affiliates or a third party) shall make payments to the other Party, except with that other Party's prior written consent. Subject to the preservation of legal privilege, for a period of seven (7) years following the termination date and on reasonable notice, each Party shall have a right, at its expense, and the other Party shall take reasonable steps to enable this right, to audit the other Party's relevant books and records with respect to compliance with this paragraph. Nothing in this Agreement shall require a Party to perform any part of this Agreement or take any actions if, by doing so, the Party would not comply with the Anti-Corruption Laws. The obligations in this Section 4.11 shall survive the termination as described above.

## 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 6.4.

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), 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 718, 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 for tax year 2040. The Applicant shall make Supplemental Payments to District in an amount equal to the Annual Limit.

**Section 6.4. 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 first 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.

**Section 6.5. OPTION TO TERMINATE AGREEMENT.** In the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment prior to the end of the Qualifying Time Period, the Applicant shall have the option, prior to the beginning of the Tax Limitation Period, to terminate this Agreement without penalty by notifying the District in writing of its exercise of such option. Such termination shall be effective upon 30 days' notice. In such event, any payment due from the Applicant to the District under Articles IV, V, and VI of this Agreement shall be due to the District within thirty (30) days after it delivers its termination election. The total amounts due by Applicant to District under this Section 6.5 shall not exceed the total amount of District taxes that would have been due in the absence of this Agreement. For the avoidance of doubt, in the event Applicant terminates the Agreement, it shall not be entitled to any refunds of, or credit for, Supplemental Payments already made or owing to the District. Additionally, in the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 6.4, 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 a reduction under Section 6.4 is applicable. Any termination of this Agreement under the foregoing provisions of this Section shall be effective on December 31 of the year during which Applicant's notice of termination is delivered to the District.

**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, calculation, 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 Wilson 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 Wilson 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 \$40,000,000.00 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:

Stockdale Independent School District  
Attention: Superintendent of Schools  
Address: 503 South Fourth Street  
Stockdale, Texas 78130  
Phone: (830) 996-3551  
E-Mail: [Todd.Deaver@stockdaleisd.org](mailto:Todd.Deaver@stockdaleisd.org)

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

Blackjack Plains Solar Project, LLC  
Attention: Scott Zeimet, Chief Development Officer, Savion, LLC  
Address: 422 Admiral Blvd  
Kansas City, MO 64106  
Phone: (512) 820-5197  
E-Mail: [szeimet@savionenergy.com](mailto:szeimet@savionenergy.com)

Attention: Eric Clift, Director of Development, Savion, LLC  
Address: 422 Admiral Blvd  
Kansas City, MO 64106  
Phone: (512) 820-5197  
E-mail: [eclift@savionenergy.com](mailto:eclift@savionenergy.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 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 Wilson 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 email). 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 follows on next page]

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

**BLACKJACK PLAINS SOLAR PROJECT, LLC**

**STOCKDALE INDEPENDENT  
SCHOOL DISTRICT**

By: \_\_\_\_\_  
Name: Scott Zeimetz  
Title: Chief Development Officer

By: \_\_\_\_\_  
Teri Wolf, President  
Stockdale ISD Board of Trustees

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Teri Dugi, Secretary  
Stockdale ISD Board of Trustees

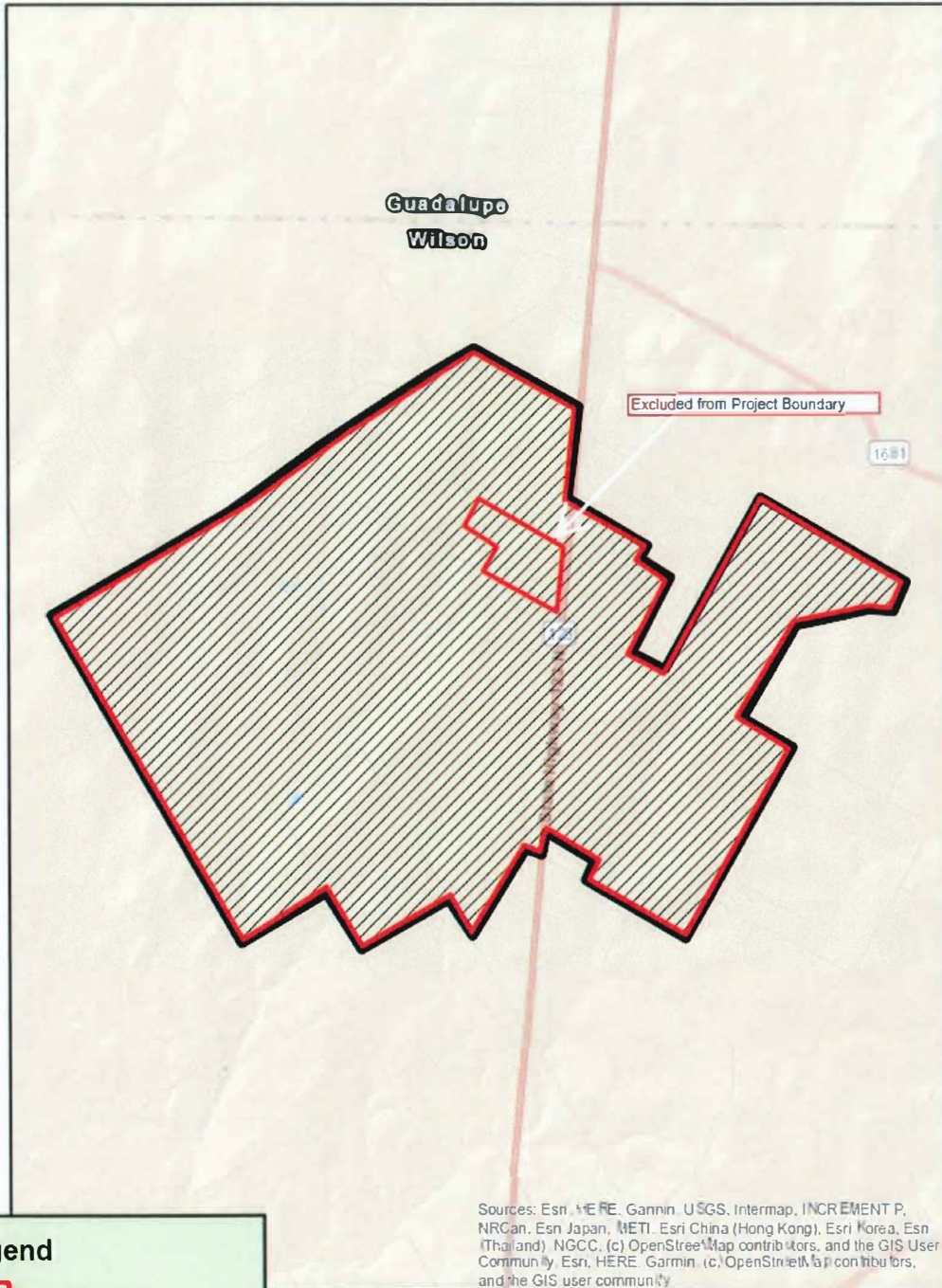
**EXHIBIT 1**

**DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE**

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



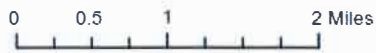
# Blackjack Plains Solar Project, LLC



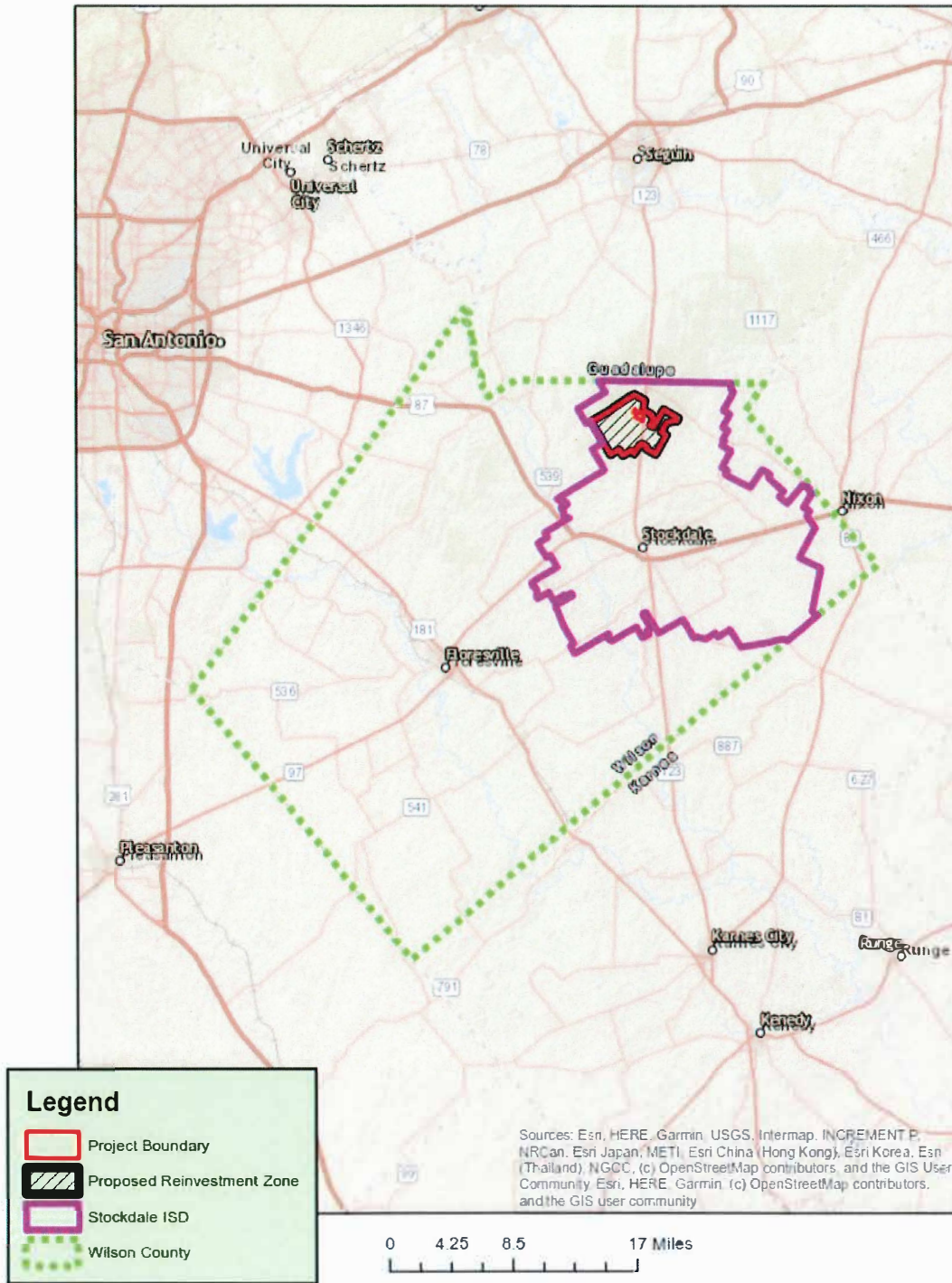
**Legend**

-  Project Boundary
-  Proposed Reinvestment Zone

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community



# Blackjack Plains Solar Project, LLC



**Agreement for Limitation on Appraised Value**  
Between Stockdale ISD and Blackjack Plains Solar Project, LLC  
\_\_\_\_\_, 2022  
Exhibit 1

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

**EXHIBIT 1**

**EXHIBIT 2**

**DESCRIPTION AND LOCATION OF LAND**

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

### EXHIBIT 3

#### APPLICANT'S QUALIFIED INVESTMENT

Blackjack Plains Solar Project, LLC is a 250 MW/AC solar electric generation facility that will be located in northern Wilson County within northern Stockdale Independent School District. The facility will feature 355,056 photovoltaic panels and 47 central inverters.

Blackjack Plains Solar Project, LLC requests that the limitation covers all qualified investment and qualified property located within Stockdale ISD. It is our request that the limitation includes all eligible and ancillary equipment including the following:

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

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

\*The battery energy storage system associated with Blackjack Plains Solar Project, LLC will be used to store energy solely generated from the project and within Stockdale ISD.



## EXHIBIT 4

### DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Blackjack Plains Solar Project, LLC is a 250 MW/AC solar electric generation facility that will be located in northern Wilson County within northern Stockdale Independent School District. The facility will feature 355,056 photovoltaic panels and 47 central inverters.

Blackjack Plains Solar Project, LLC requests that the limitation covers all qualified investment and qualified property located within Stockdale ISD. It is our request that the limitation includes all eligible and ancillary equipment including the following:

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- Posts & Racking Equipment
- SCADA equipment
- Battery Energy Storage System\*
- Interconnection Facilities
- Solar Modules & Panels
- Power Conditioning Equipment
- Combiner Boxes
- Operation & Maintenance Buildings
- DC and AC collection wires, cables, and equipment
- Meteorological Towers & Equipment
- Mounting and Tracking System

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

\*The battery energy storage system associated with Blackjack Plains Solar Project, LLC will be used to store energy solely generated from the project and within Stockdale ISD.

**EXHIBIT 5**

**AGREEMENT SCHEDULE**

	Year of Agreement	School Year	Tax Year	Summary
Limitation Pre-Year	QTP 1	2026-2027	2026	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	\$40 Million appraisal limitation
	2	2029-2030	2029	\$40 million appraisal limitation
	3	2030-2031	2030	\$40 million appraisal limitation
	4	2031-2032	2031	\$40 million appraisal limitation
	5	2032-2033	2032	\$40 million appraisal limitation
	6	2033-2034	2033	\$40 million appraisal limitation
	7	2034-2035	2034	\$40 million appraisal limitation
	8	2035-2036	2035	\$40 million appraisal limitation
	9	2036-2037	2036	\$40 million appraisal limitation
	10	2037-2038	2037	\$40 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 STOCKDALE INDEPENDENT SCHOOL  
DISTRICT and BLACKJACK PLAINS SOLAR PROJECT, LLC

## EXHIBIT E

Comptroller's Franchise Tax Account Status



## Franchise Tax Account Status

As of : 08/30/2022 08:17:03

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

BLACKJACK PLAINS SOLAR PROJECT, LLC	
<b>Texas Taxpayer Number</b>	32083235328
<b>Mailing Address</b>	211 E 7TH ST STE 620 AUSTIN, TX 78701-3218
<b>Right to Transact Business in Texas</b>	ACTIVE
<b>State of Formation</b>	DE
<b>Effective SOS Registration Date</b>	02/14/2022
<b>Texas SOS File Number</b>	0804452653
<b>Registered Agent Name</b>	CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO
<b>Registered Office Street Address</b>	211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701











7. That the proposed limitation on appraised value for the qualified property of the Applicant is \$40,000,000.00.

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 \$17,367,457 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 \$6,341,103 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 \$11,026,354, 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 25<sup>th</sup> 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, Novis Renewables, LLC (Tex. Taxpayer ID #32078300228) 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.

**[Remainder of this page left intentionally blank]**

**[Orders and signatures follow]**

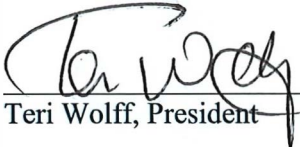


It is therefore **ORDERED** that:


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 Novis Renewables, 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 28th day of November 2022.

**STOCKDALE INDEPENDENT SCHOOL DISTRICT**

By:  \_\_\_\_\_  
Teri Wolff, President

**ATTEST:**

By:  \_\_\_\_\_  
Teri Dugi, Secretary

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT  
MAINTENANCE AND OPERATIONS TAXES by and between STOCKDALE INDEPENDENT SCHOOL  
DISTRICT and NOVIS RENEWABLES, LLC

## EXHIBIT A

Application for Appraised Value Limitation on Qualified Property



**WALSH GALLEGOS**  
TREVINO KYLE & ROBINSON P.C.

March 28, 2022

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

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

Re: Stockdale Independent School District ("District") / Tax Limitation Agreement:  
Novis Renewables, 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 Stockdale Independent District by Novis Renewables LLC for public posting.

The Application was received on March 23, 2022. The Board of Trustees of the District elected to consider the application on March 23, 2022. The District determined the Application was complete on March 24, 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 Wilson County Appraisal District.

Please call if you have any questions.

Sincerely,

EDDY HERNANDEZ PEREZ

EHP/arm  
Enclosures

March 28, 2022  
Page 2 of 2

cc: *(Via E-mail)*  
Mr. Daniel Fuller, Superintendent of Schools  
Stockdale Independent School District  
503 South Fourth Street  
Stockdale, Texas 78160

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

*(Via E-mail)*  
Mr. Jonathan Koch, President  
Novis Renewables, LLC  
1 Bridge St., Suite 11  
Irvington, NY 10533

*(Via E-mail)*  
Mr. Grant Huber, Development Manager  
Novis Renewables, LLC  
1 Bridge St., Suite 11  
Irvington, NY 10533

*(Via E-mail)*  
Mr. Evan Horn, Senior Manager  
Ernst & Young LLP

Wilson County Appraisal District  
1611 Railroad Street  
Floresville, Texas 78114

*(Via U.S. Postal Service Delivery)*



Chapter 313 Application to Stockdale ISD

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**CHECKLIST ITEM #1**

**Application**

See attached.

## Application for Appraised Value Limitation on Qualified Property

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

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

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

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

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

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

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

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

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

### SECTION 1: School District Information

#### 1. Authorized School District Representative

March 23, 2022

Date Application Received by District

Daniel

First Name

Fuller

Last Name

Superintendent

Title

Stockdale ISD

School District Name

503 South Fourth Street

Street Address

503 South Fourth Street

Mailing Address

Stockdale

City

TX

State

78160

ZIP

(830) 996-3551

Phone Number

N/A

Fax Number

n/a

Mobile Number (optional)

daniel.fuller@stockdaleisd.org

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	Perez
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	eperez@wabsa.com
Mobile Number (optional)	Email Address

4. On what date did the district determine this application complete? ..... March 24, 2022

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Jonathan	Koch	
First Name	Last Name	
President	Novis Renewables, LLC	
Title	Organization	
1 Bridge St., Suite 11		
Street Address		
1 Bridge St., Suite 11		
Mailing Address		
Irvington	NY	10533
City	State	ZIP
(914) 340-4741	n/a	
Phone Number	Fax Number	
n/a	Jonathan.koch@novisrenew.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.

Grant	Huber	
First Name	Last Name	
Development Manager	Novis Renewables, LLC	
Title	Organization	
1 Bridge St.		
Street Address		
1 Bridge St.		
Mailing Address		
Irvington	NY	10533
City	State	ZIP
(847) 727-9163	n/a	
Phone Number	Fax Number	
n/a	grant.huber@novisrenew.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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

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

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district?  Yes  No  
 The total fee shall be paid at the same time the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

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

\$75,000.00	ACH Wiring
Payment Amount	Transaction Type
NovisRenewables, LLC	Stockdale ISD
Payor	Payee
March 23, 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?	NovisRenewables, LLC
2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits)	32078300228
3. Parent Company Name	n/a
4. Parent Company Tax ID	n/a
5. NAICS code	221114
6. Is the applicant a party to any other pending or active Chapter 313 agreements?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6a. If yes, please list application number, name of school district and year of agreement	n/a

SECTION 5: Applicant Business Structure

1. Business Organization of Applicant (corporation, limited liability corporation, etc)	Limited Liability Company
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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  
Novis Renewables, LLC

2c. Reporting Entity Taxpayer Number  
32078300228

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 ..... 7/1/2022
2. Estimated commencement of construction ..... 1/1/2027
3. Beginning of qualifying time period (MM/DD/YYYY) ..... 1/2/2025
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 ..... 12/31/2027

SECTION 10: The Property

1. County or counties in which the proposed project will be located Wilson County
2. Central Appraisal District (CAD) that will be responsible for appraising the property Wilson 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>Stockdale, 0.872%, 100%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Stockdale, 0.3076%, 100%</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Wilson, 0.4228%, 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>n/a</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>Wilson Hospital, 0.1054%, 100%</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>San Antonio River Authority, 0.01858%, 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>Ecleto Water, 0.003634%, 100%</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>Evergreen UWC District, 0.0063%, 100%, ESD 3, 0.0873, 100%</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: _____	n/a	City: _____	n/a
	<i>(Incentive type, percentage, start and end year)</i>		<i>(Incentive type, percentage, start and end year)</i>
Hospital District: _____	n/a	Water District: _____	n/a
	<i>(Incentive type, percentage, start and end year)</i>		<i>(Incentive type, percentage, start and end year)</i>
Other (describe): _____	n/a	Other (describe): _____	n/a
	<i>(Incentive type, percentage, start and end year)</i>		<i>(Incentive type, percentage, start and end year)</i>

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/](http://comptroller.texas.gov/economy/local/ch313/).

1. At the time of application, what is the estimated minimum qualified investment required for this school district? ..... \$40,000,000

2. What is the amount of appraised value limitation for which you are applying? ..... \$40,000,000

**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? 6/30/2022

**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
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

**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 ..... \$823.50
  - b. Qualifying job wage minimum option §313.021(5)(A)  
-110% of the average weekly wage for manufacturing jobs in the county is ..... \$1,166.55
  - c. Qualifying job wage minimum option §313.021(5)(B)  
-110% of the average weekly wage for manufacturing jobs in the region is ..... \$1,207.91
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? ..... \$60,660.60
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... \$60,661.00
8. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? .....  Yes  No
9. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? .....  Yes  No
  - 9a. If yes, attach in **Tab 13** supporting documentation from the TWC, pursuant to §313.021(3)(F).
10. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? .....  Yes  No
  - 10a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

## APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

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

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)*



Chapter 313 Application to Stockdale ISD

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**CHECKLIST ITEM #3**

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

N/A



**CHECKLIST ITEM #4**

**Detailed Description of Project**

The applicant is developing a utility scale single axis tracker photovoltaic facility designed to use solar power to generate electricity. The project will be capable of generating approximately 195 MWac and will cover a surface area approximately 1,500 acres. The exact capacity and specific technology will be determined during the design process, and so the exact location of the improvements cannot be specified at this time. In addition, 100% of the entire project is planned to be installed in Stockdale ISD and Wilson County.

If granted an Appraised Value Limitation pursuant to Texas Tax Code 313, the applicant expects to issue a full notice to proceed for construction in Q1 2027 and expects to complete construction in Q4 2027.

The investment will include the following: solar modules/panels, metal mounting system with tracking capabilities, battery or battery system, underground conduit, communications cables and electric system wiring, combiner boxes, a project substation including breakers, a transformer and meters, overhead transmission lines, inverter boxes on concrete pads, an operations and maintenance facility, fencing for safety and security, telephone and internet communication system, meteorological equipment to measure solar irradiation and weather conditions, and any other eligible ancillary and necessary equipment for commercial operations of the proposed project.

The applicant applied on 11/30/2021 to ERCOT and has received the following GINR number: 24INR0160. This project may have been known by Huisache Solar in past media reports, investor presentations, and other listings with federal or state agency.





**CHECKLIST ITEM #5**

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

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

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

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

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

The Applicant is an international solar developer with the ability to locate projects of this type and other types of projects in other states within the United States and locations around the world. The Applicant is actively assessing and developing other projects that are competing for limited investment funds. The appraised value limitation is critical to the ability of the Project to move forward as currently sited. Examples of the Applicant's other project locations that are competing with the Project for funding include:

- Georgia
- Louisiana
- Utah
- Washington



Chapter 313 Application to Stockdale ISD

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**10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?**

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of the project. The financial viability of the project is contingent on receiving the Chapter 313 Appraised Value Limitation, and the project cannot move forward without it.



Chapter 313 Application to Stockdale ISD

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**CHECKLIST ITEM #6**

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

N/A



**CHECKLIST ITEM #7**

**Description of Qualified Investment**

The Applicant anticipates constructing a solar photovoltaic electric generating facility with an operating capacity of approximately 195 MWac and will cover a surface area of approximately 1,500 acres. 100% of the project will be located in the reinvestment zone and project boundary within Stockdale ISD and Wilson County, and will be considered qualified investment for this application. The exact capacity and specific technology components will be determined during the development and design process. The facility includes eligible ancillary and necessary equipment, including the following property:

- Solar modules/panels
- Metal mounting system with tracking capabilities
- Battery or battery system
- Underground conduit, communications cables, and electric collection system wiring
- Combiner boxes
- A project substation including breakers, a transformer and meters
- Overhead transmission lines
- Inverter boxes on concrete pads
- Operations and maintenance facility
- Fencing for safety and security
- Telephone and internet communications system
- Meteorological equipment to measure solar irradiation and weather conditions

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



**CHECKLIST ITEM #8**

**Description of Qualified Property**

The Applicant anticipates constructing a solar photovoltaic electric generating facility with an operating capacity of approximately 195 MWac and will cover a surface area of approximately 1,500 acres. 100% of the project will be located in the reinvestment zone and project boundary within Stockdale ISD and Wilson County, and will be considered qualified property for this application. The exact capacity and specific technology components will be determined during the development and design process. The facility includes eligible ancillary and necessary equipment, including the following property:

- Solar modules/panels
- Metal mounting system with tracking capabilities
- Battery or battery system
- Underground conduit, communications cables, and electric collection system wiring
- Combiner boxes
- A project substation including breakers, a transformer and meters
- Overhead transmission lines
- Inverter boxes on concrete pads
- Operations and maintenance facility
- Fencing for safety and security
- Telephone and internet communications system
- Meteorological equipment to measure solar irradiation and weather conditions

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





Chapter 313 Application to Stockdale ISD

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**CHECKLIST ITEM #9**

**Description of Land**

The applicant will lease approximately 1,500+ acres of land with land owners in Wilson County, Texas.



Chapter 313 Application to Stockdale ISD

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**CHECKLIST ITEM #10**

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

N/A



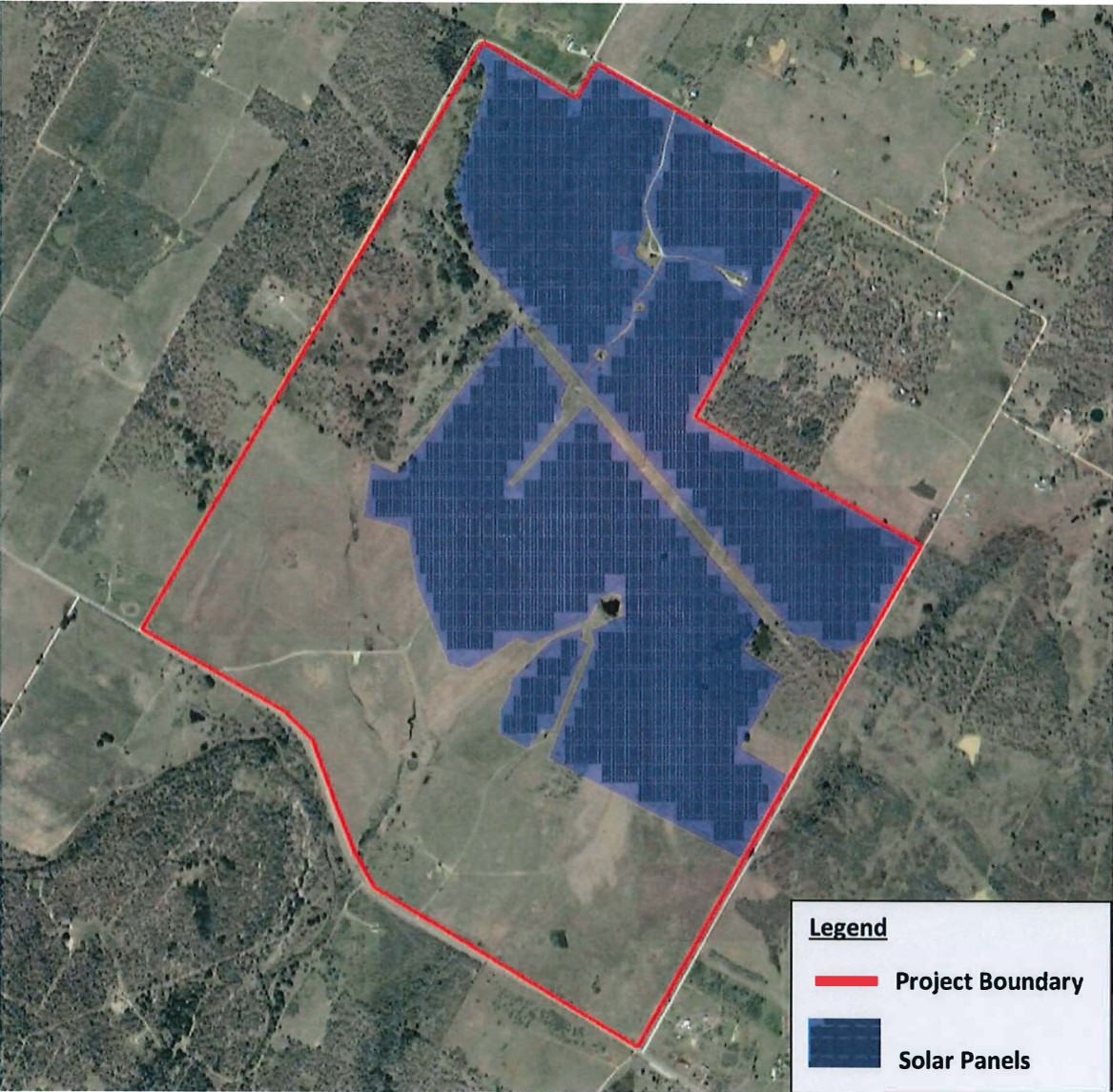
Chapter 313 Application to Stockdale ISD

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**CHECKLIST ITEM #11**

**Maps**

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







**Legend**

— Proposed Reinvestment Zone



Chapter 313 Application to Stockdale ISD

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**CHECKLIST ITEM #12**

**Request for Waiver of Job Creation Requirement and supporting information.**

See attached.



**Grant Huber**  
**Development Manager**  
**Novis Renewables LLC**

1 Bridge Street  
Irvington, NY 10533

March 15, 2022

Superintendent Daniel Fuller  
Stockdale Independent School District  
503 South Fourth St.  
Stockdale, TX 78160

RE: Novis Renewables LLC, Job Requirements Waiver Request

Dear Superintendent Fuller:

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

The governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property that is described in this application. Solar energy projects create a large number of full-time jobs during the construction phase, but these jobs are temporary by nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Based upon our experience in the solar industry, we have determined that an appropriate industry standard for full-time operations of a solar energy facility is one (1) employee for every 150 MW to 250 MW of solar capacity. Based on this industry standard, we expect that one (1) employee would be needed to operate a 195 MW facility, and we can commit to creating one (1) full-time position to fill those needs. The newly created position will be a qualifying job as described in Section 313.021(3) of the Texas Tax Code.

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

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

Respectfully,

Novis Renewables LLC

*Grant Huber*

By: \_\_\_\_\_

Grant Huber, Development Manager



Chapter 313 Application to Stockdale ISD

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**CHECKLIST ITEM #13**

**Calculation of three possible wage requirements with TWC documentation.**

See attached.

TAB 13

Wage Requirement Calculation

1. Average Weekly Wages for All Jobs (All Industries) in Wilson County, Q4 2020 - Q3 2021

Category	Area	Period	Avg. Weekly Wage
All Industries	Wilson County	Q4 2020	\$866
All Industries	Wilson County	Q1 2021	\$772
All Industries	Wilson County	Q2 2021	\$817
All Industries	Wilson County	Q3 2021	\$839
		AVERAGE	\$823.50

Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

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

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2020	01	Wilson	Total All	10	Total, All Industries	789
2020	02	Wilson	Total All	10	Total, All Industries	798
2020	03	Wilson	Total All	10	Total, All Industries	796
2020	04	Wilson	Total All	10	Total, All Industries	866
2021	01	Wilson	Total All	10	Total, All Industries	772
2021	02	Wilson	Total All	10	Total, All Industries	817
2021	03	Wilson	Total All	10	Total, All Industries	839

2. 110% of Average Weekly Wages for Manufacturing Jobs in Wilson County Q4 2020 - Q3 2021

Category	Area	Period	Avg. Weekly Wage
Manufacturing	Wilson County	Q4 2020	\$1,055.00
Manufacturing	Wilson County	Q1 2021	\$961.00
Manufacturing	Wilson County	Q2 2021	\$1,091.00
Manufacturing	Wilson County	Q3 2021	\$1,135.00
		AVERAGE	\$1,060.50
		110% OF AVERAGE	\$1,166.55

ANNUAL AVERAGE	\$60,660.60
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Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

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

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2020	01	Wilson	Private	1013	Manufacturing	1,045
2020	02	Wilson	Private	1013	Manufacturing	1,045
2020	03	Wilson	Private	1013	Manufacturing	988
2020	04	Wilson	Private	1013	Manufacturing	1,055
2021	01	Wilson	Private	1013	Manufacturing	961
2021	02	Wilson	Private	1013	Manufacturing	1,091
2021	03	Wilson	Private	1013	Manufacturing	1,135

TAB 13

Wage Requirement Calculation

**3. COG Region Wage Calculation**

Year	Region	Annual Wage	Avg. Weekly Wage
2020	Alamo Area Council of Governments	\$ 57,101	\$1,098
		110% OF AVERAGE	\$1,207.91

110% OF ANNUAL AVERAGE	\$62,811.10
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2020 Manufacturing Average Wages by Council of Government Region  
Wages for All Occupations

COG	COG Number	Wages	
		Hourly	Annual
<a href="#">Panhandle Regional Planning Commission</a>	1	\$23.32	\$48,501
<a href="#">South Plains Association of Governments</a>	2	\$20.42	\$42,473
<a href="#">NORTEX Regional Planning Commission</a>	3	\$20.64	\$42,928
<a href="#">North Central Texas Council of Governments</a>	4	\$32.34	\$67,261
<a href="#">Ark-Tex Council of Governments</a>	5	\$21.30	\$44,299
<a href="#">East Texas Council of Governments</a>	6	\$29.28	\$60,904
<a href="#">West Central Texas Council of Governments</a>	7	\$21.54	\$44,797
<a href="#">Rio Grande Council of Governments</a>	8	\$19.02	\$39,552
<a href="#">Permian Basin Regional Planning Commission</a>	9	\$22.57	\$46,945
<a href="#">Concho Valley Council of Governments</a>	10	\$27.28	\$56,739
<a href="#">Heart of Texas Council of Governments</a>	11	\$23.41	\$48,696
<a href="#">Capital Area Council of Governments</a>	12	\$29.96	\$62,326
<a href="#">Brazos Valley Council of Governments</a>	13	\$18.41	\$38,286
<a href="#">Deep East Texas Council of Governments</a>	14	\$21.07	\$43,829
<a href="#">South East Texas Regional Planning Commission</a>	15	\$27.38	\$56,957
<a href="#">Houston-Galveston Area Council</a>	16	\$29.83	\$62,050
<a href="#">Golden Crescent Regional Planning Commission</a>	17	\$22.09	\$45,945
<a href="#">Alamo Area Council of Governments</a>	18	\$27.45	\$57,101
<a href="#">South Texas Development Council</a>	19	\$19.20	\$39,945
<a href="#">Coastal Bend Council of Governments</a>	20	\$35.39	\$73,603
<a href="#">Lower Rio Grande Valley Development Council</a>	21	\$20.70	\$43,056
<a href="#">Texoma Council of Governments</a>	22	\$19.18	\$39,897
<a href="#">Central Texas Council of Governments</a>	23	\$21.34	\$44,390
<a href="#">Middle Rio Grande Development Council</a>	24	\$22.98	\$47,509
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.



Chapter 313 Application to Stockdale ISD

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**CHECKLIST ITEM #14**

**Schedules A1, A2, B, C and D completed and signed Economic Impact.**

See attached.



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

Date **3/15/2022**  
 Applicant Name **Novis Renewables, LLC**  
 ISD Name **Stockdale ISD**

Form 50-296A  
 Revised October 2020

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
				Column A	Column B	Column C	Column D	Column E	
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New Investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other 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]	Total Investment (Sum of Columns A+B+C+D)	
Investment made before filing complete application with district	Stub	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2025	Not eligible to become Qualified Property				[For only other investment made before filing complete application with district that may become Qualified Property is land.]	-
Investment made after filing complete application with district, but before final board approval of application				-	-	-	-	-	
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				-	-	-	-	-	
Complete tax years of qualifying time period	QTP1	2026-2027	2026	-	-	-	-	-	
	QTP2	2027-2028	2027	327,190,748	-	-	-	327,190,748	
<b>Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]</b>				327,190,748	-	-	-	327,190,748	
				Enter amounts from TOTAL row above in Schedule A2					
<b>Total Qualified Investment (sum of green cells)</b>				327,190,748					

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

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

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

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

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

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

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

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

Date 3/15/2022  
 Applicant Name Novis Renewables, LLC  
 ISD Name Stockdale ISD

Form 50-296A  
 Revised October 2020

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
	Year	School Year (YYYY-YYYY)	Tax Year (File in actual tax year below) YYYY	Column A New Investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New Investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other Investment made during this year that will become Qualified Property [SEE NOTE]	Column D Other Investment made during this year that will become Qualified Property [SEE NOTE]	Column E Total Investment (A+B+C+D)	
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		327,190,748	--	--	--	327,190,748	
Each year prior to start of value limitation period**	0	2024-2025	2024	--	--	--	--	--	
	Stub	2025-2026	2025	--	--	--	--	--	
	QTP1	2026-2027	2026	--	--	--	--	--	
	QTP2	2027-2028	2027	327,190,748	--	--	--	327,190,748	
Value limitation period***	1	2028-2029	2028	--	--	--	--	--	
	2	2029-2030	2029	--	--	--	--	--	
	3	2030-2031	2030	--	--	--	--	--	
	4	2031-2032	2031	--	--	--	--	--	
	5	2032-2033	2032	--	--	--	--	--	
	6	2033-2034	2033	--	--	--	--	--	
	7	2034-2035	2034	--	--	--	--	--	
	8	2035-2036	2035	--	--	--	--	--	
	9	2036-2037	2036	--	--	--	--	--	
	10	2037-2038	2037	--	--	--	--	--	
Total Investment made through limitation				327,190,748	--	--	--	327,190,748	
Continue to maintain viable presence	11	2038-2039	2038						
	12	2039-2040	2039						
	13	2040-2041	2040						
	14	2041-2042	2041						
	15	2042-2043	2042						
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2043-2044	2043						
	17	2044-2045	2044						
	18	2045-2046	2045						
	19	2046-2047	2046						
	20	2047-2048	2047						
	21	2048-2049	2048						
	22	2049-2050	2049						
	23	2050-2051	2050						
	24	2051-2052	2051						
	25	2052-2053	2052						

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

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

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

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

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

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

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

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

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

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

Date **3/15/2022**  
 Applicant Name **Novis Renewables, LLC**  
 ISD Name **Stockdale ISD**

**Form 50-296A**  
 Revised October 2020

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value			
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2024-2025	2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	Stub	2025-2026	2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	QTP1	2026-2027	2026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	QTP2	2027-2028	2027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Value Limitation Period	1	2028-2029	2028	\$ -	\$ -	\$ 327,190,748	\$ 327,190,748	\$ 327,190,748	\$ 40,000,000	
	2	2029-2030	2029	\$ -	\$ -	\$ 284,464,230	\$ 284,464,230	\$ 284,464,230	\$ 40,000,000	
	3	2030-2031	2030	\$ -	\$ -	\$ 242,767,862	\$ 242,767,862	\$ 242,767,862	\$ 40,000,000	
	4	2031-2032	2031	\$ -	\$ -	\$ 202,266,688	\$ 202,266,688	\$ 202,266,688	\$ 40,000,000	
	5	2032-2033	2032	\$ -	\$ -	\$ 163,226,881	\$ 163,226,881	\$ 163,226,881	\$ 40,000,000	
	6	2033-2034	2033	\$ -	\$ -	\$ 135,409,728	\$ 135,409,728	\$ 135,409,728	\$ 40,000,000	
	7	2034-2035	2034	\$ -	\$ -	\$ 105,370,496	\$ 105,370,496	\$ 105,370,496	\$ 40,000,000	
	8	2035-2036	2035	\$ -	\$ -	\$ 72,917,151	\$ 72,917,151	\$ 72,917,151	\$ 40,000,000	
	9	2036-2037	2036	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 40,000,000	
	10	2037-2038	2037	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 40,000,000	
Continue to maintain viable presence	11	2038-2039	2038	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	
	12	2039-2040	2039	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	
	13	2040-2041	2040	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	
	14	2041-2042	2041	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	
	15	2042-2043	2042	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2043-2044	2043	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	
	17	2044-2045	2044	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	
	18	2045-2046	2045	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	
	19	2046-2047	2046	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	
	20	2047-2048	2047	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	
	21	2048-2049	2048	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	
	22	2049-2050	2049	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	
	23	2050-2051	2050	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	
	24	2051-2052	2051	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	
	25	2052-2053	2052	\$ -	\$ -	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	\$ 65,438,150	

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

**Schedule C: Employment Information**

Date 3/15/2022  
 Applicant Name Novis Renewables, LLC  
 ISD Name Stockdale ISD

Form 50-296A  
 Revised October 2020

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
				Number of Construction FTE's	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	QTP1	2026-2027	2026	0	\$ -	0	0	n/a
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	QTP2	2027-2028	2027	250 FTE	\$ 50,000	0	0	n/a
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2028-2029	2028	0	n/a	0	1	\$ 60,661
	2	2029-2030	2029	0	n/a	0	1	\$ 60,661
	3	2030-2031	2030	0	n/a	0	1	\$ 60,661
	4	2031-2032	2031	0	n/a	0	1	\$ 60,661
	5	2032-2033	2032	0	n/a	0	1	\$ 60,661
	6	2033-2034	2033	0	n/a	0	1	\$ 60,661
	7	2034-2035	2034	0	n/a	0	1	\$ 60,661
	8	2035-2036	2035	0	n/a	0	1	\$ 60,661
	9	2036-2037	2036	0	n/a	0	1	\$ 60,661
	10	2037-2038	2037	0	n/a	0	1	\$ 60,661
Years Following Value Limitation Period	11 through 25	2038-2053	2038-2052	0	n/a	0	1	\$ 60,661

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



Chapter 313 Application to Stockdale ISD

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**CHECKLIST ITEM #15**

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

N/A



Chapter 313 Application to Stockdale ISD

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**CHECKLIST ITEM #16**

**Description of Reinvestment or Enterprise Zone.**

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

TBD – Will be submitted once created by Wilson County or Stockdale ISD



**WILSON COUNTY  
TAX ABATEMENT POLICY  
Preamble**

Pursuant to Chapter 312, Texas Tax Code (the "Act"), Wilson County may consider an application for tax abatement, designate a reinvestment zone, and enter into a tax abatement agreement as provided for in this Tax Abatement Policy. This Policy and the guidelines and criteria outlined herein were approved by Resolution No. \_\_\_\_\_ adopted by the Wilson County Commissioners Court on \_\_\_\_\_, after a public hearing on \_\_\_\_\_, and approval of a Resolution providing that the County elects to become eligible in tax abatement pursuant to the Act.

**I. Abatement Policy**

- A. Investment. To enter into an abatement agreement, the Commissioners Court must find that the project will result in a significant investment being made in the County. Unless additional factors are deemed to provide value to the County, the minimum investment for abatement is as follows:
- i. New business: \$1,000,000, and
  - ii. Expansion of existing business: \$300,000.
- B. Job Creation. Abatement on eligible real and fixed personal property requires new job creation, or, in the case of expansion, sustained employment levels.
- C. Criteria. In determining whether to designate a reinvestment zone the County shall consider the Criteria provided in Section 312.202, Texas Tax Code, and with regard to whether to enter into a tax abatement agreement, the Commissioners Court shall consider the following criteria, among others determined to be appropriate by the Court:
- i. Site and Improvements
    - a. Existing value of land and existing improvements, if any;
    - b. Type and value of proposed improvements;
    - c. Productive life of proposed improvements;
    - d. Overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area; and
    - e. Environmental impacts of project.
  - ii. Economic Spinoff
    - a. Number and dollar amounts of all construction contracts and subcontracts award on the project;
    - b. Impact on the business opportunities of existing businesses and the attraction of new business to the area, if any; and

- c. Disadvantaged business entity and Wilson County contractors represented in total construction, suppliers, and services contracts.

iii. Jobs

- a. Number of existing jobs to be retained by proposed improvements, if any;
- b. Number and type of new jobs, if any, to be created by proposed improvements;
- c. Diversity of employment base;
- d. Local employment opportunities; and
- e. Competitive wages and benefits for employees.

iv. Public Costs and Benefits

- a. Costs to be incurred by Wilson County, if any, to provide facilities or services directly resulting from the new improvements;
- b. Types and values of public improvements, if any, to be made by applicant seeking abatement; and
- c. Amount of ad valorem property tax to be paid to Wilson County during and after expiration of the abatement agreement.

D. Ad Valorem Taxes. Unless expressly provided, County approval of tax abatement applies only to County ad valorem taxes and may be restricted to include only County maintenance and operations taxes, excluding interest and sinking fund taxes. County approval of tax abatement may also apply to both Hospital District and Emergency Services District ad valorem taxes, provided that the County is statutorily required to approve the tax rate for such districts or levies their ad valorem taxes as described in Section 312.004, Texas Tax Code.

E. Existing Property Value. The value of existing real and personal property currently on the tax rolls will remain taxable and be included in the base value, even if personal property is moved to a new, abated location or replaced due to modernization or expansion. Abatement may be only granted for the additional value of eligible property improvements made subsequent to and listed in an abatement agreement between the County and the property owner and lessee, subject to such limitations as Commissioners Court may require.

F. Application Must Precede Commencement of Project. A project is ineligible for abatement if the application for County abatement was filed after the commencement for construction, alteration, or installation of new improvements.

G. Ineligible Property. The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings, and other forms of movable personal property (excluding solar array panels and associated equipment); vehicles; vessels; private aircraft; deferred maintenance investments; property to be rented or

leased except if a leased facility is granted the abatement; also, any property included in the calculation of base year value as defined.

- H. Compliance with Policy. The County will only enter into abatement agreements that the County finds meet the guidelines and criteria outlined in this Policy and in the Act.
- I. County Discretion. Nothing herein limits the discretion of the County to determine whether to enter into a specific abatement agreement. The County is under no obligation to provide an abatement for any project.
- J. Taxability. From the execution of the abatement to the end of the agreement period taxes shall be payable as follows: (1) The value of ineligible property as provided above shall be fully taxable; (2) The base year value of existing eligible property shall be fully taxable, as well as the value of any existing personal property currently on the tax rolls in Wilson County that is either moved to a new abated location or is replaced due to modernization or expansion; (3) The additional value of new eligible property shall be taxable in the manner and for the period provided for in the abatement agreement, subject to the terms described herein; and (4) The additional value of new eligible property shall be fully taxable at the end of the abatement period.

## **II. Application Procedure**

- A. Applicant. Any present or potential owner or lessee of taxable property in Wilson County may request the creation of a reinvestment zone and/or tax abatement by submitting a written application conforming to the requirements outlined herein.
- B. Eligible Property. Abatement may only be granted for the following property constructed or otherwise put in place after the effective date of the tax abatement agreement: new, expanded or modernized buildings and structures, fixed machinery, and equipment; site improvements; related fixed improvements; other tangible items necessary to the operation and administration of the project or facility; and all other real and tangible personal property permitted by the Act.
- C. Application. The application shall consist of a completed Wilson County Tax Abatement Application, in the form attached hereto as Exhibit A, as may be amended from time to time, which shall contain the following:
  - i. a general description of the project, including a descriptive list of the improvements for which the abatement is requested;
  - ii. information showing how the project meets the requirements of the criteria outlined herein, including employment and contract information;
  - iii. a map and description of the property;

- iv. a time schedule for completing the planned improvements;
- v. the estimated taxable value or range of values of the project or facility;
- vi. basic financial information about the principals sufficient to enable evaluation of the applicant's financial capacity;
- vii. a feasibility study estimating the economic impact of the project and effect on the County and any other participating jurisdictions, and the applicant;
- viii. in the case of modernization, a statement of the assessed value of the facility separately stated for real and personal property, shall be provided for the three years immediately preceding the application; and
- ix. Each application shall be accompanied by an application fee of \$1,000.00 payable to Wilson County.

D. Application Consideration. The procedure for consideration by the County of a tax abatement application is as follows:

- i. The application form is provided as Exhibit A to this Policy, and shall be available on the County's website.
- ii. After an applicant completes the Tax Abatement Application, applicant provides a copy to each member of the Wilson County Commissioners Court and the County Judge's Administrative Assistant.
- iii. If the application is deemed to be complete by the County Judge, the County Judge shall provide a copy of the application to the presiding officer of the governing body of each eligible jurisdiction.
- iv. Upon receipt of a completed application and/or request to participate with a municipality in an abatement agreement, the County Judge shall review and provide a recommendation to the Commissioner's Court prior to thirty (30) days prior to the public hearing.
- v. The County shall not establish a reinvestment zone, nor participate in an abatement, if it finds that the application for County reinvestment zone/tax abatement was filed after the commencement of construction, alteration, or installation of improvements related to the proposed modernization, expansion or new facility.
- vi. A request for variance from the provisions of this Policy must be made in written form to the County Judge and submitted with the Tax Abatement Application; provided, however, the total duration of an abatement shall in no instance exceed ten (10) years. Such variance request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Request for variance must be approved by a majority vote of the Commissioners Court.

### **III. Public Hearing and Approval**



A. New Reinvestment Zone. The Commissioners Court may not adopt a resolution designating a County reinvestment zone for a five (5) year period until it has held a public hearing at which interested persons are entitled to speak and present evidence for or against the designation. No later than the seventh (7<sup>th</sup>) day before the hearing, notice of the hearing shall be published in a newspaper having general circulation in the County and delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone.

- i. If the reinvestment zone is not designated, the application fails, although it may be amended and resubmitted.
- ii. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect and may then arrange to consider for approval of the tax abatement agreement between the applicant and the County at its next regularly scheduled meeting.
- iii. At least seven (7) days prior to entering into a tax abatement agreement, the county must give written notice of its intent to do so to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought, along with a copy of the proposed tax abatement agreement.

B. Abatement Agreement. Prior to entering into a tax abatement agreement in a reinvestment zone, the Commissioners Court may, at its option, hold a public hearing, for which at least thirty (30) days' notice has been provided, at which interested persons shall be entitled to speak and present written materials for or against the approval of the tax abatement agreement.

- i. At least seven (7) days prior to entering into a tax abatement agreement, the county must give written notice of its intent to do so to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought, along with a copy of the proposed tax abatement agreement.
- ii. At the regularly scheduled meeting, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement or to decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County.
- iii. The public notice of the meeting at which the Commissioners Court will consider the approval of a tax abatement agreement shall contain the following:
  - a. the name of the property owner and the name of the applicant for the abatement agreement;
  - b. the name and location of the reinvestment zone in which the property subject to the agreement is located;
  - c. a general description of the nature of the improvements or repairs included in the agreement;

- d. the estimated cost of the improvements or repairs; and
- e. the public notice must be given in a manner required by Chapter 551, Texas Government Code, except that the notice must be provided at least 30 days prior to the scheduled time of the meeting.

C. Findings.

- i. To be designated a reinvestment zone by the County, the County Commissioners must find by majority vote that:
  - a. the property designated for the reinvestment zone is not located in the taxing jurisdiction of a municipality;
  - b. the property for which the abatement is sought will be reasonably likely as a result the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the County, or meet one or more of the other requirements provide in Section 312.202, Texas Tax Code; and
  - c. the improvements sought are feasible and practical and would be a benefit to the land to be included in the zone and to the County after expiration of the tax abatement agreement.
- ii. In order to enter into a tax abatement agreement, the Commissioners Court must find by majority vote that the terms of the proposed agreement meet these Guidelines and Criteria and that: (1) there will be no substantial adverse effect on the provision of the jurisdiction's service or tax base: and (2) the planned use of the property will not constitute a hazard to public safety, health or morals.

D. Confidentiality. As required by Section 312.003, Texas Tax code, information that is provided to the County in connection with an application or request for tax abatement and that describes the specific processes or business activities to be conducted or the equipment or the property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until a tax abatement agreement is executed. Such information should be clearly marked in the application.

#### **IV. Format for Tax Abatement Agreement**

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

- i. the kind, number and location of all proposed improvements of the property;



- ii. provisions allowing for reasonable access to the property for initial and intermittent inspection purposes by County employees or designated representatives to ensure improvements are made in compliance with the agreement;
- iii. provisions limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the area during the period of abatement;
- iv. provisions for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided in the agreement;
- v. each term agreed to by the recipient of the abatement;
- vi. a requirement that the abatement recipient certify its compliance with the agreement annually to the County; and
- vii. provisions allowing the County to cancel or modify the agreement if the recipient is out of compliance with the agreement.

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

- i. the estimated taxable value to be abated each year;
- ii. percent of value to be abated each year;
- iii. the commencement and termination dates of the abatement;
- iv. proposed use of the property;
- v. nature of the construction, time schedule, map and property description;
- vi. contractual obligations in the event of default or violation of terms or conditions;
- vii. size of investment and number of temporary and permanent jobs involved, if any;
- viii. provisions for dispute resolution; and
- ix. a PILOT payment to cover the County's fees associated with reviewing, analyzing, negotiating and drafting the abatement agreement.

C. Value and Term of Abatement. Abatement shall be granted effective with the execution of the agreement. The value of the abatement will be determined based on the merits of the project, including, but not limited to, total capital investment value and added employment. Up to one hundred percent (100%) of the value of new eligible properties may be abated for a total term of abatement not to exceed ten (10) years. However, a project must provide an extraordinary economic benefit to the County to be considered for a one hundred percent abatement (100%). The County may approve a sliding scale of abatement percentages, may limit the abatement to maintenance and operations taxes, or may require a payment in lieu of taxes for all or part of the taxes paid to the County by the project. The abatement period may be deferred by written agreement of the parties, provided the duration of an abatement agreement does not exceed ten (10) years. An abatement agreement granted to a lessee may not exceed the terms of a lessee's

lease.

- D. Time limit. Such agreement shall be executed within thirty (30) days after passage of the resolution approving the agreement, unless the County and the applicant mutually agree otherwise.
- E. Recapture. Commissioners Court reserves the right to review compliance for full or partial recapture in the event that the applicant fails to perform in "good faith." If a project is not completed as specified in the tax abatement agreement, the County has the right to cancel the abatement agreement and abated taxes shall be recaptured by the County and other affected taxing units as provided by law and the development agreement. If any of the provisions contained in the tax abatement agreement, i.e., employment, amount of investment, etc., are not met, the County shall have the right to reduce or cancel the abatement agreement. If a project granted a tax abatement ceases to operate or is no longer in conformance with the tax abatement agreement, the agreement shall not be in effect for the period of time during which the project is not operating or is not in conformance.

#### **V. Administration of Tax Abatement Agreement**

- a. Inspections. County employees or their designated representatives shall have reasonable access to the property for initial and intermittent inspection purposes in order to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement.
- b. Evaluation. Upon completion of construction, the County and/or the jurisdiction creating the reinvestment zone shall annually (or at such other times as deemed appropriate by the Commissioners Court) evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations to the contract and agreement to the Commissioners Court and the County Attorney. On or before April 30th of every year during the life of the abatement agreement, the company or individual receiving the abatement shall complete and file a Tax Abatement Evaluation Report, along with other required written documentation, detailing and certifying the abatement recipient's compliance with the terms of the abatement agreement. Failure to provide information requested in the compliance evaluation by the prescribed deadline may result in taxes abated in the prior year being due and payable. The company or individual receiving a tax abatement shall provide information to the County for the evaluation which shall include, but not be limited to, the following:
  - i. the number and dollar amounts of all construction contracts and subcontracts awarded on the project;
  - ii. the total number of employees of the company, their gross salaries, and the number

- of employees residing in Wilson County and their gross salaries, reported in job classifications appropriate to the employee; the gross dollars spent on supplier and professional service contracts, indicating the amounts by contract awarded and performed by Wilson County business and individuals;
- iii. the dollar amount of contracts awarded to Disadvantaged Business Enterprises;
  - iv. detail of actions taken to mitigate any adverse environmental impacts of the project, if applicable; and
  - v. should the dollars, percentages, or actions not meet the original or modified requirements of the abatement agreement, a statement shall be provided explaining the reason for the failure to meet the requirements and a recommended course of rectification.
- c. Cure Provisions. Should Wilson County determine that the company or individual receiving the abatement is in default of the tax abatement agreement, it shall notify the company or individual of such default in writing at the address specified in the agreement, and if such is not cured within sixty (60) days' of notice, the agreement may be terminated by the County.
- d. Modification and Termination. At any time before the expiration of a tax abatement agreement, an agreement may be modified by the parties to include other provisions that could have been included in the original agreement or to delete provisions that were not necessary to the original agreement. The modification must be made by the same procedure by which the original agreement was made. An agreement may also be terminated by the mutual consent of the parties in the same way the agreement was made, or by other means as agreed by the parties according to the provisions of the agreement.
- e. Reporting. The chief appraiser for the County's appraisal district shall report annually the designation of reinvestment zones and executed abatement agreements as required under the Act.
- f. Posting. This Policy, as may be amended from time to time, shall be posted on the County's website.

## **VI. Assignment**

An abatement granted by Wilson County may be transferred and assigned by the holder to a new owner or lessee of the same property, upon the approval by resolution of Wilson County, subject to the financial capacity of the assignee and provided that all conditions and obligations in the tax abatement agreement with Wilson County are fulfilled; provided however that collateral assignments for financing purposes shall not be considered assignments for purposes of this Section and shall not require Wilson County approval.

Approval shall not be unreasonably withheld by Wilson County.

**VII. Sunset and Amendment of Guidelines and Criteria**

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

Passed and approved at a regular meeting of the Wilson County Commissioners Court, at which a quorum was present on the \_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Richard Jackson  
County Judge

\_\_\_\_\_  
Gary Martin  
Commissioner, Precinct 1

\_\_\_\_\_  
Paul Pfeil  
Commissioner, Precinct 2

\_\_\_\_\_  
Jeffery Pierdolla  
Commissioner, Precinct 3

\_\_\_\_\_  
Larry Wiley  
Commissioner, Precinct 4

ATTESTED:

\_\_\_\_\_  
Eva Martinez  
Wilson County Clerk

**EXHIBIT A**  
**FORM OF APPLICATION**

Applications for Tax Abatement shall be organized as follows:

Section A

1. Name and contact of the property owner and the name and contact information of the applicant for the abatement agreement.
2. Name and location of the reinvestment zone in which the property subject to the agreement is located.

Section B

1. Overview. General description of the project, including a descriptive list of the improvements for which the abatement is requested.
2. Criteria. Information showing how the project meets the requirements of the criteria outlined herein, including employment and contract information.
  - a. Site and Improvements
    - i. Existing value of land and existing improvements, if any;
    - ii. Type and value of proposed improvements, including estimated costs of all improvements and/or repairs;
    - iii. Productive life of proposed improvements;
    - iv. Overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area; and
    - v. Environmental impacts of project.
  - b. Economic Spinoff
    - i. Number and dollar amounts of all construction contracts and subcontracts award on the project;
    - ii. Impact on the business opportunities of existing businesses and the attraction of new business to the area, if any; and
    - iii. Disadvantaged business entity and Wilson County contractors represented in total construction, suppliers, and services contracts.
  - c. Jobs
    - i. Number of existing jobs to be retained by proposed improvements, if any;
    - ii. Number and type of new jobs, if any, to be created by proposed improvements;
    - iii. Diversity of employment base;
    - iv. Local employment opportunities; and



v. Competitive wages and benefits for employees.

d. Public Costs and Benefits

- i. Costs to be incurred by Wilson County, if any, to provide facilities or services directly resulting from the new improvements;
- ii. Types and values of public improvements, if any, to be made by applicant seeking abatement; and
- iii. Amount of ad valorem property tax to be paid to Wilson County during and after expiration of the abatement agreement.

3. Map. A map and description of the property showing the existing uses and conditions of the property and a map and description of the property showing the proposed improvements and uses of the property.
4. Schedule. A time schedule for completing the planned improvements; the estimated taxable value or range of values of the project or facility.
5. Financial Capability. Basic financial information about the principles sufficient to enable evaluation of the applicant's financial capacity. Note: The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application.
6. Feasibility Study. A feasibility study estimating the economic impact of the project and effect on the County and any other participating jurisdictions, and the applicant.
7. Modernization Criteria (if applicable). In the case of modernization, a statement of the assessed value of the facility separately stated for real and personal property, shall be provided for the three years immediately preceding the application.

Section C. Variance request, if any.

Each application shall be accompanied by an application fee of \$1,000.00 payable to Wilson County.





Chapter 313 Application to Stockdale ISD

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**CHECKLIST ITEM # 17**

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

**SECTION 16: Authorized Signatures and Applicant Certification**

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

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

**1. Authorized School District Representative Signature**

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** → Daniel Fuller  
Print Name (Authorized School District Representative)

Superintendent  
Title

**sign here** → *[Handwritten Signature]*  
Signature (Authorized School District Representative)

3/23/2022  
Date

**2. Authorized Company Representative (Applicant) Signature and Notarization**

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

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

**print here** → Jonathan Koch  
Print Name (Authorized Company Representative (Applicant))

President  
Title

**sign here** → *[Handwritten Signature]*  
Signature (Authorized Company Representative (Applicant))

March 23, 2022  
Date

ROBERT THEODORE GAMBO  
 Notary Public, State of New York  
 No. 02GA6403881  
 Qualified in Westchester County  
 Commission Expires February 3, 2024

(Notary Seal)

GIVEN under my hand and seal of office this, the  
 23 day of March 2022

*[Handwritten Signature]*  
 Notary Public in and for the State of Texas New York

My Commission expires: February 3, 2024

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 STOCKDALE INDEPENDENT SCHOOL  
DISTRICT and NOVIS RENEWABLES, LLC

## EXHIBIT A-1

Amendment One to Application for Appraised Value  
Limitation on Qualified Property



**WALSH GALLEGOS**  
TREVIÑO KYLE & ROBINSON P.C.

May 18, 2022

Ms. Desiree Caufield  
Economic Development & Local Government  
Data Analysis & Transparency Division  
Texas Comptroller of Public Accounts  
111 East 17<sup>th</sup> Street  
Austin, Texas 78774

*VIA EMAIL DELIVERY:*  
*desiree.caufield@cpa.texas.gov*

Re: Application #1740—Stockdale Independent School District (“District”) / Tax Limitation Agreement: Novis Renewables, LLC (“Applicant”)

Dear Ms. Caufield:

Pursuant to your email correspondence dated May 3, 2022, please see below and attached for the requested additional information and clarification related to the above-mentioned application materials submitted to your office on March 28, 2022. In particular, please note the following amendments to Application #1740:

1. Page 1 of Comptroller form 50-296 updated to show the District’s Interim Superintendent, Roxanne Moczygemba, as the District’s authorized representative.
2. Tab #7, sentence inserted, “The battery or battery system will only be used to store power generated by this application’s Qualified Investment, located in Stockdale ISD;
3. Tab #8, sentence inserted, “The battery or battery system will only be used to store power generated by this application’s Qualified Property, located in Stockdale ISD;
4. Tab #11, Updated with new maps; and
5. 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/cae  
Enclosures

Ms. Desiree Caufield  
May 18, 2022  
Page 2

cc: *(Via E-mail)*  
Mr. Daniel Fuller, Superintendent of Schools  
Stockdale Independent School District  
503 South Fourth Street  
Stockdale, Texas 78160

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

*(Via E-mail)*  
Mr. Jonathan Koch, President  
Novis Renewables, LLC  
1 Bridge St., Suite 11  
Irvington, NY 10533

*(Via E-mail)*  
Mr. Grant Huber, Development Manager  
Novis Renewables, LLC  
1 Bridge St., Suite 11  
Irvington, NY 10533

*(Via E-mail)*  
Mr. Evan Horn, Senior Manager  
Ernst & Young LLP

Wilson County Appraisal District  
1611 Railroad Street  
Floresville, Texas 78114

*(Via U.S. Postal Service Delivery)*

## 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/](http://comptroller.texas.gov/economy/local/ch313/). There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

### SECTION 1: School District Information

#### 1. Authorized School District Representative

March 23, 2022

Date Application Received by District

Roxanne

First Name

Moczygemba

Last Name

Interim Superintendent

Title

Stockdale ISD

School District Name

503 South Fourth Street

Street Address

503 South Fourth Street

Mailing Address

Stockdale

City

TX

State

78160

ZIP

(830) 996-3551 Ext. 1014

Phone Number

N/A

Fax Number

n/a

Mobile Number (optional)

roxanne.moczygemba@stockdaleisd.org

Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application? .....

Yes

No





May 9, 2022

Superintendent Daniel Fuller

Stockdale Independent School District  
503 South Fourth Street  
Stockdale, TX 78160

Re: 313 Application #1740 - Novis Renewables, LLC - Amendment No. 1 Changes

Dear Superintendent Fuller:

Please find attached Amendment No. 1 for Novis Renewables, LLC's 313 Application #1740. Specific changes found in the amendment are as follows:

- Tab (Checklist Item) #7 : Inserted the following sentence: "The battery or battery system will only be used to store power generated by this application's Qualified Investment, located in Stockdale ISD."
- Tab (Checklist Item) #8 : Inserted the following sentence: "The battery or battery system will only be used to store power generated by this application's Qualified Property, located in Stockdale ISD."
- Tab (Checklist Item) #11: Updated with new maps.

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

Yours sincerely,

A handwritten signature in cursive script that reads 'Troy Reed'.

Troy Reed  
Manager – Ernst &Young LLP



Chapter 313 Application to Stockdale ISD

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**CHECKLIST ITEM #7**

**Description of Qualified Investment**

The Applicant anticipates constructing a solar photovoltaic electric generating facility with an operating capacity of approximately 195 MWac and will cover a surface area of approximately 1,500 acres. 100% of the project will be located in the reinvestment zone and project boundary within Stockdale ISD and Wilson County, and will be considered qualified investment for this application. The exact capacity and specific technology components will be determined during the development and design process. The facility includes eligible ancillary and necessary equipment, including the following property:

- Solar modules/panels
- Metal mounting system with tracking capabilities
- Battery or battery system
- Underground conduit, communications cables, and electric collection system wiring
- Combiner boxes
- A project substation including breakers, a transformer and meters
- Overhead transmission lines
- Inverter boxes on concrete pads
- Operations and maintenance facility
- Fencing for safety and security
- Telephone and internet communications system
- Meteorological equipment to measure solar irradiation and weather conditions

The battery or battery system will only be used to store power generated by this application's Qualified Investment, located in Stockdale ISD. This application covers all qualified investment in the reinvestment zone and project boundary within Stockdale ISD necessary for commercial operations.



Chapter 313 Application to Stockdale ISD

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**CHECKLIST ITEM #8**

**Description of Qualified Property**

The Applicant anticipates constructing a solar photovoltaic electric generating facility with an operating capacity of approximately 195 MWac and will cover a surface area of approximately 1,500 acres. 100% of the project will be located in the reinvestment zone and project boundary within Stockdale ISD and Wilson County, and will be considered qualified property for this application. The exact capacity and specific technology components will be determined during the development and design process. The facility includes eligible ancillary and necessary equipment, including the following property:

- Solar modules/panels
- Metal mounting system with tracking capabilities
- Battery or battery system
- Underground conduit, communications cables, and electric collection system wiring
- Combiner boxes
- A project substation including breakers, a transformer and meters
- Overhead transmission lines
- Inverter boxes on concrete pads
- Operations and maintenance facility
- Fencing for safety and security
- Telephone and internet communications system
- Meteorological equipment to measure solar irradiation and weather conditions

The battery or battery system will only be used to store power generated by this application's Qualified Property, located in Stockdale ISD. This application covers all qualified property in the reinvestment zone and project boundary within Stockdale ISD necessary for commercial operations.



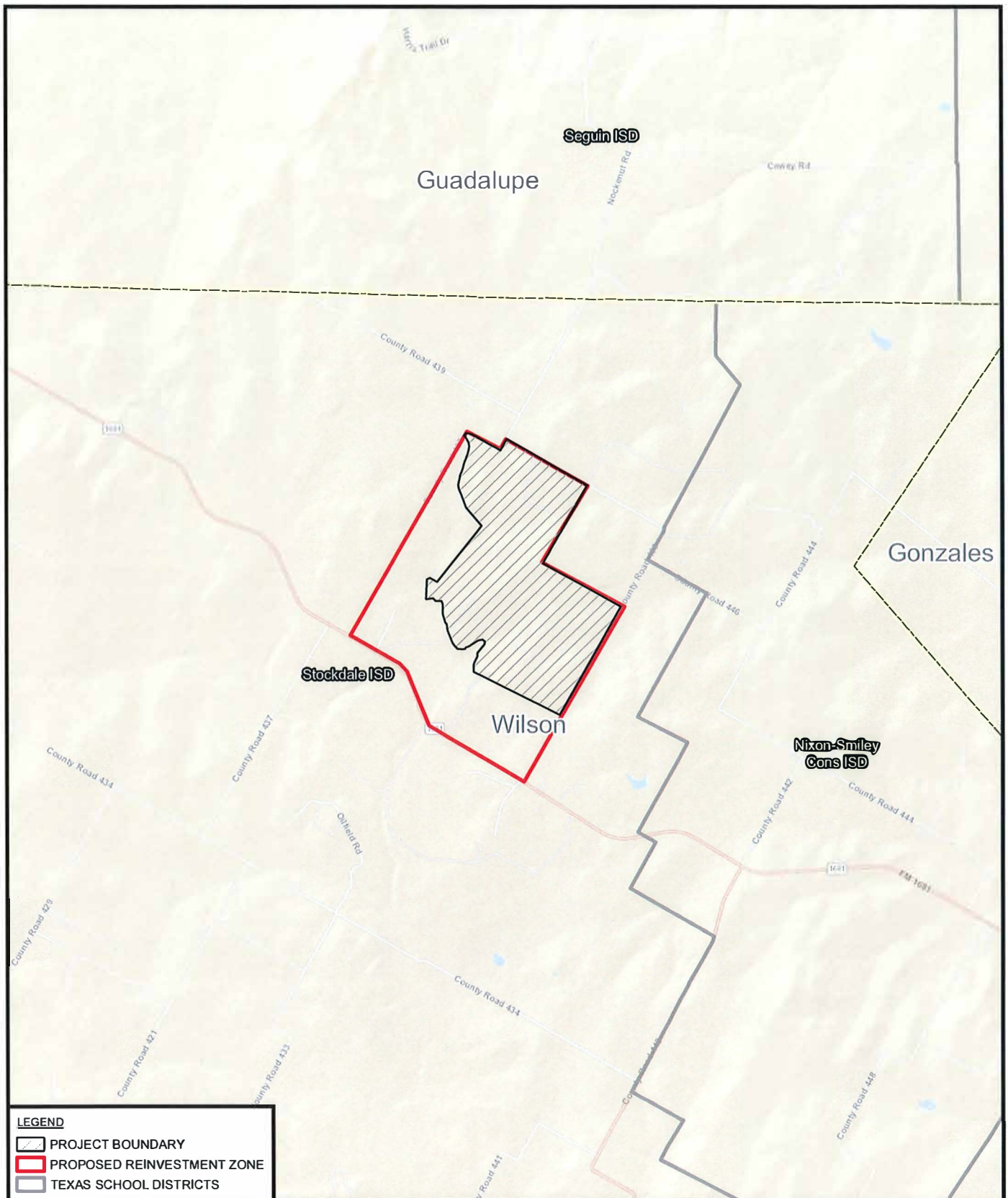
Chapter 313 Application to Stockdale ISD

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**CHECKLIST ITEM #11**

**Maps**

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



**LEGEND**

- PROJECT BOUNDARY
- PROPOSED REINVESTMENT ZONE
- TEXAS SCHOOL DISTRICTS

**WESTERN LAND SERVICES**  
CONFIDENTIAL

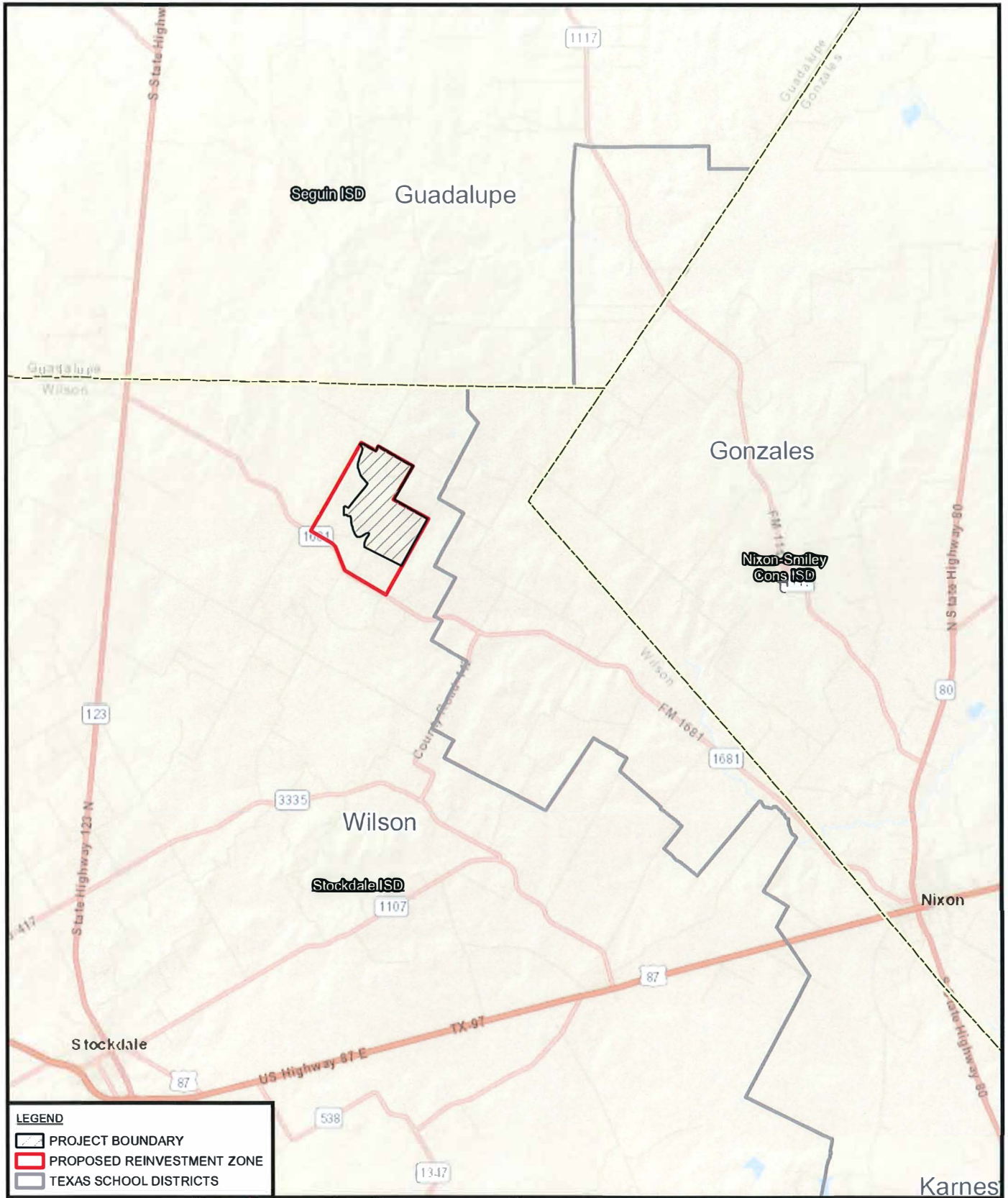
Created By: EGW  
Date: 5/5/2022  
Page: 1 OF 2  
Map ID: GISMAP - 001

0 10 20 Miles

**NOVIS RENEWABLES, LLC**  
SOLAR PROJECT

WILSON COUNTY, TEXAS





**LEGEND**

- PROJECT BOUNDARY
- PROPOSED REINVESTMENT ZONE
- TEXAS SCHOOL DISTRICTS

**WESTERN LAND SERVICES**  
CONFIDENTIAL

Guadalupe  
Gonzales  
Wilson

North arrow and scale bar (0 to 50 Miles)

Created By: EGW  
Date: 5/5/2022 Page: 2 OF 2  
Map ID: GISMAP - 001

**NOVIS RENEWABLES, LLC**  
SOLAR PROJECT  
WILSON COUNTY, TEXAS



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

Roxanne Moczygemba  
Print Name (Authorized School District Representative)

Interim Superintendent  
Title

sign here

*Roxanne M Moczygemba*  
Signature (Authorized School District Representative)

05/19/2022  
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here

Erin Lunsford  
Print Name (Authorized Company Representative (Applicant))

Authorized Signatory  
Title

sign here

*Erin Lunsford*  
Signature (Authorized Company Representative (Applicant))

05/13/2022  
09:37 AM CDT  
Date



Online Notary Public. This notarial act involved the use of online audio/video communication technology.  
(Notary Seal)

GIVEN under my hand and seal of office this, the

13th day of May, 2022

*Jennifer B Rogers*

05/13/2022  
09:39 AM CDT

Notary Public in and for the State of Texas

My Commission expires: March 28, 2023

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 STOCKDALE INDEPENDENT SCHOOL  
DISTRICT and NOVIS RENEWABLES, 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

August 18, 2022

Roxanne Moczygemba  
Superintendent  
Stockdale Independent School District  
503 South Fourth Street  
Stockdale, Texas 78160

Re: Certificate for Limitation on Appraised Value of Property for School District  
Maintenance and Operations taxes by and between Stockdale Independent School  
District and Novis Renewables, LLC, Application 1740

Dear Superintendent Moczygemba:

On May 23, 2022, the Comptroller issued written notice that Novis Renewables, LLC (applicant) submitted a completed application (Application 1740) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on March 24, 2022, to the Stockdale 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 B; 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.

---

<sup>1</sup> 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 1740.

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 B.

### **Certificate decision required by 313.025(d)**

Determination required by 313.026(c)(1)

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

Determination required by 313.026(c)(2)

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

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

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

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by **December 31, 2022**.

Note that any building or improvement existing as of the application review start date of May 23, 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](mailto:will.counihan@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

DocuSigned by:  
*Lisa Craven*  
11EA6DEF0EC441E...

Lisa Craven  
Deputy Comptroller

Enclosure

cc: Will Counihan



### Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Novis Renewables, LLC (project) applying to Stockdale 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 Novis Renewables, LLC.

Applicant	Novis Renewables, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Stockdale ISD
2020-2021 Average Daily Attendance	718
County	Wilson
Proposed Total Investment in District	\$327,190,748
Proposed Qualified Investment	\$327,190,748
Limitation Amount	\$40,000,000
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	\$1,166.56
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$1,166.55
Minimum annual wage committed to by applicant for qualified jobs	\$60,661
Minimum weekly wage required for non-qualifying jobs	\$824.50
Minimum annual wage required for non-qualifying jobs	\$42,874
Investment per Qualifying Job	\$327,190,748
Estimated M&O levy without any limit (15 years)	\$17,367,457
Estimated M&O levy with Limitation (15 years)	\$6,341,103
Estimated gross M&O tax benefit (15 years)	\$11,026,354

\* 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 Novis Renewables, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2027	250	227	477	\$12,500,000	\$32,500,000	\$45,000,000
2028	1	(16)	-15	\$60,661	\$3,939,339	\$4,000,000
2029	1	(14)	-13	\$60,661	\$2,939,339	\$3,000,000
2030	1	(17)	-16	\$60,661	\$1,939,339	\$2,000,000
2031	1	(14)	-13	\$60,661	\$939,339	\$1,000,000
2032	1	(9)	-8	\$60,661	\$939,339	\$1,000,000
2033	1	(3)	-2	\$60,661	\$1,939,339	\$2,000,000
2034	1	2	3	\$60,661	\$1,939,339	\$2,000,000
2035	1	6	7	\$60,661	\$2,939,339	\$3,000,000
2036	1	9	10	\$60,661	\$2,939,339	\$3,000,000
2037	1	11	12	\$60,661	\$2,939,339	\$3,000,000
2038	1	11	12	\$60,661	\$2,939,339	\$3,000,000
2039	1	11	12	\$60,661	\$2,939,339	\$3,000,000
2040	1	10	11	\$60,661	\$2,939,339	\$3,000,000
2041	1	9	10	\$60,661	\$2,939,339	\$3,000,000

Source: CPA REMI, Novis Renewables, 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	Stockdale ISD I&S Tax Levy	Stockdale ISD M&O Tax Levy	Stockdale ISD M&O and I&S Tax Levies	Wilson County Tax Levy	Wilson Hospital Tax Levy	San Antonio River Authority Tax Levy	Ecleto Water Tax Levy	Evergreen UWC District Tax Levy	ESD3 Tax Levy	Estimated Total Property Taxes
2028	\$327,190,748	\$327,190,748	0.3076	\$1,006,439	\$2,853,103	\$3,859,542	\$1,383,362	\$344,859	\$60,792	\$11,877	\$20,613	\$285,638	\$5,681,046
2029	\$284,464,230	\$284,464,230	0.8720	\$875,012	\$2,480,528	\$3,355,540	\$1,202,715	\$299,825	\$52,853	\$10,326	\$17,921	\$248,337	\$4,939,181
2030	\$242,767,862	\$242,767,862	0.8720	\$746,754	\$2,116,936	\$2,863,690	\$1,026,423	\$255,877	\$45,106	\$8,812	\$15,294	\$211,936	\$4,215,203
2031	\$202,266,688	\$202,266,688	0.8720	\$622,172	\$1,763,766	\$2,385,938	\$855,184	\$213,189	\$37,581	\$7,342	\$12,743	\$176,579	\$3,511,977
2032	\$163,226,881	\$163,226,881	0.8720	\$502,086	\$1,423,338	\$1,925,424	\$690,123	\$172,041	\$30,328	\$5,925	\$10,283	\$142,497	\$2,834,125
2033	\$135,409,728	\$135,409,728	0.8720	\$416,520	\$1,180,773	\$1,597,293	\$572,512	\$142,722	\$25,159	\$4,915	\$8,531	\$118,213	\$2,351,133
2034	\$105,370,496	\$105,370,496	0.8720	\$324,120	\$918,831	\$1,242,950	\$445,506	\$111,061	\$19,578	\$3,825	\$6,638	\$91,988	\$1,829,558
2035	\$72,917,151	\$72,917,151	0.8720	\$224,293	\$635,838	\$860,131	\$308,294	\$76,855	\$13,548	\$2,647	\$4,594	\$63,657	\$1,266,068
2036	\$65,438,150	\$65,438,150	0.8720	\$201,288	\$570,621	\$771,908	\$276,672	\$68,972	\$12,158	\$2,375	\$4,123	\$57,128	\$1,136,209
2037	\$65,438,150	\$65,438,150	0.8720	\$201,288	\$570,621	\$771,908	\$276,672	\$68,972	\$12,158	\$2,375	\$4,123	\$57,128	\$1,136,209
2038	\$65,438,150	\$65,438,150	0.8720	\$201,288	\$570,621	\$771,908	\$276,672	\$68,972	\$12,158	\$2,375	\$4,123	\$57,128	\$1,136,209
2039	\$65,438,150	\$65,438,150	0.8720	\$201,288	\$570,621	\$771,908	\$276,672	\$68,972	\$12,158	\$2,375	\$4,123	\$57,128	\$1,136,209
2040	\$65,438,150	\$65,438,150	0.8720	\$201,288	\$570,621	\$771,908	\$276,672	\$68,972	\$12,158	\$2,375	\$4,123	\$57,128	\$1,136,209
2041	\$65,438,150	\$65,438,150	0.8720	\$201,288	\$570,621	\$771,908	\$276,672	\$68,972	\$12,158	\$2,375	\$4,123	\$57,128	\$1,136,209
2042	\$65,438,150	\$65,438,150	0.8720	\$201,288	\$570,621	\$771,908	\$276,672	\$68,972	\$12,158	\$2,375	\$4,123	\$57,128	\$1,136,209
			<b>Total</b>	\$6,126,410	\$17,367,457	\$23,493,867	\$8,420,827	\$2,099,232	\$370,054	\$72,298	\$125,476	\$1,738,737	\$34,581,753

Source: CPA, Novis Renewables, LLC

\*Tax Rate per \$100 Valuation

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

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate	Stockdale ISD I&S Tax Levy	Stockdale ISD M&O Tax Levy	Stockdale ISD M&O and I&S Tax Levies	Wilson County Tax Levy	Wilson Hospital Tax Levy	San Antonio River Authority Tax Levy	Ecleto Water Tax Levy	Evergreen UWC District Tax Levy	ESD3 Tax Levy	Estimated Total Property Taxes	
			0.3076	0.8720		0.4228	0.1054	0.0186	0.0036	0.0063	0.0873			
2028	\$327,190,748	\$40,000,000		\$1,006,439	\$348,800	\$1,355,239	\$1,383,362	\$344,859	\$60,792	\$11,877	\$20,613	\$285,638	\$3,083,460	
2029	\$284,464,230	\$40,000,000		\$875,012	\$348,800	\$1,223,812	\$1,202,715	\$299,825	\$52,853	\$10,326	\$17,921	\$248,337	\$2,726,352	
2030	\$242,767,862	\$40,000,000		\$746,754	\$348,800	\$1,095,554	\$1,026,423	\$255,877	\$45,106	\$8,812	\$15,294	\$211,936	\$2,377,854	
2031	\$202,266,688	\$40,000,000		\$622,172	\$348,800	\$970,972	\$855,184	\$213,189	\$37,581	\$7,342	\$12,743	\$176,579	\$2,039,345	
2032	\$163,226,881	\$40,000,000		\$502,086	\$348,800	\$850,886	\$690,123	\$172,041	\$30,328	\$5,925	\$10,283	\$142,497	\$1,713,050	
2033	\$135,409,728	\$40,000,000		\$416,520	\$348,800	\$765,320	\$572,512	\$142,722	\$25,159	\$4,915	\$8,531	\$118,213	\$1,480,555	
2034	\$105,370,496	\$40,000,000		\$324,120	\$348,800	\$672,920	\$445,506	\$111,061	\$19,578	\$3,825	\$6,638	\$91,988	\$1,229,487	
2035	\$72,917,151	\$40,000,000		\$224,293	\$348,800	\$573,093	\$308,294	\$76,855	\$13,548	\$2,647	\$4,594	\$63,657	\$958,242	
2036	\$65,438,150	\$40,000,000		\$201,288	\$348,800	\$550,088	\$276,672	\$68,972	\$12,158	\$2,375	\$4,123	\$57,128	\$895,732	
2037	\$65,438,150	\$40,000,000		\$201,288	\$348,800	\$550,088	\$276,672	\$68,972	\$12,158	\$2,375	\$4,123	\$57,128	\$895,732	
2038	\$65,438,150	\$65,438,150		\$201,288	\$570,621	\$771,908	\$276,672	\$68,972	\$12,158	\$2,375	\$4,123	\$57,128	\$1,117,553	
2039	\$65,438,150	\$65,438,150		\$201,288	\$570,621	\$771,908	\$276,672	\$68,972	\$12,158	\$2,375	\$4,123	\$57,128	\$1,117,553	
2040	\$65,438,150	\$65,438,150		\$201,288	\$570,621	\$771,908	\$276,672	\$68,972	\$12,158	\$2,375	\$4,123	\$57,128	\$1,117,553	
2041	\$65,438,150	\$65,438,150		\$201,288	\$570,621	\$771,908	\$276,672	\$68,972	\$12,158	\$2,375	\$4,123	\$57,128	\$1,117,553	
2042	\$65,438,150	\$65,438,150		\$201,288	\$570,621	\$771,908	\$276,672	\$68,972	\$12,158	\$2,375	\$4,123	\$57,128	\$1,117,553	
				<b>Total</b>	<b>\$6,126,410</b>	<b>\$6,341,103</b>	<b>\$12,467,514</b>	<b>\$8,420,827</b>	<b>\$2,099,232</b>	<b>\$370,054</b>	<b>\$72,298</b>	<b>\$125,476</b>	<b>\$1,738,737</b>	<b>\$22,987,572</b>
				Diff	\$0	\$11,026,354	\$11,026,354	\$0	\$0	\$0	\$0	\$0	\$0	\$11,594,182

Source: CPA, Novis Renewables, 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 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that Novis Renewables, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2025	\$0	\$0	\$0	\$0
	2026	\$0	\$0	\$0	\$0
	2027	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2028	\$348,800	\$348,800	\$2,504,303	\$2,504,303
	2029	\$348,800	\$697,600	\$2,131,728	\$4,636,031
	2030	\$348,800	\$1,046,400	\$1,768,136	\$6,404,167
	2031	\$348,800	\$1,395,200	\$1,414,966	\$7,819,133
	2032	\$348,800	\$1,744,000	\$1,074,538	\$8,893,671
	2033	\$348,800	\$2,092,800	\$831,973	\$9,725,644
	2034	\$348,800	\$2,441,600	\$570,031	\$10,295,675
	2035	\$348,800	\$2,790,400	\$287,038	\$10,582,712
	2036	\$348,800	\$3,139,200	\$221,821	\$10,804,533
	2037	\$348,800	\$3,488,000	\$221,821	\$11,026,354
<b>Maintain Viable Presence (5 Years)</b>	2038	\$570,621	\$4,058,621	\$0	\$11,026,354
	2039	\$570,621	\$4,629,241	\$0	\$11,026,354
	2040	\$570,621	\$5,199,862	\$0	\$11,026,354
	2041	\$570,621	\$5,770,483	\$0	\$11,026,354
	2042	\$570,621	\$6,341,103	\$0	\$11,026,354
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2043	\$570,621	\$6,911,724	\$0	\$11,026,354
	2044	\$570,621	\$7,482,345	\$0	\$11,026,354
	2045	\$570,621	\$8,052,965	\$0	\$11,026,354
	2046	\$570,621	\$8,623,586	\$0	\$11,026,354
	2047	\$570,621	\$9,194,207	\$0	\$11,026,354
	2048	\$570,621	\$9,764,827	\$0	\$11,026,354
	2049	\$570,621	\$10,335,448	\$0	\$11,026,354
	2050	\$570,621	\$10,906,069	\$0	\$11,026,354
	2051	\$570,621	\$11,476,689	\$0	\$11,026,354
	2052	\$570,621	\$12,047,310	\$0	\$11,026,354

**\$12,047,310**

is greater than

**\$11,026,354**

**Analysis Summary**

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

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

Source: CPA, Novis Renewables, LLC

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



## Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

### Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

### Determination

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

- Novis Renewables, LLC states in Tab 4 of their Application for a Limitation on Appraised Value the “applicant applied pm 11/30//2021 to ERCOT and has received the following GINR number: 241NR0160. This project may have been known by Huisache Solar in past media reports, investor presentations, and other listings with federal and state [agencies].”
- Per Novis Renewables, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “The Applicant for this Project has entered into a number of contracts related to the Project, including longterm lease option agreements with area landowners, contracts with environmental consultants to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider.”
  - B. “None of the current Project agreements firmly commit the Applicant to the development of the Project. A number of variables remain undetermined at this stage, including the approval of this application. The Applicant could still elect to devote resources to other projects that it has in development. Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will decrease.”
  - C. “The financial viability of the project is contingent on receiving the Chapter 313 [Appraised] Value Limitation, and the project cannot move forward without it.”

**Supporting Information**

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 4 of the Application for a Limitation on Appraised Value
- c) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value

**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 7/1/2022
2. Estimated commencement of construction 1/1/2027
3. Beginning of qualifying time period (MM/DD/YYYY) 1/2/2025
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 12/31/2027

SECTION 10: The Property

1. County or counties in which the proposed project will be located Wilson County
2. Central Appraisal District (CAD) that will be responsible for appraising the property Wilson 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>Stockdale, 0.872%, 100%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Stockdale, 0.3076%, 100%</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Wilson, 0.4228%, 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>n/a</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>Wilson Hospital, 0.1054%, 100%</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>San Antonio River Authority, 0.01858%, 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>Ecleto Water, 0.003634%, 100%</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>Evergreen UWC District, 0.0063%, 100%, ESD 3, 0.0873, 100%</u> <small>(Name, tax rate and percent of project)</small>

# **Supporting Information**

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



**CHECKLIST ITEM #4**

**Detailed Description of Project**

The applicant is developing a utility scale single axis tracker photovoltaic facility designed to use solar power to generate electricity. The project will be capable of generating approximately 195 MWac and will cover a surface area approximately 1,500 acres. The exact capacity and specific technology will be determined during the design process, and so the exact location of the improvements cannot be specified at this time. In addition, 100% of the entire project is planned to be installed in Stockdale ISD and Wilson County.

If granted an Appraised Value Limitation pursuant to Texas Tax Code 313, the applicant expects to issue a full notice to proceed for construction in Q1 2027 and expects to complete construction in Q4 2027.

The investment will include the following: solar modules/panels, metal mounting system with tracking capabilities, battery or battery system, underground conduit, communications cables and electric system wiring, combiner boxes, a project substation including breakers, a transformer and meters, overhead transmission lines, inverter boxes on concrete pads, an operations and maintenance facility, fencing for safety and security, telephone and internet communication system, meteorological equipment to measure solar irradiation and weather conditions, and any other eligible ancillary and necessary equipment for commercial operations of the proposed project.

The applicant applied on 11/30/2021 to ERCOT and has received the following GINR number: 24INR0160. This project may have been known by Huisache Solar in past media reports, investor presentations, and other listings with federal or state agency.

# **Supporting Information**

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



**CHECKLIST ITEM #5**

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

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

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

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

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

The Applicant is an international solar developer with the ability to locate projects of this type and other types of projects in other states within the United States and locations around the world. The Applicant is actively assessing and developing other projects that are competing for limited investment funds. The appraised value limitation is critical to the ability of the Project to move forward as currently sited. Examples of the Applicant's other project locations that are competing with the Project for funding include:

- Georgia
- Louisiana
- Utah
- Washington





Chapter 313 Application to Stockdale ISD

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**10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?**

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of the project. The financial viability of the project is contingent on receiving the Chapter 313 Appraised Value Limitation, and the project cannot move forward without it.

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT  
MAINTENANCE AND OPERATIONS TAXES by and between STOCKDALE INDEPENDENT SCHOOL  
DISTRICT and NOVIS RENEWABLES, LLC

# EXHIBIT C

## Independent Economic Impact Evaluation

**CHAPTER 313 PROPERTY VALUE LIMITATION FINANCIAL  
IMPACT OF THE PROPOSED  
NOVIS RENEWABLES, LLC PROJECT IN THE  
STOCKDALE INDEPENDENT SCHOOL DISTRICT  
(PROJECT # 1740)**

**PREPARED BY**



**MOAKCASEY**  
PROVEN LEADERS ADVANCING TEXAS SCHOOLS

**JUNE 20, 2022**

## Executive Summary

Novis Renewables, LLC (Company) has requested that the Stockdale Independent School District (SISD) 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 SISD on March 23, 2022 the Company plans to invest \$327.2 million at its peak taxable value to construct a renewable solar energy electric generation facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Novis Renewables 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, SISD may offer a minimum value limitation of \$40 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.

MCA’s initial school finance analysis is detailed in this report. This analysis incorporates to the fullest extent possible the changes approved in House Bill 3 as approved in 2019, 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 SISD	\$2.93 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$8.1 million

## Application Process

After the school district has submitted an application to the Comptroller’s Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. A Completeness Letter was issued for this application on May 23, 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 150<sup>th</sup> day from the receipt of the Completeness Letter to adopt



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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. 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 SISD, 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:	750
Local M&O Tax Base:	\$310.2 million
2021-22 M&O Tax Rate:	\$0.8720 per \$100 of Taxable Value
2022-23 Projected M&O Tax Rate:	\$0.8720 per \$100 of Taxable Value
I&S Tax Rate:	\$0.3076 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 Novis Renewables Project Value and Limitation Values**

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	Sec. 48.256(d) District Revenue Protection District Property Value with Project	Sec. 48.256(d) District Revenue Protection District Property Value with Limitation	DPV Value with Project per WADA	DPV Value with Limitation per WADA
						\$	\$	\$	\$
QTP0	2025-26	750.23	1,408.71	\$0.8720	\$0.3076	\$309,519,103	\$309,519,103	\$219,718	\$219,718
QTP1	2026-27	750.23	1,408.71	\$0.8720	\$0.3076	\$349,519,103	\$349,519,103	\$248,112	\$248,112
QTP2	2027-28	750.23	1,408.71	\$0.8720	\$0.3076	\$349,519,103	\$349,519,103	\$248,112	\$248,112
VL1	2028-29	750.23	1,408.71	\$0.8720	\$0.3076	\$349,519,103	\$349,519,103	\$248,112	\$248,112
VL2	2029-30	750.23	1,408.71	\$0.8720	\$0.3076	\$676,709,851	\$389,519,103	\$480,375	\$276,507
VL3	2030-31	750.23	1,408.71	\$0.8720	\$0.3076	\$633,983,333	\$389,519,103	\$450,044	\$276,507
VL4	2031-32	750.23	1,408.71	\$0.8720	\$0.3076	\$592,286,965	\$389,519,103	\$420,445	\$276,507
VL5	2032-33	750.23	1,408.71	\$0.8720	\$0.3076	\$551,785,791	\$389,519,103	\$391,695	\$276,507
VL6	2033-34	750.23	1,408.71	\$0.8720	\$0.3076	\$512,745,984	\$389,519,103	\$363,982	\$276,507
VL7	2034-35	750.23	1,408.71	\$0.8720	\$0.3076	\$484,928,831	\$389,519,103	\$344,235	\$276,507
VL8	2035-36	750.23	1,408.71	\$0.8720	\$0.3076	\$454,889,599	\$389,519,103	\$322,911	\$276,507
VL9	2036-37	750.23	1,408.71	\$0.8720	\$0.3076	\$431,653,313	\$398,736,162	\$306,417	\$283,050
VL10	2037-38	750.23	1,408.71	\$0.8720	\$0.3076	\$424,174,312	\$398,736,162	\$301,108	\$283,050
VP1	2038-39	750.23	1,408.71	\$0.8720	\$0.3076	\$424,174,312	\$398,736,162	\$301,108	\$283,050
VP2	2039-40	750.23	1,408.71	\$0.8720	\$0.3076	\$424,174,312	\$424,174,312	\$301,108	\$301,108
VP3	2040-41	750.23	1,408.71	\$0.8720	\$0.3076	\$424,174,312	\$424,174,312	\$301,108	\$301,108
VP4	2041-42	750.23	1,408.71	\$0.8720	\$0.3076	\$424,174,312	\$424,174,312	\$301,108	\$301,108
VP5	2042-43	750.23	1,408.71	\$0.8720	\$0.3076	\$424,174,312	\$424,174,312	\$301,108	\$301,108

\*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 Novis Renewables Project on SISD

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 \$40 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$2.93 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		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						
QTP0	2025-26	\$2,748,702	\$6,200,080	\$0	\$167,196	\$582,611	\$0	-\$6,175	\$9,692,414
QTP1	2026-27	\$2,748,702	\$5,871,280	\$0	\$167,196	\$496,598	\$0	-\$6,094	\$9,277,682
QTP2	2027-28	\$2,748,702	\$5,871,280	\$0	\$167,196	\$496,598	\$0	-\$6,003	\$9,277,773
VL1	2028-29	\$5,431,634	\$5,871,280	\$0	\$330,391	\$981,768	\$0	-\$11,067	\$12,604,006
VL2	2029-30	\$5,080,422	\$3,181,772	\$0	\$309,028	\$325,255	\$0	-\$10,304	\$8,886,173
VL3	2030-31	\$4,737,677	\$3,532,984	\$0	\$288,180	\$343,273	\$0	-\$9,568	\$8,892,546
VL4	2031-32	\$4,404,758	\$3,875,728	\$0	\$267,929	\$359,855	\$0	-\$8,840	\$8,899,430
VL5	2032-33	\$4,083,851	\$4,208,648	\$0	\$248,409	\$376,488	\$0	-\$8,146	\$8,909,250
VL6	2033-34	\$3,855,194	\$4,529,555	\$0	\$234,501	\$400,186	\$0	-\$7,618	\$9,011,818
VL7	2034-35	\$3,608,271	\$4,758,212	\$0	\$219,481	\$409,285	\$0	-\$7,065	\$8,988,184
VL8	2035-36	\$3,415,754	\$5,005,134	\$0	\$207,771	\$426,626	\$0	-\$6,621	\$9,048,664
VL9	2036-37	\$3,354,276	\$5,196,137	\$0	\$204,031	\$452,554	\$0	-\$6,504	\$9,200,494
VL10	2037-38	\$3,354,276	\$5,257,614	\$0	\$204,031	\$463,806	\$0	-\$6,504	\$9,273,223
VP1	2038-39	\$3,350,094	\$5,257,614	\$0	\$203,777	\$462,841	\$0	-\$6,504	\$9,267,822
VP2	2039-40	\$3,350,094	\$5,257,614	\$0	\$203,777	\$462,841	\$0	-\$6,504	\$9,267,822
VP3	2040-41	\$3,350,094	\$5,257,614	\$0	\$203,777	\$462,841	\$0	-\$6,504	\$9,267,822
VP4	2041-42	\$3,350,094	\$5,257,614	\$0	\$203,777	\$462,841	\$0	-\$6,504	\$9,267,822
VP5	2042-43	\$3,350,094	\$5,257,614	\$0	\$203,777	\$462,841	\$0	-\$6,504	\$9,267,822
		<b>\$66,322,689</b>	<b>\$89,647,774</b>	<b>\$0</b>	<b>\$4,034,225</b>	<b>\$8,429,108</b>	<b>\$0</b>	<b>-\$133,029</b>	<b>\$168,300,767</b>

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

### M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$11 million over the life of the agreement. The SISD revenue losses are expected to total approximately \$2.93 million over the course of the agreement. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to total \$8.1 million, prior to any negotiations with Novis Renewables 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 Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP0	2025-26	\$2,748,702	\$6,200,080	\$0	\$167,196	\$582,611	\$0	-\$6,175	\$9,692,414
QTP1	2026-27	\$2,748,702	\$5,871,280	\$0	\$167,196	\$496,598	\$0	-\$6,094	\$9,277,682
QTP2	2027-28	\$2,748,702	\$5,871,280	\$0	\$167,196	\$496,598	\$0	-\$6,003	\$9,277,773
VL1	2028-29	\$3,070,926	\$5,871,280	\$0	\$186,796	\$554,777	\$0	-\$7,729	\$9,676,050
VL2	2029-30	\$3,070,926	\$5,542,480	\$0	\$186,796	\$479,476	\$0	-\$7,463	\$9,272,215
VL3	2030-31	\$3,070,926	\$5,542,480	\$0	\$186,796	\$479,476	\$0	-\$7,211	\$9,272,467
VL4	2031-32	\$3,070,926	\$5,542,480	\$0	\$186,796	\$479,476	\$0	-\$6,954	\$9,272,724
VL5	2032-33	\$3,070,926	\$5,542,480	\$0	\$186,796	\$479,476	\$0	-\$6,714	\$9,272,964
VL6	2033-34	\$3,070,926	\$5,542,480	\$0	\$186,796	\$479,476	\$0	-\$6,509	\$9,273,169
VL7	2034-35	\$3,070,926	\$5,542,480	\$0	\$186,796	\$479,476	\$0	-\$6,305	\$9,273,373
VL8	2035-36	\$3,145,175	\$5,542,480	\$0	\$191,312	\$490,464	\$0	-\$6,239	\$9,363,192
VL9	2036-37	\$3,145,175	\$5,466,716	\$0	\$191,312	\$475,052	\$0	-\$6,208	\$9,272,047
VL10	2037-38	\$3,145,175	\$5,466,716	\$0	\$191,312	\$475,052	\$0	-\$6,208	\$9,272,047
VP1	2038-39	\$3,350,094	\$5,466,716	\$0	\$203,777	\$505,732	\$0	-\$6,504	\$9,519,815
VP2	2039-40	\$3,350,094	\$5,257,614	\$0	\$203,777	\$462,841	\$0	-\$6,504	\$9,267,822
VP3	2040-41	\$3,350,094	\$5,257,614	\$0	\$203,777	\$462,841	\$0	-\$6,504	\$9,267,822
VP4	2041-42	\$3,350,094	\$5,257,614	\$0	\$203,777	\$462,841	\$0	-\$6,504	\$9,267,822
VP5	2042-43	\$3,350,094	\$5,257,614	\$0	\$203,777	\$462,841	\$0	-\$6,504	\$9,267,822
		<b>\$55,928,583</b>	<b>\$100,041,884</b>	<b>\$0</b>	<b>\$3,401,981</b>	<b>\$8,805,104</b>	<b>\$0</b>	<b>-\$118,332</b>	<b>\$168,059,220</b>

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

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP0	2025-26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	-\$2,360,708	\$0	\$0	-\$143,595	-\$426,991	\$0	\$3,338	-\$2,927,956
VL2	2029-30	-\$2,009,496	\$2,360,708	\$0	-\$122,232	\$154,221	\$0	\$2,841	\$386,042
VL3	2030-31	-\$1,666,751	\$2,009,496	\$0	-\$101,384	\$136,203	\$0	\$2,357	\$379,921
VL4	2031-32	-\$1,333,832	\$1,666,752	\$0	-\$81,133	\$119,621	\$0	\$1,886	\$373,294
VL5	2032-33	-\$1,012,925	\$1,333,832	\$0	-\$61,613	\$102,988	\$0	\$1,432	\$363,714
VL6	2033-34	-\$784,268	\$1,012,925	\$0	-\$47,705	\$79,290	\$0	\$1,109	\$261,351
VL7	2034-35	-\$537,345	\$784,268	\$0	-\$32,685	\$70,191	\$0	\$760	\$285,189
VL8	2035-36	-\$270,579	\$537,346	\$0	-\$16,459	\$63,838	\$0	\$382	\$314,528
VL9	2036-37	-\$209,101	\$270,579	\$0	-\$12,719	\$22,498	\$0	\$296	\$71,553
VL10	2037-38	-\$209,101	\$209,102	\$0	-\$12,719	\$11,246	\$0	\$296	-\$1,176
VP1	2038-39	\$0	\$209,102	\$0	\$0	\$42,891	\$0	\$0	\$251,993
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
		<b>-\$10,394,106</b>	<b>\$10,394,110</b>	<b>\$0</b>	<b>-\$632,244</b>	<b>\$375,996</b>	<b>\$0</b>	<b>\$14,697</b>	<b>-\$241,547</b>

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





**Table 5 - Estimated Financial Impact of the Novis Renewables Project Property Value Limitation Request Submitted to SISD at \$0.872 per \$100 M&O Tax Rate**

Year of Agreement	School Year	Project Taxable Value for M&O If No Limitation	Project Taxable Value for M&O with Limitation	Assumed M&O Tax Rate	Tax Savings to Company	School District Revenue Protection	Estimated Net Tax Benefits
QTP0	2025-26	\$0	\$0	\$0.8720	\$0	\$0	\$0
QTP1	2026-27	\$0	\$0	\$0.8720	\$0	\$0	\$0
QTP2	2027-28	\$0	\$0	\$0.8720	\$0	\$0	\$0
VL1	2028-29	\$327,190,748	\$40,000,000	\$0.8720	\$2,504,303	-\$2,927,956	-\$423,653
VL2	2029-30	\$284,464,230	\$40,000,000	\$0.8720	\$2,131,728	\$0	\$2,131,728
VL3	2030-31	\$242,767,862	\$40,000,000	\$0.8720	\$1,768,136	\$0	\$1,768,136
VL4	2031-32	\$202,266,688	\$40,000,000	\$0.8720	\$1,414,966	\$0	\$1,414,966
VL5	2032-33	\$163,226,881	\$40,000,000	\$0.8720	\$1,074,538	\$0	\$1,074,538
VL6	2033-34	\$135,409,728	\$40,000,000	\$0.8720	\$831,973	\$0	\$831,973
VL7	2034-35	\$105,370,496	\$40,000,000	\$0.8720	\$570,031	\$0	\$570,031
VL8	2035-36	\$72,917,151	\$40,000,000	\$0.8720	\$287,038	\$0	\$287,038
VL9	2036-37	\$65,438,150	\$40,000,000	\$0.8720	\$221,821	\$0	\$221,821
VL10	2037-38	\$65,438,150	\$40,000,000	\$0.8720	\$221,821	-\$1,176	\$220,645
VP1	2038-39	\$65,438,150	\$65,438,150	\$0.8720	\$0	\$0	\$0
VP2	2039-40	\$65,438,150	\$65,438,150	\$0.8720	\$0	\$0	\$0
VP3	2040-41	\$65,438,150	\$65,438,150	\$0.8720	\$0	\$0	\$0
VP4	2041-42	\$65,438,150	\$65,438,150	\$0.8720	\$0	\$0	\$0
VP5	2042-43	\$65,438,150	\$65,438,150	\$0.8720	\$0	\$0	\$0
<b>\$11,026,354</b>						<b>-\$2,929,132</b>	<b>\$8,097,222</b>

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 SISD currently levying a \$0.3076 per \$100 I&S rate. As shown in the Table 6 below, local taxpayers could receive a substantial benefit in the early years of the project from the addition of the Novis Renewables project to the local I&S tax roll. SISD 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 Novis Renewables Project Property Value Limitation Request on SISD I&S Tax Rate**

Year of Agreement	School Year	I&S Rate w/out Project	Local Value w/out Project	I&S Taxes w/out Project	Project Full Taxable Value	I&S Rate with Project Value	Change in I&S Rate
QTP0	2025-26	\$0.3076	\$556,334,560	\$1,711,285	\$0	\$0.307600	\$0.0000
QTP1	2026-27	\$0.3076	\$536,647,736	\$1,650,728	\$0	\$0.307600	\$0.0000
QTP2	2027-28	\$0.3076	\$514,500,060	\$1,582,602	\$0	\$0.307600	\$0.0000
VL1	2028-29	\$0.3076	\$494,813,237	\$1,522,046	\$327,190,748	\$0.185163	-\$0.1224
VL2	2029-30	\$0.3076	\$472,665,560	\$1,453,919	\$284,464,230	\$0.192030	-\$0.1156
VL3	2030-31	\$0.3076	\$452,978,737	\$1,393,363	\$242,767,862	\$0.200269	-\$0.1073
VL4	2031-32	\$0.3076	\$430,831,060	\$1,325,236	\$202,266,688	\$0.209326	-\$0.0983
VL5	2032-33	\$0.3076	\$411,144,237	\$1,264,680	\$163,226,881	\$0.220185	-\$0.0874
VL6	2033-34	\$0.3076	\$388,996,560	\$1,196,553	\$135,409,728	\$0.228173	-\$0.0794
VL7	2034-35	\$0.3076	\$369,309,737	\$1,135,997	\$105,370,496	\$0.239318	-\$0.0683
VL8	2035-36	\$0.3076	\$359,466,325	\$1,105,718	\$72,917,151	\$0.255726	-\$0.0519
VL9	2036-37	\$0.3076	\$359,466,325	\$1,105,718	\$65,438,150	\$0.260228	-\$0.0474
VL10	2037-38	\$0.3076	\$359,466,325	\$1,105,718	\$65,438,150	\$0.260228	-\$0.0474
VP1	2038-39	\$0.3076	\$359,466,325	\$1,105,718	\$65,438,150	\$0.260228	-\$0.0474
VP2	2039-40	\$0.3076	\$359,466,325	\$1,105,718	\$65,438,150	\$0.260228	-\$0.0474
VP3	2040-41	\$0.3076	\$359,466,325	\$1,105,718	\$65,438,150	\$0.260228	-\$0.0474
VP4	2041-42	\$0.3076	\$359,466,325	\$1,105,718	\$65,438,150	\$0.260228	-\$0.0474
VP5	2042-43	\$0.3076	\$359,466,325	\$1,105,718	\$65,438,150	\$0.260228	-\$0.0474

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.

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT  
MAINTENANCE AND OPERATIONS TAXES by and between STOCKDALE INDEPENDENT SCHOOL  
DISTRICT and NOVIS RENEWABLES, LLC

# EXHIBIT D

## Tax Limitation Agreement



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

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by and between

**STOCKDALE INDEPENDENT SCHOOL DISTRICT**

and

**NOVIS RENEWABLES, LLC**

*(Texas Taxpayer ID #32078300228)*

Comptroller Application #1740

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Dated

\_\_\_\_\_, 2022

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

STATE OF TEXAS

§

COUNTY OF WILSON

§

§

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 **STOCKDALE 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 **Novis Renewables, LLC**, Texas Taxpayer Identification Number **32078300228** hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

**RECITALS**

**WHEREAS**, on March 23, 2022, the Superintendent of Schools of the Stockdale Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

**WHEREAS**, on March 23, 2022, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCGB (Local), and agreed to consider the Application;

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

**WHEREAS**, the District and the Texas Comptroller's Office have determined that the Application is complete and May 23, 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 Wilson County Appraisal District established in Wilson County, Texas (the "Wilson 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 August 18, 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 appropriate action dated September 23, 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 \_\_\_\_\_, 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 \_\_\_\_\_, 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 \_\_\_\_\_, 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 \_\_\_\_\_, 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 \_\_\_\_\_, 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 NOVIS RENEWABLES, LLC, (*Texas Taxpayer ID # 32078300228*), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term "Applicant" shall also include the Applicant's assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

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

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

"Application" means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on March 23, 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 Wilson County Appraisal District.

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

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

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

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

"County" means Wilson County, Texas.

"District" or "School District" means the Stockdale 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 B 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, pandemics, 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 and its contractors 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 the 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.

"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.

"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, less (iii) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 49 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable.

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

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

“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.

## **ARTICLE II**

### **AUTHORITY, PURPOSE AND LIMITATION AMOUNTS**

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

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

**Section 2.3. TERM OF THE AGREEMENT.**

A. The Application Review Start Date for this Agreement is May 23, 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 \_\_\_\_\_, 2022.

C. The Qualifying Time Period for this Agreement:

- i. Starts on January 2, 2025, 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, the first complete Tax Year that begins after the date of the commencement of Commercial Operation ; and
- ii. Ends on December 31, 2037, which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i. plus 9 years.

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. FORTY MILLION DOLLARS (\$40,000,000.00).

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 \$40,000,000.00 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 \$824.50 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;
- 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 a renewable energy electric generating facility.



**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 7.1), 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 in each year of this Agreement for which this Agreement is a sole and direct cause of such loss, all as calculated in Section 4.2, below. Such compensation shall be independent of, and in addition to, all such other payments as are set forth in Article V and Article VI. **It is the intent of the Parties that the risk of any and all Lost M&O Revenue to the extent directly and solely caused as a result of, or on account of, entering into this Agreement, will be borne by the Applicant and not by the District.**

**Section 4.2. CALCULATING THE AMOUNT OF LOSS OF MAINTENANCE AND OPERATIONS REVENUES BY THE DISTRICT.** Subject to the provisions of Section 7.1, 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 the Applicant’s Qualified Investment been subject to the District’s ad valorem Maintenance and Operations tax rate. For purposes of this calculation, the Third Party 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. In this calculation, the total appraised value of the Qualified Property subject to this Agreement will be used for the Qualified Property in lieu of the property’s M&O taxable value. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant’s Qualified Property will be used for the Qualified Property in lieu of the property’s M&O taxable value.)

(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.
  - (vi) 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;
- 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, LLC. 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.

**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 reasonable 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, 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 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. However, Applicant shall not be liable for the reimbursement or payment of fees and expenses under this Section 4.7 in excess of \$12,000 per year for any Tax Year during the Tax Limitation Period, and \$7,500 per year for any Tax Year outside the Tax Limitation Period.

A. Based on the amount of Qualified Property and the construction schedule of Applicant's Project as set forth in the Application, the Parties anticipate that the Applicant will have a significant Revenue Protection payment in the first Tax year of the Tax Limitation Period. Therefore, the Parties agree that the Revenue Protection Payment calculated with respect to the first Tax year per the terms in Section 4.2 of this Agreement will be paid in equal halves during the first two years of the Tax Limitation Period (2028 and 2029, with such payments being due on January 31, 2029, and January 31, 2030, respectively).



**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 7.1, 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 7.1, 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.

## **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 6.4.

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), 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 48.002 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 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 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 48.002 of the TEXAS EDUCATION CODE, based upon the District's 2020-2021 Average Daily Attendance of 751, 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 for tax year 2040. The Applicant shall make Supplemental Payments to District in an amount equal to the Annual Limit.

**Section 6.4. 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 first 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.

**Section 6.5. OPTION TO TERMINATE AGREEMENT.** In the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment prior to the end of the Qualifying Time Period, the Applicant shall have the option, prior to the beginning of the Tax Limitation Period, to terminate this Agreement without penalty by notifying the District in writing of its exercise of such option. Such termination shall be effective upon 30 days' notice. In such event, any payment due from the Applicant to the District under Articles IV, V, and VI of this Agreement shall be due to the District within thirty (30) days after it delivers its termination election. The total amounts due by Applicant to District under this Section 6.5 shall not exceed the total amount of District taxes that would have been due in the absence of this Agreement. For the avoidance of doubt, in the event Applicant terminates the Agreement, it shall not be entitled to any refunds of, or credit for, Supplemental Payments already made or owing to the District. Additionally, in the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 6.4, 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 a reduction under Section 6.4 is applicable. Any termination of this Agreement under the foregoing provisions of this Section shall be effective on December 31 of the year during which Applicant's notice of termination is delivered to the District.

## **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. the 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 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, calculation, 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 Trustees' 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 Wilson 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 Wilson 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 6.5 and/or 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 \$40,000,000.00 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:

Stockdale Independent School District  
Attention: Superintendent of Schools  
Address: 503 South Fourth Street  
Stockdale, Texas 78130  
Phone: (830) 996-3551  
E-Mail: [Todd.Deaver@stockdaleisd.org](mailto:Todd.Deaver@stockdaleisd.org)

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

Novis Renewables, LLC

Attention: Jonathan Koch, President, Novis Renewables, LLC  
Address: 1 Bridge Street, Suite 11  
Irvington, NY 10533  
Phone: (914) 340-4741  
E-Mail: [Jonathan.koch@novisrenew.com](mailto:Jonathan.koch@novisrenew.com)

Attention: Grant Huber, Development Manager, Novis Renewables, LLC  
Address: 1 Bridge Street  
Irvington, NY 10533  
Phone: (847) 727-9163  
E-mail: [egrant.huber@novisrenew.com](mailto:egrant.huber@novisrenew.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 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 Wilson 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 email). 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 follows on next page]



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

**NOVIS RENEWABLES, LLC**

**STOCKDALE INDEPENDENT  
SCHOOL DISTRICT**

By: \_\_\_\_\_

Name: Jonathan Koch

Title: President

By: \_\_\_\_\_

Teri Wolf, President

Stockdale ISD Board of Trustees

ATTEST:

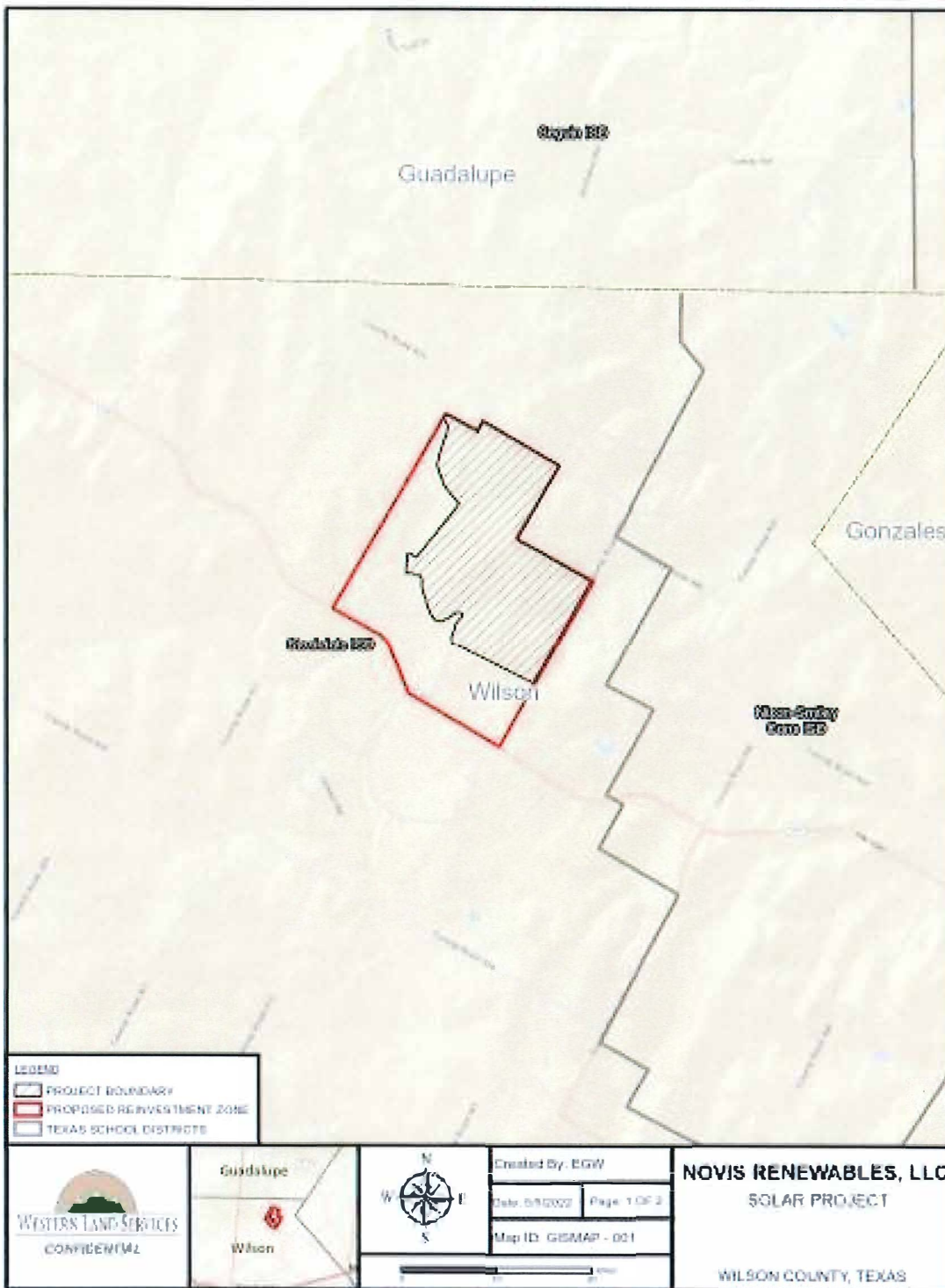
\_\_\_\_\_  
Teri Dugi, Secretary

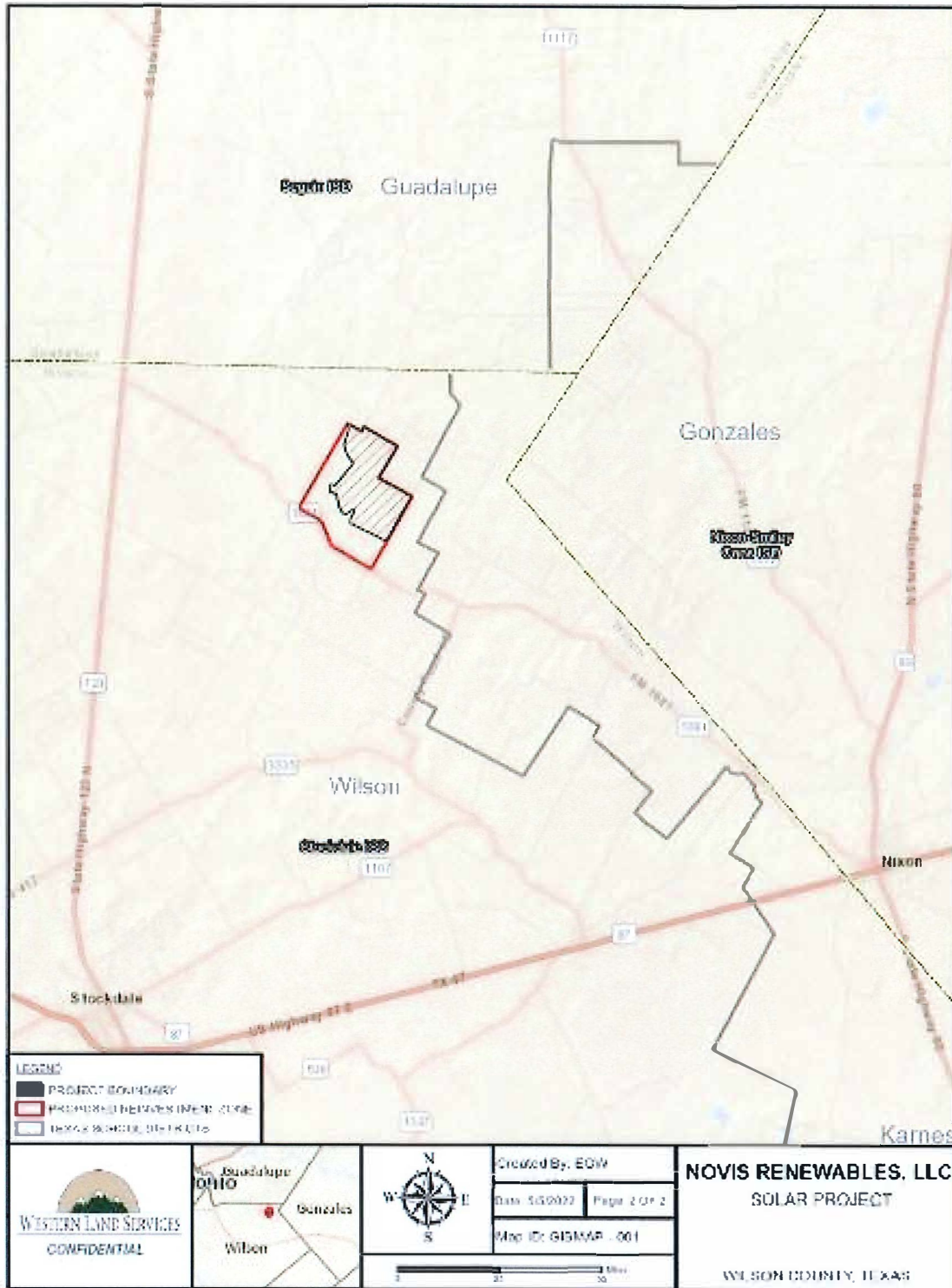
Stockdale ISD Board of Trustees

**EXHIBIT 1**

**DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE**

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





**Agreement for Limitation on Appraised Value**  
Between Stockdale ISD and Novis Renewables, LLC  
\_\_\_\_\_, 2022  
Exhibit 1

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

**EXHIBIT 1**



**EXHIBIT 2**

**DESCRIPTION AND LOCATION OF LAND**

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

### EXHIBIT 3

#### APPLICANT'S QUALIFIED INVESTMENT

The Applicant anticipates constructing a solar photovoltaic electric generating facility with an operating capacity of approximately 195 MWac and will cover a surface area of approximately 1,500 acres. 100% of the project will be located in the reinvestment zone and project boundary within Stockdale ISD and Wilson County, and will be considered qualified investment for this application. The exact capacity and specific technology components will be determined during the development and design process. The facility includes eligible ancillary and necessary equipment, including the following property:

- Solar modules/panels
- Metal mounting system with tracking capabilities
- Battery or battery system
- Underground conduit, communications cables, and electric collection system wiring
- Combiner boxes
- A project substation including breakers, a transformer and meters
- Overhead transmission lines
- Inverter boxes on concrete pads
- Operations and maintenance facility
- Fencing for safety and security
- Telephone and internet communications system
- Meteorological equipment to measure solar irradiation and weather conditions

The battery or battery system will only be used to store power generated by this application's Qualified Investment, located in Stockdale ISD. This application covers all qualified investment in the reinvestment zone and project boundary within Stockdale ISD necessary for commercial operations.

## EXHIBIT 4

### DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

The Applicant anticipates constructing a solar photovoltaic electric generating facility with an operating capacity of approximately 195 MWac and will cover a surface area of approximately 1,500 acres. 100% of the project will be located in the reinvestment zone and project boundary within Stockdale ISD and Wilson County, and will be considered qualified property for this application. The exact capacity and specific technology components will be determined during the development and design process. The facility includes eligible ancillary and necessary equipment, including the following property:

- Solar modules/panels
- Metal mounting system with tracking capabilities
- Battery or battery system
- Underground conduit, communications cables, and electric collection system wiring
- Combiner boxes
- A project substation including breakers, a transformer and meters
- Overhead transmission lines
- Inverter boxes on concrete pads
- Operations and maintenance facility
- Fencing for safety and security
- Telephone and internet communications system
- Meteorological equipment to measure solar irradiation and weather conditions

The battery or battery system will only be used to store power generated by this application's Qualified Property, located in Stockdale ISD. This application covers all qualified property in the reinvestment zone and project boundary within Stockdale ISD necessary for commercial operations.

**EXHIBIT 5**

**AGREEMENT SCHEDULE**

	Year of Agreement	School Year	Tax Year	Summary
Limitation Pre-Year	Stub	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2025	Limitation Pre-Year; QTP begins January 2, 2025
	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	\$40 Million appraisal limitation
	2	2029-2030	2029	\$40 million appraisal limitation
	3	2030-2031	2030	\$40 million appraisal limitation
	4	2031-2032	2031	\$40 million appraisal limitation
	5	2032-2033	2032	\$40 million appraisal limitation
	6	2033-2034	2033	\$40 million appraisal limitation
	7	2034-2035	2034	\$40 million appraisal limitation
	8	2035-2036	2035	\$40 million appraisal limitation
	9	2036-2037	2036	\$40 million appraisal limitation
	10	2037-2038	2037	\$40 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 STOCKDALE INDEPENDENT SCHOOL  
DISTRICT and NOVIS RENEWABLES, LLC

## EXHIBIT E

Comptroller's Franchise Tax Account Status



## Franchise Tax Account Status

As of : 08/30/2022 22:00:43

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

<b>NOVIS RENEWABLES LLC</b>	
<b>Texas Taxpayer Number</b>	32078300228
<b>Mailing Address</b>	1 BRIDGE ST STE 11 IRVINGTON, NY 10533-1558
<b>Right to Transact Business in Texas</b>	ACTIVE
<b>State of Formation</b>	DE
<b>Effective SOS Registration Date</b>	Not Registered
<b>Texas SOS File Number</b>	Not Registered
<b>Registered Agent Name</b>	Not on file
<b>Registered Office Street Address</b>	



























**Section 4.2. CALCULATING THE AMOUNT OF LOSS OF MAINTENANCE AND OPERATIONS REVENUES BY THE DISTRICT.** Subject to the provisions of Section 7.1, 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 the Applicant’s Qualified Investment been subject to the District’s ad valorem Maintenance and Operations tax rate. For purposes of this calculation, the Third Party 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. In this calculation, the total appraised value of the Qualified Property subject to this Agreement will be used for the Qualified Property in lieu of the property’s M&O taxable value. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant’s Qualified Property will be used for the Qualified Property in lieu of the property’s M&O taxable value.)

(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.

(vi) 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:

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") selected and appointed each year by the District and approved by the Applicant as hereafter provided. The District agrees that for all Tax Years the Consultant selected by the District shall be Moak, Casey & Associates, LLC. 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.

**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



reasonable 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, 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 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. However, Applicant shall not be liable for the reimbursement or payment of fees and expenses under this Section 4.7 in excess of \$12,000 per year for any Tax Year during the Tax Limitation Period, and \$7,500 per year for any Tax Year outside the Tax Limitation Period.

A. Based on the amount of Qualified Property and the construction schedule of Applicant's Project as set forth in the Application, the Parties anticipate that the Applicant will have a significant Revenue Protection payment in the first Tax year of the Tax Limitation Period. Therefore, the Parties agree that the Revenue Protection Payment calculated with respect to the first Tax year per the terms in Section 4.2 of this Agreement will be paid in equal halves during the first two years of the Tax Limitation Period (2028 and 2029, with such payments being due on January 31, 2029, and January 31, 2030, respectively).

**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 7.1, 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 7.1, 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.

**Section 4.11. ANTI-CORRUPTION.** For the purposes of this Section 4.11 only, "Anti-Corruption Laws" shall mean, only to the extent applicable to United States governmental entities and political subdivisions thereof, (a) the United States Foreign Corrupt Practices Act of 1977; and (b) all applicable national, regional, provincial, state, municipal or local Laws that prohibit tax evasion, money laundering or otherwise dealing in the proceeds of crime or the bribery of, or the providing of unlawful gratuities, facilitation payments, or other benefits to, any government official or any other person. Each Party represents, warrants, and covenants that in connection with this Agreement and the business resulting therefrom: (i) it is aware of and will comply with Anti-Corruption Laws; (ii) whether directly or indirectly, it has not made, offered, authorized, or accepted and will not make, offer, authorize, or accept any payment, gift, promise, or other advantage, to or for the use or benefit of any government official or any other person where that payment, gift, promise, or other advantage would comprise a facilitation payment or otherwise violate the Anti-Corruption Laws; (iii) it has maintained and will maintain adequate written policies and procedures to comply with Anti-Corruption Laws or, alternatively, has made itself aware of and shall adhere to the Shell General Business Principles and the Shell Code of Conduct ([www.shell.com/about-us/our-values](http://www.shell.com/about-us/our-values)); (iv) it has maintained and will maintain adequate internal controls, including but not limited to using reasonable efforts to ensure that all transactions are accurately recorded and reported in its books and records to reflect truly the activities to which they pertain, such as the purpose of each transaction, with whom it was entered into, for whom it was undertaken, or what was exchanged; (v) it will, to its knowledge, retain such books and records

for the period required by applicable Law or a Party's own retention policies, whichever is longer; (vi) in the event a Party becomes aware it has breached an obligation in this paragraph, it will promptly notify the other Party, subject to the preservation of legal privilege; (vii) it has used and will use reasonable efforts to require any subcontractors, agents, or any other third parties to also comply with the foregoing requirements in this paragraph; and (viii) only a Party (and not its Affiliates or a third party) shall make payments to the other Party, except with that other Party's prior written consent. Subject to the preservation of legal privilege, for a period of seven (7) years following the termination date and on reasonable notice, each Party shall have a right, at its expense, and the other Party shall take reasonable steps to enable this right, to audit the other Party's relevant books and records with respect to compliance with this paragraph. Nothing in this Agreement shall require a Party to perform any part of this Agreement or take any actions if, by doing so, the Party would not comply with the Anti-Corruption Laws. The obligations in this Section 4.11 shall survive the termination as described above.

## **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 6.4.

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), 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 718, 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 for tax year 2040. The Applicant shall make Supplemental Payments to District in an amount equal to the Annual Limit.

**Section 6.4. 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 first 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.

**Section 6.5. OPTION TO TERMINATE AGREEMENT.** In the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment prior to the end of the Qualifying Time Period, the Applicant shall have the option, prior to the beginning of the Tax Limitation Period, to terminate this Agreement without penalty by notifying the District in writing of its exercise of such option. Such termination shall be effective upon 30 days' notice. In such event, any payment due from the Applicant to the District under Articles IV, V, and VI of this Agreement shall be due to the District within thirty (30) days after it delivers its termination election. The total amounts due by Applicant to District under this Section 6.5 shall not exceed the total amount of District taxes that would have been due in the absence of this Agreement. For the avoidance of doubt, in the event Applicant terminates the Agreement, it shall not be entitled to any refunds of, or credit for, Supplemental Payments already made or owing to the District. Additionally, in the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 6.4, 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 a reduction under Section 6.4 is applicable. Any termination of this Agreement under the foregoing provisions of this Section shall be effective on December 31 of the year during which Applicant's notice of termination is delivered to the District.

## **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, calculation, 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 Wilson 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 Wilson 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 \$40,000,000.00 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:

Stockdale Independent School District  
Attention: Superintendent of Schools  
Address: 503 South Fourth Street  
Stockdale, Texas 78130  
Phone: (830) 996-3551  
E-Mail: [Todd.Deaver@stockdaleisd.org](mailto:Todd.Deaver@stockdaleisd.org)

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

Blackjack Plains Solar Project, LLC  
Attention: Scott Zeimet, Chief Development Officer, Savion, LLC  
Address: 422 Admiral Blvd  
Kansas City, MO 64106  
Phone: (512) 820-5197  
E-Mail: [szeimet@savionenergy.com](mailto:szeimet@savionenergy.com)

Attention: Eric Clift, Director of Development, Savion, LLC  
Address: 422 Admiral Blvd  
Kansas City, MO 64106  
Phone: (512) 820-5197  
E-mail: [eclift@savionenergy.com](mailto:eclift@savionenergy.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

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 Wilson 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 email). 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 follows on next page]

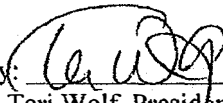



IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 28th day of November, 2022.

**BLACKJACK PLAINS SOLAR PROJECT, LLC**

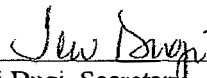
**STOCKDALE INDEPENDENT  
SCHOOL DISTRICT**

By:   
Name: Scott Zeimetz  
Title: Chief Development Officer VP  
SZ

By:   
Teri Wolf, President  
Stockdale ISD Board of Trustees

By:   
Name: Eric Clift  
Title: Director of Development

ATTEST:

  
Teri Dugi, Secretary  
Stockdale ISD Board of Trustees

**EXHIBIT I**

**DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE**

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





**EXHIBIT 2**

**DESCRIPTION AND LOCATION OF LAND**

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

### EXHIBIT 3

#### APPLICANT'S QUALIFIED INVESTMENT

Blackjack Plains Solar Project, LLC is a 250 MW/AC solar electric generation facility that will be located in northern Wilson County within northern Stockdale Independent School District. The facility will feature 355,056 photovoltaic panels and 47 central inverters.

Blackjack Plains Solar Project, LLC requests that the limitation covers all qualified investment and qualified property located within Stockdale ISD. It is our request that the limitation includes all eligible and ancillary equipment including the following:

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

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

\*The battery energy storage system associated with Blackjack Plains Solar Project, LLC will be used to store energy solely generated from the project and within Stockdale ISD.



## EXHIBIT 4

### DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Blackjack Plains Solar Project, LLC is a 250 MW/AC solar electric generation facility that will be located in northern Wilson County within northern Stockdale Independent School District. The facility will feature 355,056 photovoltaic panels and 47 central inverters.

Blackjack Plains Solar Project, LLC requests that the limitation covers all qualified investment and qualified property located within Stockdale ISD. It is our request that the limitation includes all eligible and ancillary equipment including the following:

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

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

\*The battery energy storage system associated with Blackjack Plains Solar Project, LLC will be used to store energy solely generated from the project and within Stockdale ISD.

**EXHIBIT 5**

**AGREEMENT SCHEDULE**

	Year of Agreement	School Year	Tax Year	Summary
Limitation Pre-Year	QTP 1	2026-2027	2026	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	\$40 Million appraisal limitation
	2	2029-2030	2029	\$40 million appraisal limitation
	3	2030-2031	2030	\$40 million appraisal limitation
	4	2031-2032	2031	\$40 million appraisal limitation
	5	2032-2033	2032	\$40 million appraisal limitation
	6	2033-2034	2033	\$40 million appraisal limitation
	7	2034-2035	2034	\$40 million appraisal limitation
	8	2035-2036	2035	\$40 million appraisal limitation
	9	2036-2037	2036	\$40 million appraisal limitation
	10	2037-2038	2037	\$40 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

**STOCKDALE INDEPENDENT SCHOOL DISTRICT**

and

**NOVIS RENEWABLES, LLC**

*(Texas Taxpayer ID #32078300228)*

Comptroller Application #1740

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Dated

November 28, 2022



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

STATE OF TEXAS

§

§

COUNTY OF WILSON

§

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 **STOCKDALE 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 **Novis Renewables, LLC**, Texas Taxpayer Identification Number **32078300228** hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

**RECITALS**

**WHEREAS**, on March 23, 2022, the Superintendent of Schools of the Stockdale Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

**WHEREAS**, on March 23, 2022, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCGB (Local), and agreed to consider the Application;

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

**WHEREAS**, the District and the Texas Comptroller's Office have determined that the Application is complete and May 23, 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 Wilson County Appraisal District established in Wilson County, Texas (the "Wilson 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 August 18, 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 appropriate action dated September 23, 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 November 28, 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 November 28, 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 November 28, 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 November 14, 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 November 28, 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 NOVIS RENEWABLES, LLC, (*Texas Taxpayer ID # 32078300228*), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term "Applicant" shall also include the Applicant's assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

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

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

"Application" means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on March 23, 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 Wilson County Appraisal District.

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

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

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

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

"County" means Wilson County, Texas.

"District" or "School District" means the Stockdale 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 B 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, pandemics, 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 and its contractors 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 the 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.

"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.

"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, less (iii) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 49 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable.



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

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

"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.

## **ARTICLE II**

### **AUTHORITY, PURPOSE AND LIMITATION AMOUNTS**

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

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

**Section 2.3. TERM OF THE AGREEMENT.**

A. The Application Review Start Date for this Agreement is May 23, 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 November 28, 2022.

C. The Qualifying Time Period for this Agreement:

- i. Starts on January 2, 2025, 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, the first complete Tax Year that begins after the date of the commencement of Commercial Operation ; and
- ii. Ends on December 31, 2037, which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i. plus 9 years.

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. FORTY MILLION DOLLARS (\$40,000,000.00).

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 \$40,000,000.00 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 \$824.50 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;
- 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 a renewable energy electric generating facility.

**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 7.1), 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 in each year of this Agreement for which this Agreement is a sole and direct cause of such loss, all as calculated in Section 4.2, below. Such compensation shall be independent of, and in addition to, all such other payments as are set forth in Article V and Article VI. **It is the intent of the Parties that the risk of any and all Lost M&O Revenue to the extent directly and solely caused as a result of, or on account of, entering into this Agreement, will be borne by the Applicant and not by the District.**

**Section 4.2. CALCULATING THE AMOUNT OF LOSS OF MAINTENANCE AND OPERATIONS REVENUES BY THE DISTRICT.** Subject to the provisions of Section 7.1, 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 the Applicant’s Qualified Investment been subject to the District’s ad valorem Maintenance and Operations tax rate. For purposes of this calculation, the Third Party 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. In this calculation, the total appraised value of the Qualified Property subject to this Agreement will be used for the Qualified Property in lieu of the property’s M&O taxable value. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant’s Qualified Property will be used for the Qualified Property in lieu of the property’s M&O taxable value.)

(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.
  - (vi) 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;
- 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, LLC. 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.

**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 reasonable 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, 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 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. However, Applicant shall not be liable for the reimbursement or payment of fees and expenses under this Section 4.7 in excess of \$12,000 per year for any Tax Year during the Tax Limitation Period, and \$7,500 per year for any Tax Year outside the Tax Limitation Period.

A. Based on the amount of Qualified Property and the construction schedule of Applicant's Project as set forth in the Application, the Parties anticipate that the Applicant will have a significant Revenue Protection payment in the first Tax year of the Tax Limitation Period. Therefore, the Parties agree that the Revenue Protection Payment calculated with respect to the first Tax year per the terms in Section 4.2 of this Agreement will be paid in equal halves during the first two years of the Tax Limitation Period (2028 and 2029, with such payments being due on January 31, 2029, and January 31, 2030, respectively).



**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 7.1, 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 7.1, 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.

## **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 6.4.

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), 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 48.002 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 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 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 48.002 of the TEXAS EDUCATION CODE, based upon the District's 2020-2021 Average Daily Attendance of 751, 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 for tax year 2040. The Applicant shall make Supplemental Payments to District in an amount equal to the Annual Limit.

**Section 6.4. 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 first 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.

**Section 6.5. OPTION TO TERMINATE AGREEMENT.** In the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment prior to the end of the Qualifying Time Period, the Applicant shall have the option, prior to the beginning of the Tax Limitation Period, to terminate this Agreement without penalty by notifying the District in writing of its exercise of such option. Such termination shall be effective upon 30 days' notice. In such event, any payment due from the Applicant to the District under Articles IV, V, and VI of this Agreement shall be due to the District within thirty (30) days after it delivers its termination election. The total amounts due by Applicant to District under this Section 6.5 shall not exceed the total amount of District taxes that would have been due in the absence of this Agreement. For the avoidance of doubt, in the event Applicant terminates the Agreement, it shall not be entitled to any refunds of, or credit for, Supplemental Payments already made or owing to the District. Additionally, in the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 6.4, 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 a reduction under Section 6.4 is applicable. Any termination of this Agreement under the foregoing provisions of this Section shall be effective on December 31 of the year during which Applicant's notice of termination is delivered to the District.

## 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. the 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 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, calculation, 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 Wilson 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 Wilson 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 6.5 and/or 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 \$40,000,000.00 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:

Stockdale Independent School District  
Attention: Superintendent of Schools  
Address: 503 South Fourth Street  
Stockdale, Texas 78130  
Phone: (830) 996-3551  
E-Mail: [Todd.Deaver@stockdaleisd.org](mailto:Todd.Deaver@stockdaleisd.org)

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:  
Novis Renewables, LLC

Attention: Jonathan Koch, President, Novis Renewables, LLC  
Address: 1 Bridge Street, Suite 11  
Irvington, NY 10533  
Phone: (914) 340-4741  
E-Mail: [Jonathan.koch@novisrenew.com](mailto:Jonathan.koch@novisrenew.com)

Attention: Grant Huber, Development Manager, Novis Renewables, LLC  
Address: 1 Bridge Street  
Irvington, NY 10533  
Phone: (847) 727-9163  
E-mail: [egrant.huber@novisrenew.com](mailto:egrant.huber@novisrenew.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 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 Wilson 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 email). 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 follows on next page]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 28th day of November, 2022.

NOVIS RENEWABLES, LLC

STOCKDALE INDEPENDENT  
SCHOOL DISTRICT

By: Jonathan Koch  
Name: Jonathan Koch  
Title: President

By: Teri Wolf  
Teri Wolf, President  
Stockdale ISD Board of Trustees

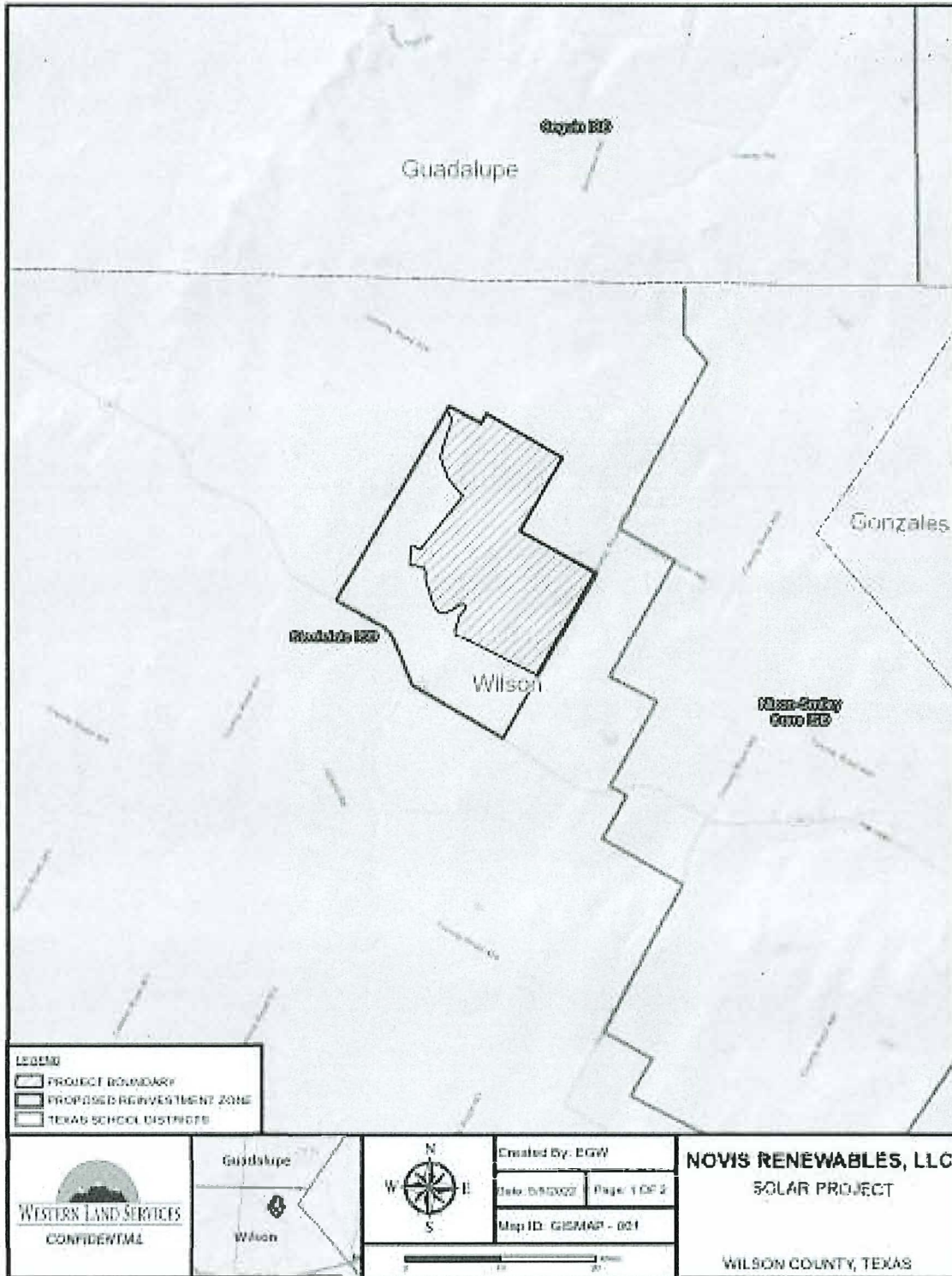
ATTEST:

Teri Dugi  
Teri Dugi, Secretary  
Stockdale ISD Board of Trustees

**EXHIBIT 1**

**DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE**

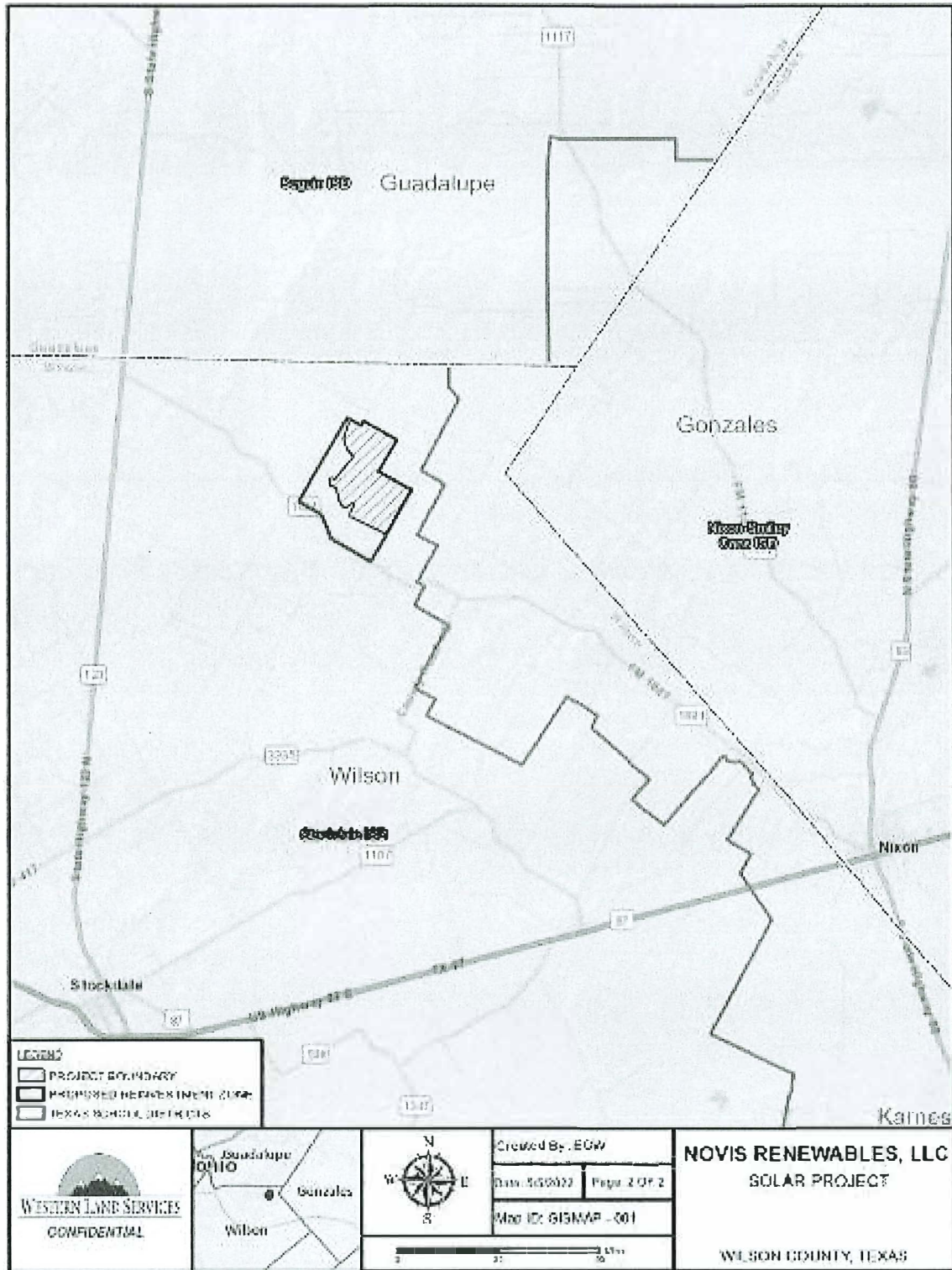
The legal description of the Reinvestment Zone is located entirely within Wilson County and more particularly described below as the Legal Description of Reinvestment Zone



Agreement for Limitation on Appraised Value  
Between Stockdale ISD and Novis Renewables, LLC  
November 28, 2022  
Exhibit I

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





Agreement for Limitation on Appraised Value  
 Between Stockdale ISD and Novis Renewables, LLC  
 November 28, 2022  
 Exhibit 1

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

**EXHIBIT 2**

**DESCRIPTION AND LOCATION OF LAND**

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

### EXHIBIT 3

#### APPLICANT'S QUALIFIED INVESTMENT

The Applicant anticipates constructing a solar photovoltaic electric generating facility with an operating capacity of approximately 195 MWac and will cover a surface area of approximately 1,500 acres. 100% of the project will be located in the reinvestment zone and project boundary within Stockdale ISD and Wilson County, and will be considered qualified investment for this application. The exact capacity and specific technology components will be determined during the development and design process. The facility includes eligible ancillary and necessary equipment, including the following property:

- Solar modules/panels
- Metal mounting system with tracking capabilities
- Battery or battery system
- Underground conduit, communications cables, and electric collection system wiring
- Container boxes
- A project substation including breakers, a transformer and meters
- Overhead transmission lines
- Inverter boxes on concrete pads
- Operations and maintenance facility
- Fencing for safety and security
- Telephone and internet communications system
- Meteorological equipment to measure solar irradiation and weather conditions

The battery or battery system will only be used to store power generated by this application's Qualified Investment, located in Stockdale ISD. This application covers all qualified investment in the reinvestment zone and project boundary within Stockdale ISD necessary for commercial operations.

## EXHIBIT 4

### DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

The Applicant anticipates constructing a solar photovoltaic electric generating facility with an operating capacity of approximately 195 MWac and will cover a surface area of approximately 1,500 acres. 100% of the project will be located in the reinvestment zone and project boundary within Stockdale ISD and Wilson County, and will be considered qualified property for this application. The exact capacity and specific technology components will be determined during the development and design process. The facility includes eligible ancillary and necessary equipment, including the following property:

- Solar modules/panels
- Metal mounting system with tracking capabilities
- Battery or battery system
- Underground conduit, communications cables, and electric collecting system wiring
- Combiner boxes
- A project substation including breakers, a transformer and meters
- Overhead transmission lines
- Inverter boxes on concrete pads
- Operations and maintenance facility
- Fencing for safety and security
- Telephone and internet communications system
- Meteorological equipment to measure solar irradiation and weather conditions

The battery or battery system will only be used to store power generated by this application's Qualified Property, located in Stockdale ISD. This application covers all qualified property in the reinvestment zone and project boundary within Stockdale ISD necessary for commercial operations.

**EXHIBIT 5**

**AGREEMENT SCHEDULE**

	Year of Agreement	School Year	Tax Year	Summary
Limitation Pre-Year	Stub	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2025	Limitation Pre-Year; QTP begins January 2, 2025
	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	\$40 Million appraisal limitation
	2	2029-2030	2029	\$40 million appraisal limitation
	3	2030-2031	2030	\$40 million appraisal limitation
	4	2031-2032	2031	\$40 million appraisal limitation
	5	2032-2033	2032	\$40 million appraisal limitation
	6	2033-2034	2033	\$40 million appraisal limitation
	7	2034-2035	2034	\$40 million appraisal limitation
	8	2035-2036	2035	\$40 million appraisal limitation
	9	2036-2037	2036	\$40 million appraisal limitation
	10	2037-2038	2037	\$40 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



STOCKDALE INDEPENDENT SCHOOL DISTRICT  
SPECIAL CALLED MEETING  
November 28, 2022

RESOLUTION

**WHEREAS**, the Stockdale ISD School Board finds it in the best interest of the citizens of the City of Stockdale and Stockdale ISD, that the SISD Bullet-Resistant Shield Program be operated for the 2022-2023 School year; and

**WHEREAS**, the Stockdale ISD School Board agrees that in the event of loss or misuse of the Office of the Governor funds, the Stockdale ISD School Board assures that the funds will be returned to the Office of the Governor in full.

**WHEREAS**, the Stockdale ISD School Board designates Todd Deaver, SISD Superintendent as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter or terminate the grant on behalf of the applicant agency.

**NOW THEREFORE, BE IT RESOLVED** that the Stockdale ISD School Board approves submission of the grant application for the SISD Bullet-Resistant Shield Program to the Office of the Governor.

Signed by:



Board President

Passed and Approved this 28th of November, 2022.

Grant Number: 4680101