

**The Board of Trustees  
Aledo ISD  
Agenda of Special Meeting**

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A Special Meeting of the Board of Trustees of Aledo ISD will be held December 16, 2022, beginning at 3:30 PM in the Aledo ISD Administration Board Room, 1008 Bailey Ranch Rd, Aledo, TX 76008.

**Aledo Independent School District Vision  
Growing Greatness through exceptional experiences that empower learners for life**

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

If, during the course of the meeting covered by this agenda, the Board should determine that a closed session of the Board should be held or is required in relation to any item included on this agenda, then such closed session as authorized by Section 551.001 et seq of the Texas Government Code (the Open Meetings Act) will be held by the Board at that date, hour and place given in this agenda or as soon after the commencement of the meeting covered by this agenda as the Board may conveniently meet in such closed session concerning any and all subjects and for any and all purposes permitted by Sections 551.071 – 551.084, inclusive, of the Open Meetings Act.

I. Call To Order

Hoyt Harris, President

II. Determine a Quorum

III. Public Comment on Agenda Item

Hoyt Harris, President

IV. Executive Session

Hoyt Harris, President

A. Section 551.071 - Consultation with Attorney- The Board will discuss and receive legal advice from its attorney on matters which should be confidential under Texas Government Code Section 551.071

B. Section 551.087- Discussion with Consultants concerning matters relating to economic development application for Project Redeemer

V. Public Hearing on the Project Redeemer Reinvestment Zone No: 001

Hoyt Harris, President

VI. Public Hearing on the Application of Hanwha Q Cells Americas Holding Corporation (Comptroller Application No: 2088)

Hoyt Harris, President

VII. Action Items

A. Consider Approval to Adopt Resolution Creating Project Redeemer Reinvestment Zone No. 001 3

Hoyt Harris, President

B. Consider Approval to Adopt Findings on the Application of Hanwha Q Cells Americas Holding Corporation (Comptroller Application No: 2088), for an Appraised Value Limitation on Qualified Property 11

Hoyt Harris, President

C. Consider Approval of Agreement with Hanwha Q Cells Americas Holding Corporation (Comptroller Application No: 2088), for an Appraised Value Limitation on Qualified Property

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Hoyt Harris, President

VIII. Adjourn

Hoyt Harris, President



## **ALEDO ISD BOARD MEETING TEMPLATE**

**MEETING DATE:** December 16, 2022

**AGENDA ITEM:** Consider Approval to Adopt Resolution Creating Project Redeemer Reinvestment Zone No. 001

**PRESENTER:** Hoyt Harris, Board President

### **BACKGROUND INFORMATION:**

- On July 25, 2022, the Board of Trustees took the following action related to a Chapter 313 Value Limitation Application to Aledo ISD by Project Redeemer: adopted Board Policy CCGB(Local)--Ad Valorem Taxes, Economic Development; accepted the application from Project Redeemer and authorized the superintendent to submit it to the Comptroller; approved a large project application fee; and retained consultants to assist the district in processing the application.
- The company is asking the District to approve a limited value of \$80,000,000 on Project Redeemer qualified property for Maintenance and Operations (M&O) purposes, with the project being fully taxable for Interest and Sinking (I&S) purposes.
- Any value limitation agreement that may ultimately be approved by Aledo ISD will not result in a loss of revenue to the District as state revenue will make up for any local revenue reductions.
- The application has been submitted and approved by the Comptroller for the State of Texas, meeting all of the criteria required by the state.
- It is recommended that, at this Board meeting, the Board of Trustees takes the final actions necessary to complete the Chapter 313 process.

### **FISCAL INFORMATION:**

Not known at this time

### **ATTACHMENTS:**

Resolution Creating Project Redeemer Reinvestment Zone No. 001

### **ADMINISTRATIVE RECOMMENDATION:**

The Administration recommends the Board of Trustees adopt the resolution creating Project Redeemer Reinvestment Zone No. 001.

**ALEDO INDEPENDENT SCHOOL DISTRICT**

**RESOLUTION CREATING PROJECT REDEEMER REINVESTMENT ZONE NO. 001**

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

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

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

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

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

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

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

***NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE ALEDO 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 Aledo 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 *PROJECT REDEEMER REINVESTMENT ZONE NO. 001* has been called, held and conducted, and that notices of such hearing have been published and mailed to the respective

presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,

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

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

**SECTION 4.** That the existence of the *PROJECT REDEEMER REINVESTMENT ZONE NO. 001* shall first take effect upon, December 16, 2022, the date of the adoption of this Resolution by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such adoption.

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

**SECTION 6.** That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Aledo Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government

Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in Parker County of the State of Texas, and furthermore, such notice was, in fact, delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 16 day of December 2022.

**ALEDO INDEPENDENT SCHOOL DISTRICT**

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

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

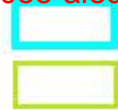
**EXHIBIT A**

**DESCRIPTION OF PROJECT REDEEMER REINVESTMENT ZONE NO. 001**

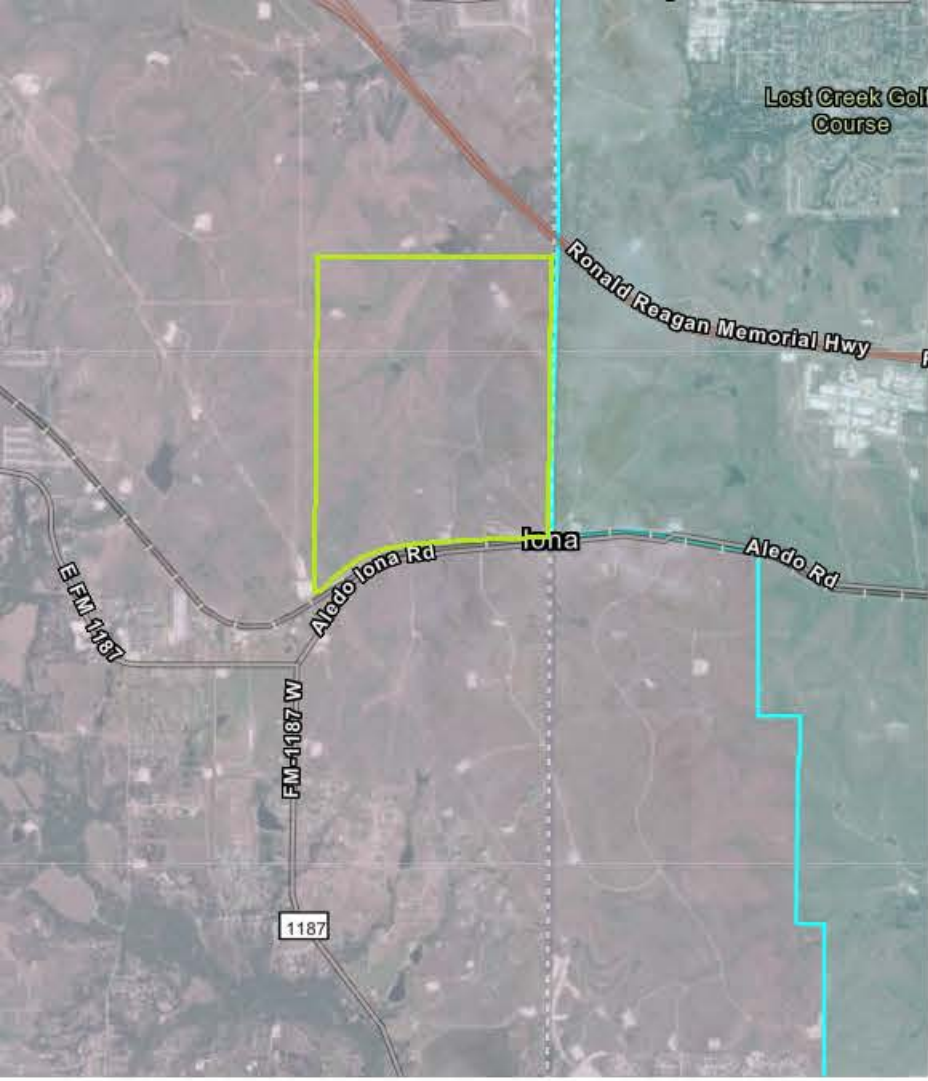
Parker County Parcel Number	2022 Market Value	School District	City
R000068244	\$4,080,000	Aledo	N/A
R000043637	\$2,609,500	Aledo	N/A
R000063227	\$5,113,498	Aledo	N/A
R000064880	\$17,000	Aledo	N/A
R000064881	\$3,415,300	Aledo	N/A
R000050467	\$4,969,440	Aledo	N/A
<b>Total Land Value</b>	<b>\$20,204,738</b>		

**EXHIBIT B**

**MAP OF PROJECT REDEEMER REINVESTMENT ZONE NO. 001**



Aledo ISD  
Project  
Boundary/RZ  
Boundary





## **ALEDO ISD BOARD MEETING TEMPLATE**

**MEETING DATE:** December 16, 2022

**AGENDA ITEM:** Consider Approval to Adopt Findings on the Application of Hanwha Q Cells Americas Holding Corporation (Comptroller Application No: 2008), for an Appraised Value Limitation on Qualified Property

**PRESENTER:** Hoyt Harris, Board President

### **BACKGROUND INFORMATION:**

- On July 25, 2022, the Board of Trustees took the following action related to a Chapter 313 Value Limitation Application to Aledo ISD by Project Redeemer: adopted Board Policy CCGB(Local)--Ad Valorem Taxes, Economic Development; accepted the application from Project Redeemer and authorized the superintendent to submit it to the Comptroller; approved a large project application fee; and retained consultants to assist the district in processing the application.
- The company is asking the District to approve a limited value of \$80,000,000 on Project Redeemer qualified property for Maintenance and Operations (M&O) purposes, with the project being fully taxable for Interest and Sinking (I&S) purposes.
- Any value limitation agreement that may ultimately be approved by Aledo ISD will not result in a loss of revenue to the District as state revenue will make up for any local revenue reductions.
- The application has been submitted and approved by the Comptroller for the State of Texas, meeting all of the criteria required by the state.
- It is recommended that, at this Board meeting, the Board of Trustees takes the final actions necessary to complete the Chapter 313 process.

### **FISCAL INFORMATION:**

Not known at this time

### **ATTACHMENTS:**

Findings of the Aledo Independent School District Board of Trustees Under the Texas Economic Development Act on the Application Submitted by Hanwha Q Cells Americas Holding Corporation (#2088)

### **ADMINISTRATIVE RECOMMENDATION:**

The Administration recommends the Board of Trustees adopt findings on the application of Hanwha Q Cells Americas holding corporation (comptroller application no: 2008), for an appraised value limitation on qualified property

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**FINDINGS OF THE  
ALEDO INDEPENDENT SCHOOL DISTRICT  
BOARD OF TRUSTEES  
UNDER THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
ON THE APPLICATION SUBMITTED BY  
HANWHA Q CELLS AMERICAS HOLDING  
CORPORATION (#2088)**

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**DECEMBER 16, 2022**

FINDINGS OF THE ALEDO INDEPENDENT SCHOOL  
DISTRICT BOARD OF TRUSTEES UNDER THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
ON THE APPLICATION SUBMITTED BY  
HANWHA Q CELLS AMERICAS HOLDING  
CORPORATION (#2088)

*STATE OF TEXAS* §

*COUNTY OF PARKER* §

On December 16, 2022, a public meeting of the Board of Trustees of the Aledo Independent School District (“District”) was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Hanwha Q Cells Americas Holding Corporation (“Applicant”) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District’s administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On July 25, 2022, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts (“Comptroller”) received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Application, including all amendments and supplements thereto, was determined to be complete as of August 24, 2022. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32060041434), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

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

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(a-1). A copy of the Application was delivered to the Parker County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.025(d), and a Comptroller Certificate was issued on November 22, 2022, in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25<sup>th</sup> anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

The Board of Trustees has previously directed that a specific financial analysis be conducted concerning the impact of the proposed value limitation on the finances of District. A copy of the report prepared by MoakCasey, LLC, is attached to these findings as **Attachment D**. An estimated financial impact of the project, which incorporates the terms of the Limitation Agreement, has been presented to the Board of Trustees.

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

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

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in

accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

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

**Board Finding Number 1.**

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

Both Section 6 of the Application, **Attachment A**, and the Comptroller's Certificate, Attachment C, establish that the property described by the Applicant is eligible for a limitation under §313.024.

**Board Finding Number 2.**

**The project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement (as detailed in Attachment B of the Comptroller's Certification).**

**Board Finding Number 3.**

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

**Board Finding Number 4.**

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

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

### **Board Finding Number 5.**

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

The review of the Application by the Comptroller's Office indicated that the number of jobs and the average salary level of qualifying jobs—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(5)(B) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. **Attachments A and C.** This amount is determined to be \$61,004 annually. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

- (A) requires at least 1,600 hours of work a year;
- (B) is not transferred from one area in this state to another area in this state;
- (C) is not created to replace a previous employee;
- (D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and
- (E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Based on its Application, the Company proposes to create twenty-five (25) qualifying jobs, which meets the requirements of statute.

### **Board Finding Number 6.**

**Based upon the information provided to the District with regard to the industry standard for staffing ratios of similar projects in the State of Texas, the District has determined that if the job creation requirement set forth in the Texas Tax Code was applied, for the size and scope of the project described in the Application, the required number of jobs meets**

**or exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.**

**Board Finding Number 7.**

**The Applicant intends to create non-qualifying jobs.**

In its Application, Applicant has indicated it intends to create 204 non-qualifying jobs. For any non-qualifying jobs the Applicant creates, the Applicant will be required to pay at least the county average wage for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d). This amount is determined to be \$49,517 annually.

**Board Finding Number 8.**

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

In support of this finding, the analysis prepared by MoakCasey projects that the project would initially add \$512.1 million to the tax base that would be available for debt service purposes at the peak investment level for the 2026-27 school year. The District currently levies a \$0.4250 per \$100 I&S tax for voter-approved debt. Local taxpayers could benefit from an expansion of the I&S tax base related to this project.

**Board Finding Number 9.**

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

This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in the District as stated in **Attachment F**.

**Board Finding Number 10.**

**The Board finds that it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports**

**regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.**

**Board Finding Number 11.**

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

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

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

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

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

**Board Finding Number 12.**

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

The Board of Trustees finds the minimum amount of qualified investment and the minimum amount of a limitation agreed to by the Board of Trustees under Texas Tax Code 313.022 or 313.052, as applicable, is consistent with the values set forth in the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2021 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year. The District is categorized as a Subchapter B non-rural school district. Based on the Comptroller's 2021 property value study, the District's T2 total taxable value is \$4.8 billion. (**See Attachment E.**) It is classified as a Category II district, with a taxable value of \$1 billion or more but less than \$10 billion, which may offer a minimum limitation value of \$80 million.

**Board Finding Number 13.**

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

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller's Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in

Section 2.5 of said Agreement. The Board relies on the certifications of its consultants and the Comptroller's Approval of the Agreement form to make this Finding. (**Attachment I**)

**Board Finding Number 14.**

**The Applicant (Taxpayer No. 32060041434) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.**

The Applicant, (Texas Taxpayer No. 32060041434), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

**Board Finding Number 15.**

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

**Board Finding Number 16.**

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

In support of this finding, the finance report prepared by MoakCasey, LLC shows that the District will incur revenue losses in the initial and later years that the value limitation is in effect without the proposed Agreement under current law. With this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. The Agreement contains adequate revenue protection measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (**Attachment H**)

**Board Finding Number 17.**

**The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the**

**Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.**

**Board Finding Number 18.**

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

The Board finds that with the adoption of District Policies BBFA and BBFB, set forth at <https://pol.tasb.org/PolicyOnline/PolicyDetails?key=986&code=BBFA> and <https://pol.tasb.org/PolicyOnline/PolicyDetails?key=986&code=BBFB> that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

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

The Board finds that with the adoption of District Policies DBD, DGA, DH, and BBFB, both (Legal) and (Local) that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

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

**Board Finding Number 19.**

**The Board directs that a link on its website be established to the Comptroller's Office Website where appraisal-limitation-related documents are made available to the public.**

**Board Finding Number 20.**

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

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

Dated the 16th day of December 2022.

ALEDO INDEPENDENT SCHOOL DISTRICT

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

**ATTEST:**

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



## **ALEDO ISD BOARD MEETING TEMPLATE**

**MEETING DATE:** December 16, 2022

**AGENDA ITEM:** Consider Approval of Agreement with Hanwha Q Cells Americas Holding Corporation (Comptroller Application No: 2088), for an Appraised Value Limitation on Qualified Property

**PRESENTER:** Hoyt Harris, Board President

### **BACKGROUND INFORMATION:**

- On July 25, 2022, the Board of Trustees took the following action related to a Chapter 313 Value Limitation Application to Aledo ISD by Project Redeemer: adopted Board Policy CCGB(Local)--Ad Valorem Taxes, Economic Development; accepted the application from Project Redeemer and authorized the superintendent to submit it to the Comptroller; approved a large project application fee; and retained consultants to assist the district in processing the application.
- The company is asking the District to approve a limited value of \$80,000,000 on Project Redeemer qualified property for Maintenance and Operations (M&O) purposes, with the project being fully taxable for Interest and Sinking (I&S) purposes.
- Any value limitation agreement that may ultimately be approved by Aledo ISD will not result in a loss of revenue to the District as state revenue will make up for any local revenue reductions.
- The application has been submitted and approved by the Comptroller for the State of Texas, meeting all of the criteria required by the state.
- It is recommended that, at this Board meeting, the Board of Trustees takes the final actions necessary to complete the Chapter 313 process.

### **FISCAL INFORMATION:**

Not known at this time

### **ATTACHMENTS:**

Agreement with Hanwha Q Cells Americas Holding Corporation (Comptroller Application No: 2088)

### **ADMINISTRATIVE RECOMMENDATION:**

The Administration recommends the Board of Trustees approve the agreement with Hanwha Q Cells Americas Holding Corporation (Comptroller Application No: 2088), for an appraised value limitation on qualified property

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

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by and between

**ALEDO INDEPENDENT SCHOOL DISTRICT**

and

**HANWHA Q CELLS AMERICAS HOLDING  
CORPORATION**

*(Texas Taxpayer ID No. 32060041434)*

Comptroller Application No. 2088

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Dated

December 16, 2022

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

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

*STATE OF TEXAS* §

*COUNTY OF PARKER* §

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 **ALEDO 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 **HANWHA Q CELLS AMERICAS HOLDING CORPORATION**, Texas Taxpayer Identification Number 32060041434 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 July 25, 2022, the Superintendent of Schools of the Aledo 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 July 25, 2022, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

**WHEREAS**, the District and the Texas Comptroller’s Office have determined that the Application is complete, and August 24, 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 Parker County Appraisal District established in Parker County, Texas (the “Parker County Appraisal District”), pursuant to Section 6.01 of the TEXAS TAX CODE;

**WHEREAS**, the Texas Comptroller’s Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on November 22, 2022, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

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

**WHEREAS**, on December 16, 2022, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

**WHEREAS**, on December 16, 2022, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant’s Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District’s maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant’s decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

**WHEREAS**, on December 6, 2022, the Texas Comptroller’s Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

**WHEREAS**, on December 16, 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 or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized Board Vice President to execute and deliver such Agreement to the Applicant;

**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, including any statutory amendments that are applicable to Applicant.

“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 HANWHA Q CELLS AMERICAS HOLDING CORPORATION, (*Texas Taxpayer ID No. 32060041434*), 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 July 25, 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 Parker County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Aledo Independent School District.

“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.

“Commercial Operations” means the date on which Applicant has installed or constructed a material portion of the Qualified Property on the Land capable of producing solar panels, including an ingot/wafer plant, a cell plant, a module plant and an EVA plant.

“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 Parker County, Texas.

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

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

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

“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 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, the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State for each and every year of this Agreement, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term includes any and all amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant's ad valorem tax obligation to District, either with or without the limitation of

property values made pursuant to this Agreement. For each year of this Agreement, the “Applicable School Finance Law” shall be interpreted to include all provisions made applicable for any calculations made for the specific year for which calculations are being made.

“Maintenance and Operations Revenue” means (i) those revenues that the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Texas Education Code 45.002 and Article VII § 3 of the Texas Constitution, plus (ii) all State revenues to which the District is or may be entitled under Chapter 48 of the Texas Education Code or any other statutory provision, as well as any amendment or successor statute to these provisions, 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.

“Net Tax Benefit” means, for any subject Tax Year during the term of this Agreement, an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties, for all Tax Years up to and including the subject Tax Year; *minus*, (ii) an amount equal to 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 during the term of this Agreement for all Tax Years up to an including the subject Tax Year, plus (B) any and all payments due to the District under Articles IV and V, of this Agreement for all Tax Years up to an including the subject Tax Year, plus (C) any and all payments owed to the District under Article VI of this Agreement for all Tax Years prior to the subject Tax Year.

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

“Option to Terminate” or “option to terminate” means the Applicant’s written notice to the District under any of the following circumstances: (i) in the event that prior to the beginning of the Tax Limitation Period the Applicant determines that it will not commence or complete construction of the Applicant’s Qualified Investment, the Applicant shall have the option, prior to the beginning of the Tax Limitation Period, to terminate this Agreement by notifying the District in writing of its exercise of such option and any such termination of this Agreement under this clause (i) shall be effective immediately upon giving such written notice to the District; and/or (ii) with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, if (A) 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 (B) 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, then the Applicant shall have the option to terminate this Agreement as provided in the following sentence. The Applicant may exercise the option to terminate this Agreement described in clause (ii) of the immediately preceding sentence by notifying the District of such exercise in writing not later than the July 31 of the year following the Tax Year in which the excess giving rise to such option occurred, and any such termination of this Agreement shall be effective

immediately prior to the Tax Year next following the Tax Year in which the excess giving rise to such option occurred.

The Applicant may exercise the Subsection (i) option to terminate this Agreement by notifying the District of its election in writing not later than the start of the Tax Limitation Period as defined in Subsection 2.3(D)(i), below. In the event that Applicant timely files its Notice of Option to Terminate under Subsection (i) of this Section, it is understood and agreed between the Parties that no termination fee or liquidated damages would be payable by Applicant to the District under Section 7.1, below.

*“Original M&O Revenue”* means the total State and local Maintenance and Operations Revenue that District would have received for the School Year, under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant’s Qualified Property been subject to the ad valorem maintenance & operations tax at the rate applicable for such Tax Year. For purposes of this calculation, the Third Party will base its calculations upon actual local taxable values for the prior school year as certified by the County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property subject to this Agreement, *plus* the total appraised value of the Qualified Property for the prior school year 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.)

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

**ARTICLE II**  
**AUTHORITY, PURPOSE AND LIMITATION AMOUNTS**

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

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

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

A. The Application Review Start Date for this Agreement is August 24, 2022, which will be used to determine the eligibility of the Applicant’s Qualified Property and all applicable wage

standards.

- B. The Application Approval Date for this Agreement is December 16, 2022.
- C. The Qualifying Time Period for this Agreement:
  - i. Starts on March 1, 2023, a date not later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by §313.027(h) of the TEXAS TAX CODE; and
  - ii. Ends on December 31, 2025, the last day of the second complete Tax Year following the Qualifying Time Period start date
- D. The Tax Limitation Period for this Agreement:
  - i. Starts on January 1, 2026, the first complete Tax Year that begins after the commencement of Commercial Operations; and
  - ii. Ends on December 31, 2035.
- E. The Final Termination Date for this Agreement is December 31, 2040.

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. \$80,000,000 based on Section 313.027 of the TEXAS TAX CODE

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.022(b), Subchapter 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 \$80,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$1,225.75 for all New Non-Qualifying Jobs created by the Applicant.

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

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

- B. provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;
- C. provide such Supplemental Payments as more fully specified in Article VI;
- D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and
- 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)(1) of the TEXAS TAX CODE as a manufacturing project.

**ARTICLE IV**  
**PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES**

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

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

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

In making the calculations contemplated in Section 4.1, above, the Third-Party designated in Section 4.3, below, will make the calculations using the methodologies set forth in this Section. The amount to be owed by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement (the "**Revenue Protection Amount**") shall be determined, in compliance with the Applicable School Finance Law, as defined in Section 1.2, above, in effect for such year, except as modified by Subsections 4.2(A) and (B), below,

**A.** The Revenue Protection Amount under this Section 4.2(A) means the *Original M&O Revenue* minus *New M&O Revenue*, where:

i. "Original M&O Revenue" for purposes of this Section 4.2(A) means the total State and local Maintenance & Operations Revenue that the District would have received for such school year under the Applicable School Finance Law, had this Agreement not been entered into by the Parties and the Qualified

Property and/or Qualified Investment been subject to the ad valorem Maintenance & Operations tax at the tax rate actually adopted by the District for such applicable year. For purposes of this state aid and school finance calculations based upon actual local taxable values for the prior school year as determined by the Texas Comptroller's Office.

- ii *"New M&O Revenue"* for purposes of this Section 4.2(A) means the total State and local Maintenance & Operations Revenue that the District received or is due to receive for such school year under the Applicable School Finance Law.

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

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for each year for which the calculation is made.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).
- iii. For the avoidance of doubt, the Parties agree that application of § 48.256(d) requires the Third Party to calculate the Revenue Protection Payments using Applicable School Finance Law, except that where "DPV" (i.e., the District's taxable value of property in the current tax year) is used in the school finance funding formulas, that number shall be replaced with the District's DPV from the preceding tax year.
- iv. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.
- v. All calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, will reflect the Tax Limitation Amount for such year.

**Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY.** All calculations under this Agreement shall be made annually by a qualified and experienced independent third party (the "Third Party") approved each year by the District. To the extent not inconsistent with a statutory change to Applicable School Finance Law, all calculations made by the Third Party under this Agreement shall be made using a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

**Section 4.4. DATA USED FOR CALCULATIONS.** The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District for each Tax Year pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall

submit the valuation information to the Third Party selected under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

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

**Section 4.6. PAYMENT BY APPLICANT.**

- A. General Provisions. Subject to Sections 4.6.B and 4.7 below, the Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the December 10 of the year next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party, plus any reasonable and necessary out-of-pocket third-party legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas which are or may be required under the terms or because of the execution of this Agreement. Notwithstanding the foregoing, for no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 and Section 4.5 which exceeds Fifteen Thousand Dollars (\$15,000.00).
  
- B. Special Payment Provisions With Respect To Revenue Protection Amount For First Year of Tax Limitation Period. With respect to the Revenue Protection Amount calculated under this Article IV for the first Tax Year of the Tax Limitation Period only, the Applicant shall be entitled to pay such Revenue Protection Amount in four (4) equal installments, without interest or penalty, on or before the payment due dates shown below:

<b>Payment Due Date</b>	<b>Installment Percentage of Revenue Protection Amount</b>
January 31 immediately following the end of the first Tax Year of the Tax Limitation Period	25%
January 31 immediately following the end of the second Tax Year of the Tax Limitation Period	25%
January 31 immediately following the end of the third Tax Year of the Tax Limitation Period	25%
January 31 immediately following the end of the fourth Tax Year of the Tax Limitation Period	25%

Each certification containing the calculations prepared and delivered by the Third Party pursuant to Section 4.5 shall reflect the application of the foregoing installment payment provisions of this Section 4.6.B.

The Applicant shall have the right and privilege of prepaying all or any part of any such installment at any time prior to the payment due date of such installment without penalty or premium.

For the avoidance of doubt, the foregoing installment payment provisions of this Section 4.6.B shall only apply to the Revenue Protection Amount calculated under this Article IV for the first Tax Year of the Tax Limitation Period and shall have no application to any other payments due from the Applicant to the District under this Agreement, including any other payments due from the Applicant to the District under this Article IV, Article V and Article VI. By way of example, and not limitation, any Revenue Protection Amount or Supplemental Payment determined to be due from the Applicant to the District under this Article IV or Article VI, respectively, for any of the second, third or fourth years of the Tax Limitation Period shall be in addition to any installment due under this Section 4.6.B for such year with respect to the Revenue Protection Amount calculated under this Article IV for the first Tax Year of the Tax Limitation Period.

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

**Section 4.8. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.** If at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified

Property, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Property by the Appraisal District.

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

**Section 4.9. STATUTORY CHANGES AFFECTING M&O REVENUE.** Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to District within thirty (30) dates of receipt of written notice, up to the limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a sole and direct result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

## **ARTICLE V**

### **PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES**

**Section 5.1. EXTRAORDINARY EXPENSES.** In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following: all non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project during any project construction year. Applicant shall have the right to contest the findings of the District's external auditor in the same manner as described in Section 9.3 herein. As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed project on the number and size of school facilities in the District. Based on an examination of the District's enrollment and the number of potential new jobs, the TEA has determined that the project should not have a significant impact on the number or size of school facilities in the Aledo Independent School District.

**ARTICLE VI**  
**SUPPLEMENTAL PAYMENTS**

**Section 6.1. SUPPLEMENTAL PAYMENTS CALCULATION – SUBJECT TO NET TAX BENEFIT LIMITATION**

- A. For each year of the of years of the Agreement beginning with the start of the Qualifying Time Period and continuing through year 3 of the Maintain Viable Presence period (Tax Year 2023) through thirteen (Tax Year 2038), the District shall be entitled to receive as payments in lieu of taxation an amount equal to the lesser of twenty percent (20%) of the Net Tax Benefit received by the Applicant as a result of this Agreement or the limitation amount calculated under Section 6.2, below.
- B. The Net Tax Benefit shall be calculated by the Third Party selected pursuant to Section 4.3.
- C. The net tax benefit calculations shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.5.
- D. The payment of all amounts due under this Article shall be made shall be paid on the same date established by Section 4.6 for such Tax Year.
- E. Adherence to Statutory Limits on Supplemental Payments. It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant under this Article VI shall not exceed the limit imposed by the provisions of Texas Tax Code §313.027(i), as such limit is allowed to be increased by the Legislature for any future year of this Agreement.

**Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.**

Notwithstanding the foregoing:

- A. the total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 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 For purposes of this Agreement; and,
- D. 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 Average Daily Attendance for the previous school year.

**ARTICLE VII**  
**ANNUAL LIMITATION OF PAYMENTS BY APPLICANT**

**Section 7.1. EFFECT OF OPTIONAL TERMINATION.** Upon the exercise of the option to terminate, subject to the limitation provided in Section 4.9 above, this Agreement shall terminate and be of no further force or effect; provided, however, that:

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

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

**ARTICLE VIII**  
**ADDITIONAL OBLIGATIONS OF APPLICANT**

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

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

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

**Section 8.4. DATA REQUESTS.** Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with

its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

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

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

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

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

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

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

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant’s Application; and the Applicant’s Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other

supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

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

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

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

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

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

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

**ARTICLE IX**  
**MATERIAL BREACH OR EARLY TERMINATION**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant

to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;

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

### **Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.**

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

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

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

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

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

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

### **Section 9.3. DISPUTE RESOLUTION.**

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) 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 Parker 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 Parker 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 \$80,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

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

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

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

Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

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

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

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

## **ARTICLE X.**

### **MISCELLANEOUS PROVISIONS**

#### **Section 10.1. INFORMATION AND NOTICES.**

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if

(i) delivered in person, by courier (*e.g.*, by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile or email transmission, with notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

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

Name: Dr. Susan Bohn  
Title: Superintendent of Schools  
District: Aledo Independent School District  
Mailing: 1008 Bailey Ranch Rd  
Aledo, Texas 76008  
Phone: (817) 441-8327  
Email: [sbohn@aledoisd.org](mailto:sbohn@aledoisd.org)

C. Notices to the Applicant, including any calculations made or invoices submitted by the Third-Party shall be addressed to its Authorized Representative as follows:

Name: Hwanchul Jeong  
Title: Treasurer  
Organization: Hanwha Q-Cells Americas Holding Co.  
Mailing: 300 Spectrum Center Drive, Suite 1250  
Irvine, CA 92618  
Phone: (949) 748-5996  
Email: [chase.jeong@qcells.com](mailto:chase.jeong@qcells.com)

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

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

## **Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.**

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

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

- i. The Applicant shall submit to the District and the Comptroller:
  - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
  - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
  - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;

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

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

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

- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;
- ii. clearly identify the property, investment, and employment information added by

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

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

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

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

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

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

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

### **Section 10.3. ASSIGNMENT.**

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

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

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

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

**Section 10.5. GOVERNING LAW.** This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect

to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in a state district court in Parker County.

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

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

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

**Section 10.9. INTERPRETATION.**

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

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

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

the following order of precedence:

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

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

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

- A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website;
- B. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website;
- C. This Section does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

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

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

**Section 10.14. CONFLICTS OF INTEREST.**

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

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

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

**Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION.**

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

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

**Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.**

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

B. Delivery is deemed complete as follows:

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

*[REST OF PAGE INTENTIONALLY BLANK]*

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 16<sup>th</sup> day of December, 2022.

**HANWHA Q CELLS AMERICAS HOLDING CORPORATION**

**ALEDO INDEPENDENT SCHOOL DISTRICT**

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

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

HWANCHUL JEONG  
Treasurer

President  
Board of Trustees

**ATTEST:**

\_\_\_\_\_  
Secretary  
Board of Trustees

**In Case of Conflict:**

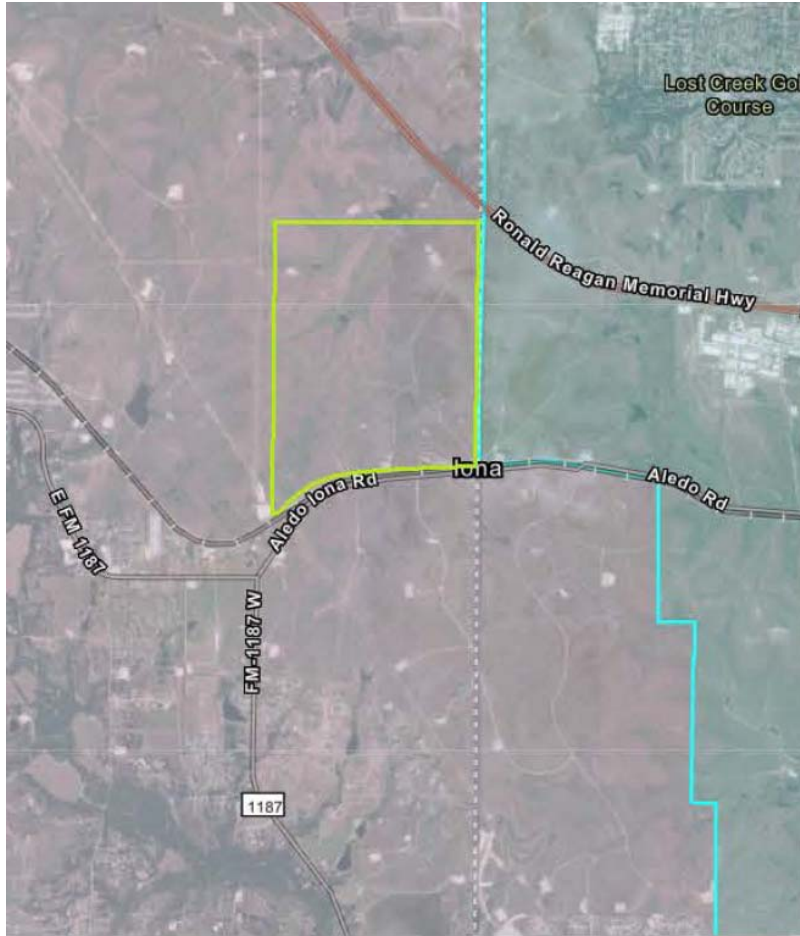
\_\_\_\_\_  
Vice President  
Board of Trustees

## EXHIBIT 1



### DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

On December 16, 2022, after a properly conducted Public Hearing concerning the matter, the Aledo Independent District adopted a Resolution creating the *Project Redeemer Reinvestment Zone #1*. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the *Project Redeemer Reinvestment Zone #1* and the Aledo Independent School District.

Tarrant County Parcel Number	2022 Market Value	School District	City
03739961	\$5,427,473	Fort Worth	N/A
04121341	\$4,144,932	Fort Worth	N/A
03986535	\$1,015,454	Fort Worth	N/A
04197631	\$206,400	Fort Worth	N/A
Total Land Value	\$10,794,259		
Parker County Parcel Number	2022 Market Value	School District	City
R000068244	\$4,080,000	Aledo	N/A
R000043637	\$2,609,500	Aledo	N/A
R000063227	\$5,113,498	Aledo	N/A
R000064880	\$17,000	Aledo	N/A
R000064881	\$3,415,300	Aledo	N/A
R000050467	\$4,969,440	Aledo	N/A
Total Land Value	\$20,204,738		



2088-aledo-redeemer-supplement001  
August 11, 2022

-  Aledo ISD
-  Project Redeemer Boundary/RZ Boundary

**Agreement for Limitation on Appraised Value**  
Between Aledo ISD and Hanwha Q Cells Americas Holding Corporation  
Texas Comptroller No.2088

## EXHIBIT 2

### DESCRIPTION AND LOCATION OF LAND

All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the *Project Redeemer Reinvestment Zone #1* and the Aledo Independent School District. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the legal description and maps attached to **Exhibit 1** and **Exhibit 4**.

## EXHIBIT 3

### APPLICANT'S QUALIFIED INVESTMENT

2088\_Aledo\_Project Redeemer\_Supplement003  
October 31, 2022

#### Tab 7

##### *Description of Qualified Investment*

This application covers all qualified investment in the reinvestment zone and project boundary within Aledo ISD necessary for the commercial operations of the proposed manufacturing facility. NOTE- The map in TAB 11 shows the proposed project area with the project layout. The exact placement of this facility is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins. This Application is only for the portions of the manufacturing project located within the Aledo ISD Boundaries. If there is a material change in the Qualified Investment described in Tab 7, 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.

Below is a description of each building indicated on the Site Master Plan map (attached in Tab 11) as qualified investment. Each of the buildings described below is an integral part, or a necessary auxiliary part, of the proposed manufacturing operations:

- **Ingot/Wafer Plant:** Producing single crystal silicon ingot and wafer
- **Cell Plant:** Producing Photovoltaic cell
- **Module Plant:** Producing Photovoltaic Module
- **EVA plant:** Producing EVA sheet to use as a raw material for Module plant
- **OFFICE:** Operation management facilities
- **CUB:** Central Utility Building
- **IWT:** Industrial Waste Treatment, where pretreatment of Wastewater occurs prior to sending to city municipal treatment plant
- **BULK GAS:** Air separation plants and storage for inert gases
- **ELEC SS:** Electric substation
- **CCSS:** Central Chemical Supply Storage

Machinery and equipment used in the following processes involved in manufacturing solar cell and module products would be placed within the buildings listed above, including:

- ✓ Mono Grower, Poly silicon feeder
- ✓ AR recycler, Etcher for poly recycle, Jaw Crusher, Automated poly preparation equipment
- ✓ Ingot measurement equipment, Ingot profiler, FT-IR, u-PCD, ICP-MS, RTP furnace
- ✓ Block vision inspection, PL inspection
- ✓ Multi Cropper, Minor cropper, Squarer, Grinder, Slug grinder, Gantry

- ✓ Auto Brick & Block Stocker
- ✓ Automation equipment
- ✓ Mounting equipment, De-mounting equipment
- ✓ Diamond wire saw
- ✓ Filter press, WGR workshop, Wafer inspection devices
- ✓ Pre-cleaner, Final-Cleaner (separation included)
- ✓ Si-kerf treatment facility
- ✓ Texture etcher
- ✓ POCL3 diffusion equipment, Boron doping diffusion furnace
- ✓ Laser doped selective emitter, Amorphous Si deposition equipment
- ✓ Inline BSG etch, Batch polishing, Annealing Furnace
- ✓ Oxidation furnace, Wrap around Si removal etcher
- ✓ Rear Passivation, ALD (Atomic Layer Deposition) Al2O3 equipment
- ✓ PECVD AR coater
- ✓ Laser contact Opening equipment
- ✓ Cell printer, Firing equipment, Regenerating equipment
- ✓ Cell tester and sorter, loader/unloader, Automation equipment
- ✓ Automatic material handling (AGV/AMR system for cassette logistics, Buffer station)
- ✓ Glass loading, Sheet loading, Matrix batch machine
- ✓ Tabber, Layup, Auto soldering & Auto taping, EL inspection, String repair station
- ✓ Laminator, Trimming, Frame assembly, Middle frame assembly
- ✓ J/Box silicon dispensing, J/Box attaching & Soldering
- ✓ Simulator, Potting, Hi Pot testing, Curing system, Field quality inspection system
- ✓ Grading equipment, Bonding, and packaging

In addition, the new investment/buildings will include the following systems:

- ✓ Process cooling water systems, Grower cooling water systems
- ✓ General / Special gas supply system
- ✓ Deionized water and Ultra-Pure water system
- ✓ Chemical supply system
- ✓ Clean Dry Air system, Process/House Vacuum system
- ✓ Exhaust Air system, City Water system, Chilled Water system
- ✓ Plant Steam system, Natural Gas system
- ✓ Waste Chemical Drainage system
- ✓ Wastewater Treatment system
- ✓ HVAC systems
- ✓ Facility Monitoring & Control System
- ✓ Tele Communication System
- ✓ Security Control System
- ✓ Fire Detection / Protection System
- ✓ Gas Detection / Protection System
- ✓ Sanitary system
- ✓ Other systems useful for manufacturing solar cell and module products

## EXHIBIT 4

### DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

2088\_Aledo\_Project Redeemer\_Supplement003  
October 31, 2022

#### Tab 8

##### *Description of Qualified Property*

This application covers all qualified property in the reinvestment zone and project boundary within Aledo ISD necessary for the commercial operations of the proposed manufacturing facility. NOTE- The map in TAB 11 shows the proposed project area with the project layout. The exact placement of this facility is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins. This Application is only for the portions of the manufacturing project located within the Aledo ISD Boundaries. If there is a material change in the Qualified Property described in Tab 8, 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.

Below is a description of each building indicated on the Site Master Plan map (attached in Tab 11) as qualified investment. Each of the buildings described below is an integral part, or a necessary auxiliary part, of the proposed manufacturing operations:

- **Ingot/Wafer Plant:** Producing single crystal silicon ingot and wafer
- **Cell Plant:** Producing Photovoltaic cell
- **Module Plant:** Producing Photovoltaic Module
- **EVA plant:** Producing EVA sheet to use as a raw material for Module plant
- **OFFICE:** Operation management facilities
- **CUB:** Central Utility Building
- **IWT:** Industrial Waste Treatment, where pretreatment of Wastewater occurs prior to sending to city municipal treatment plant
- **BULK GAS:** Air separation plants and storage for inert gases
- **ELEC SS:** Electric substation
- **CCSS:** Central Chemical Supply Storage

Machinery and equipment used in the following processes involved in manufacturing solar cell and module products would be placed within the buildings listed above, including:

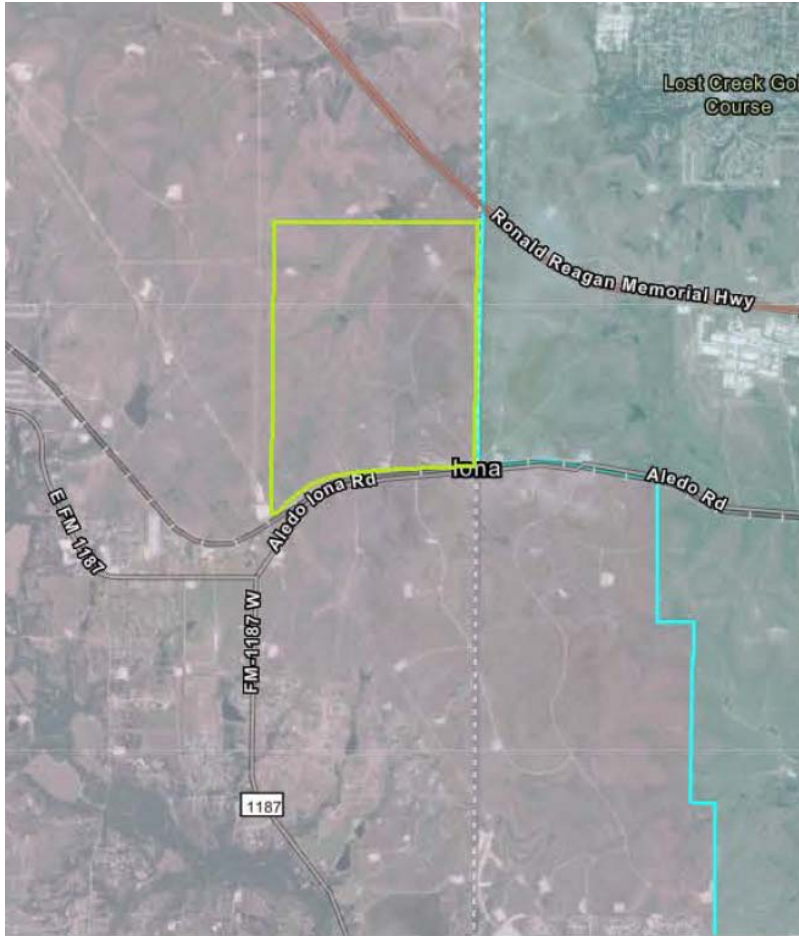
- ✓ Mono Grower, Poly silicon feeder
- ✓ AR recycler, Etcher for poly recycle, Jaw Crusher, Automated poly preparation equipment
- ✓ Ingot measurement equipment, Ingot profiler, FT-IR, u-PCD, ICP-MS, RTP furnace
- ✓ Block vision inspection, PL inspection
- ✓ Multi Cropper, Minor cropper, Squarer, Grinder, Slug grinder, Gantry

- ✓ Auto Brick & Block Stocker
- ✓ Automation equipment
- ✓ Mounting equipment, De-mounting equipment
- ✓ Diamond wire saw
- ✓ Filter press, WGR workshop, Wafer inspection devices
- ✓ Pre-cleaner, Final-Cleaner (separation included)
- ✓ Si-kerf treatment facility
- ✓ Texture etcher
- ✓ POCL3 diffusion equipment, Boron doping diffusion furnace
- ✓ Laser doped selective emitter, Amorphous Si deposition equipment
- ✓ Inline BSG etch, Batch polishing, Annealing Furnace
- ✓ Oxidation furnace, Wrap around Si removal etcher
- ✓ Rear Passivation, ALD (Atomic Layer Deposition) Al2O3 equipment
- ✓ PECVD AR coater
- ✓ Laser contact Opening equipment
- ✓ Cell printer, Firing equipment, Regenerating equipment
- ✓ Cell tester and sorter, loader/unloader, Automation equipment
- ✓ Automatic material handling (AGV/AMR system for cassette logistics, Buffer station)
- ✓ Glass loading, Sheet loading, Matrix batch machine
- ✓ Tabber, Layup, Auto soldering & Auto taping, EL inspection, String repair station
- ✓ Laminator, Trimming, Frame assembly, Middle frame assembly
- ✓ J/Box silicon dispensing, J/Box attaching & Soldering
- ✓ Simulator, Potting, Hi Pot testing, Curing system, Field quality inspection system
- ✓ Grading equipment, Bonding, and packaging


In addition, the new investment/buildings will include the following systems:


- ✓ Process cooling water systems, Grower cooling water systems
- ✓ General / Special gas supply system
- ✓ Deionized water and Ultra-Pure water system
- ✓ Chemical supply system
- ✓ Clean Dry Air system, Process/House Vacuum system
- ✓ Exhaust Air system, City Water system, Chilled Water system
- ✓ Plant Steam system, Natural Gas system
- ✓ Waste Chemical Drainage system
- ✓ Wastewater Treatment system
- ✓ HVAC systems
- ✓ Facility Monitoring & Control System
- ✓ Tele Communication System
- ✓ Security Control System
- ✓ Fire Detection / Protection System
- ✓ Gas Detection / Protection System
- ✓ Sanitary system
- ✓ Other systems useful for manufacturing solar cell and module products

The land described on Tab 9 will also be considered as qualifying property



2088-aledo-redeemer-supplement001  
 August 11, 2022

 Aledo ISD Boundary

 Project Redeemer Boundary/RZ Boundary

**Agreement for Limitation on Appraised Value**  
 Between Aledo ISD and Hanwha Q Cells Americas Holding Corporation  
 Texas Comptroller No.2089

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