

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW

808 WEST AVENUE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILE: (512) 494-9919

February 5, 2019

Mr. James Sanders, Superintendent of Schools and
Members of the Board of Trustees
Scurry-Rosser Independent School District
10705 S State Highway 34
Scurry, TX 75158

RE: Legal Representation Agreement for District Representation for Purposes of Tax Code
Chapter 313 matters concerning Application of Lily Solar, LLC

Superintendent Sanders and Members of the Scurry-Rosser ISD Board of Trustees,

The purpose of this letter is to provide you the terms and conditions under which our firm proposes to undertake all necessary legal work to process, negotiate, draft and, as requested, provide post-agreement legal advice to the Scurry-Rosser Independent School District Board of Trustees or the Board of Trustees upon reassuming their duties (hereinafter "Client") concerning the above-referenced Application of Lily Solar, LLC. At all times our representation will be subject the direction of Client's Board of Trustees and executive staff. Please review the agreement, and if you wish to retain the Firm's services, execute and return the agreement to our office by either facsimile or email.

If retained, we propose to represent in the above-referenced matter as follows:

I. Designation of Firm's Primary Counsel: Kevin O'Hanlon, our firm's President and Managing Partner will have primary responsibility for this engagement. Mr. O'Hanlon has been practicing law in Texas for approximately 38 years and has been involved in the drafting and negotiation of Chapter 313 agreements since drafting the original Chapter 313 agreement in 2002. Other attorneys and legal and staff assistants, including Ms. Amalia Hanley, will, where appropriate, also be used during the matters covered by this engagement letter. Ms. Hanley has also been involved in the processing Chapter 313 matters since the inception of the program. The use of all firm personnel will be based on the exercise of our professional judgment and will depend on the nature of the work to be performed and the qualifications, skill and specialized expertise needed to perform an aspect of a specific engagement.



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II. Legal Representation Through Agreement Execution: If engaged by Client, our firm will provide the following legal services with respect to the above referenced matter for the fee set forth in Paragraph III, below:

1. Review Client's existing Chapter 313 Policies and, where appropriate, recommend amended language to the Board, to ensure compliance with current statute and regulatory directives.
2. Review the Application, including Schedules A-D and all other supporting documentation for completeness; and require the Applicant, as necessary, to submit additional and/or supplementary information to ensure that the Application documents and any other required reports include all information required by the Comptroller's rules or by 34 Tex. Administrative Code § 9.1054.
3. Upon request, provide a comprehensive briefing on the mandatory procedures, rules of the Comptroller's Office, legal risks under the Texas school finance system.
4. Review, on behalf of the Client, any Amended, Supplemental Application, or any other required documentation, submitted by the Applicant for the same project, and make appropriate recommendations for action.
5. Determine whether the Application or any amended or supplemental submissions made by Applicant are sufficient and assist the Applicant in immediately correcting any deficiencies.
6. Ensure that all requests from the Comptroller concerning the Application are expeditiously handled, and forward to the Comptroller and the Appraisal District any Amended or Supplemental Application or any other information necessary to complete the Comptroller's Application Certification or economic impact study.
7. Ensure Client is kept current on and is in compliance with all required transparency requirements.
8. Where requested, draft Board agenda items and supporting materials for Board action, in full compliance with the Texas Open Meetings Act.
9. Attend, in person any staff and/or Board meetings as necessary to keep Client informed of the status of the engagement.
10. Coordinate with Client's school finance consultants to ensure all required analyses to properly protect the District's financial interests have been completed in a timely manner.
11. Secure and forward all required supplemental information necessary to assist the staffs of the Comptroller and, as applicable, the Texas Education Agency (TEA); the Texas



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Workforce Commission, and the Texas Economic Development and Tourism Office with the analyses required by the rules adopted by the respective agencies.

12. Track all deadlines including Tex. Tax Code § 313.025(b) and, if required prepare and transmit extension of time documentation to the required stakeholders in order that not later than 150 days after the Application Review Start Date, an Agreement is presented to the Board for final approval or action upon a request from the Applicant for an extension of the Application Review Period has been timely executed and forwarded to the Comptroller.
13. Secure the required Certification from the Texas Comptroller's Office as a prerequisite for application approval by the Board.
14. Prepare appropriate documentation and materials, including agenda postings, to ensure a proper Public Hearing on the Application is held at which the Superintendent, the District's consultants, the Applicant, and members of the public shall have a reasonable opportunity to present their views on the proposed Application.
15. Ensure that required conflict of interest filings are prepared and reviewed at critical stages of the application approval process by all stakeholders.
16. In conjunction with the Client's school finance consultants, prepare and have presented for Board review and adoption such findings of fact regarding the Application as are required by law.
17. Review the financial impact of any proposed agreement with the Client's Board and executive staff and with the District's school finance consultants to ensure that the full financial consequences of the agreement are understood by and acceptable to Client.
18. In accordance with Client instructions, negotiate final terms of a proposed tax limitation agreement, to include the maximum possible financial protections for the Client, and in accordance with Client directives, negotiate terms for supplemental payments as are allowed under law and consistent with Client directives, and present any recommendations concerning the negotiations to the Client.
19. Ensure that the District and the Comptroller are provided draft copies of the Agreement at least twenty (20) days prior to the meeting at which the Board is scheduled to consider final approval of an Agreement, and secure Comptroller approval of such draft prior to final Board action.
20. Ensure that after final Board approval of any Chapter 313 agreement, fully executed copies of such agreement are distributed to all appropriate parties and stakeholders.



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III. Fees for Services under Section II: Our firm policy is to charge its school district clients a flat fee of \$37,500.00 for all services provided to the District under Section II, above. For services under Section II, Client will be billed for services upon final Client approval of completed Chapter 313 Agreement, or in the event of withdrawal of the Chapter 313 application from Client consideration, if Applicant no longer wishes to proceed with its Application.

IV. Post Agreement Legal Services: After the approval and execution of a Tax Limitation Agreement as contemplated by Section II, above, our firm will on an annual basis, provide Client with all legal representation necessary to:

1. Advise Client with respect to its obligations and entitlements under the Agreement.
2. Assist the appointed Third-Party under the Agreement with the performance of their duties.
3. Monitor new legal developments and ensure full Client compliance requirements imposed, from time-to-time by the Texas Comptroller's Office, the Texas Education Agency, or any State regulatory or Legislative agency, including audits by the State Auditor.
4. Represent the District with respect to all Public Information Act requests concerning the Chapter 313 Agreement or its compliance requirements.
5. Assemble draft and file all required reports to regulatory agencies.
6. Draft and present to the Board for possible adoption, including the drafting of required agenda items and supporting materials, all required post-agreement resolutions of Findings necessary to ensure ongoing compliance.
7. Advise Client and represent the District in all appeals or disputes with the Applicant.
8. Represent the District in all mediations or litigation arising out of the Agreement or its enforcement.

V. Fees for Services under Section IV: Billing for services performed from year-to year under Section IV, above will be limited the total fee which can be recovered to from the Applicant under the agreement, after the payment of the Third-Party's fees which will also be recoverable from the Applicant. In addition to the foregoing our firm will be entitled to retain any attorney's fees by a court of competent jurisdiction over matters involving the agreement. Client will not be responsible to the firm for payments of fees and/or expenses more than the amount set forth herein. By way of clarification, our annual fees will not cause the District to budget or expend any monies more than that recoverable from the Chapter 313 Applicant. For services billed under Section IV, in accordance with provisions contained in the Chapter 313 Agreement, Applicant will be directly billed for such services. All invoices will show, on their face the source of payments, ensuring that Client does not incur a net expense for the provision of services under Section IV.



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VI. Termination of Services

This agreement shall continue from-year-to year, along as the Agreement executed under Section 2 remains in effect. **Client's Obligations to our firm under Sections III and V may be terminated at any time in the sole discretion of the Client.** In the event of termination by Client, our firm shall be compensated for the work performed for Client prior to the date of termination. Our firm may cancel terminate this agreement only upon ninety (90) days prior notice to client

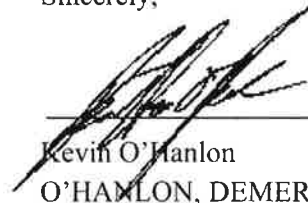
VII. Conflict Issues: We have reviewed the goals that the Client wishes to achieve through this engagement and have examined our relationship with the proposed applicant. We have not detected any conflict between our firm and your interests in this engagement.

VIII. Submission of Additional Documentation: Contemporaneously with the submission of this Engagement Letter we are submitting the following additional documentation

- a. A complete Vendor Conflict of Interest Disclosure Form (Texas Ethics Commission Form CIQ)
- b. Completed Internal Revenue Service Form W-9

On a personal note, I am very pleased that are considering our firm to assist in this important project. We look forward to serving you, and we shall use our best efforts on your behalf. We firmly believe that the experience that our legal team brings to the engagement will enable the Client to both control its legal risk, while providing the highest possible benefit for the Client and its constituents.

Sincerely,



Kevin O'Hanlon
O'HANLON, DEMERATH & CASTILLO

AGREED TO:

By: _____
Superintendent



— O'HANLON —
DEMERATH & CASTILLO

Attachment A

Compliance with House Bill 89 and Senate Bill 252

Due to the passage of House Bill 89 and Senate Bill 252 during the 85th Texas Legislative Session, effective September 1, 2017, any entity contacting with a school district must adhere to following:

Compliance with House Bill 89: A governmental entity may not enter into a contract with a company for good or services unless the contract contains a written verification from the company that it does not boycott Israel and will not boycott Israel during the term of the contract.

Compliance with Senate Bill 252: A governmental entity may not enter into a contract with a company engaged in business with Iran, Sudan or a foreign terrorist organization identified on a list prepared by the Texas Comptroller.

In signing this attachment, I attest that O'Hanlon, Demerath & Castillo is in compliance with HB 89 and SB 252.

Kevin O'Hanlon
Partner
O'Hanlon Demerath & Castillo

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2019-448212

Date Filed:
02/04/2019

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Moak, Casey & Associates
Austin, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Scurry-Rosser ISD

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

TBD
Consulting Services

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Casey, Daniel	Austin, TX United States	X	
	Moak, Lynn	Austin, TX United States	X	

5 Check only if there is NO Interested Party. ☐

6 UNSWORN DECLARATION

My name is Daniel T. Casey and my date of birth is 8/13/1951

My address is 901 S. Moapa Expressway, Bldg III ^{Suite 310} Austin TX 78746 USA
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Travis County, State of Texas, on the 4th day of February, 20 19
(month) (year)



Signature of authorized agent of contracting business entity
(Declarant)

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

Moak, Casey & Associates

2 ☐ Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

Scurry-Rosser ISD Board of Trustees and Superintendent

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☒ No

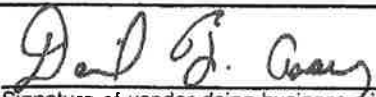
B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes ☒ No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

None

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7 
Signature of vendor doing business with the governmental entity

2-4-2019

Date

Attachment A

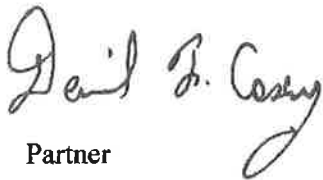
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Compliance with Senate Bill 252: A governmental entity may not enter into a contract with a company engaged in business with Iran, Sudan or a foreign terrorist organization identified on a list prepared by the Texas Comptroller.

In signing this attachment, I attest that Moak Casey & Associates is in compliance with HB 89 and SB 252.

A handwritten signature in dark ink, appearing to read "David B. Casey". The signature is fluid and cursive, with the first name "David" being more prominent than the last name "Casey".

Partner

Moak, Casey & Associates
910 S. Mopac Expressway
Building III, Suite 310
Austin, Texas 78746

4.2. If to District:

Mr. James Sanders
Superintendent
SCURRY ROSSER ISD
10705 South State Highway 34
Scurry, Texas 75158

DISTRICT:

SCURRY ROSSER INDEPENDENT SCHOOL
DISTRICT

CONSULTANT:

MOAK, CASEY & ASSOCIATES, INC.



Printed Name: _____

Daniel T. Casey
Partner

Date: _____

Date: February 11, 2019

- 2.8. No provision of this Agreement shall be construed to prevent Consultant from undertaking sponsored research or services on Texas statewide school finance issues.
- 2.9. No provision of this Agreement shall be construed to entitle the District to access to general statewide finance modeling services and analyses prepared by Consultant except as covered under Part I.
- 2.10. This Agreement shall be in force upon action taken by the Board of Trustees, until the Services set forth herein as Items 1.1 to 1.5 have been completed, and for the services provided under Items 1.6 and 1.7 shall continue from year-to-year while the Value Limitation Agreement is in effect.
- 2.11. Services under this Agreement may be terminated at any time at the sole discretion of the District. In event of such termination by the District, District shall pay Consultant prorated fees for the services performed prior to the date of termination.
- 2.12. Consultant may cancel this agreement only upon ninety (90) days prior notice to the District.

PART III. FEES AND EXPENSES

- 3.1. The fee shall be \$37,500 for the term of the Agreement, inclusive of expenses.
- 3.2. Fees shall be paid upon execution of this Contract, but only after receipt of the Completeness Letter as issued by the Texas Comptroller's Office.
- 3.3. All payments shall be due upon receipt of an invoice.
- 3.4. Fees paid under this Agreement by the District for Services listed as Items 1.1 to 1.5 are to be paid from the Application Fee established by the District pursuant to Section 313.031(b), Texas Tax Code.
- 3.5. In no event shall the District be billed for Consultant expenses relating to the Services provided as Items 1.6 and 1.7, beyond the amounts that are allowed to be paid under the Chapter 313 Value Limitation Agreement.

PART IV. NOTICES AND MAILINGS

Invoices, payments, and other official communications shall be considered delivered if mailed to the following, or to such other address as may be designated, in writing, from time to time:

- 4.1. If to Consultant:

Mr. Daniel T. Casey, Partner
MOAK, CASEY & ASSOCIATES, INC.
901 S. MoPac Expressway
Building III, Suite 310
Austin, Texas 78746

- 1.6. *Prepare annual calculations required under the Value Limitation Agreement and annual and biennial reports required by the State Comptroller's Office and Texas Education Agency following execution of the Value Limitation Agreement. The annual financial calculations and the annual and biennial reports will be prepared by the Consultant as required, at no expense to the District.*
- 1.7. *Provide staff support for the District if it is subject to a review by the State Auditor's Office. In the event the District's Chapter 313 agreement is subject to a review by the State Auditor's Office, Consultant will provide staff support to address the information requirements associated with the audit, at no expense to the District.*

PART II. GENERAL PROVISIONS

In performing these Services, Consultant and the District agree to the following additional terms and conditions:

- 2.1. Consultant shall be available for direct consultation with the Board of Trustees of the District, but shall maintain its primary contact with Mr. James Sanders, its Superintendent.
- 2.2. The District shall provide for the reproduction and dissemination of major reports or other written materials.
- 2.3. Services provided by Consultant shall be provided by direct staff of Consultant or through resources under subcontract.
- 2.4. The District shall promptly provide Consultant with necessary background information relating to financial and other pertinent data.
- 2.5. Information obtained by Consultant from the District shall remain confidential unless authorization for the release of the information has been approved by an authorized representative of the District, or unless disclosure of the information is required by the Texas Public Information Act.
- 2.6. Consultant is not an employee of the District, and is not entitled to fringe benefits, pension, workers' compensation, retirement, etc. The District shall not deduct Federal income taxes, FICA (Social Security), or any other taxes required to be deducted by an employer, as this is the responsibility of Consultant. Consultant shall indemnify and hold the District harmless from any and all liability to the Internal Revenue Service for the payment of any taxes or withholding paid to Consultant under this Agreement. Consultant shall also indemnify and hold harmless the District, its officials and employees, against claims for damages, personal injury or death caused by the acts or omissions of Consultant or Consultant's employees or subcontractors in the performance of this Agreement.
- 2.7. Nothing in this Agreement shall be construed to prevent Consultant from entering into agreements with other individual school districts or other education groups regarding financial planning, legal, consulting, and other related services that do not conflict with this Agreement.



CONSULTING AGREEMENT

By and Between the

SCURRY ROSSER INDEPENDENT SCHOOL DISTRICT

and

MOAK, CASEY & ASSOCIATES, INC.

MOAK, CASEY & ASSOCIATES, INC. ("Consultant"), agrees to provide the services ("Services") indicated in this consulting agreement ("Agreement") in return for fees as enumerated below to the **SCURRY ROSSER INDEPENDENT SCHOOL DISTRICT** ("District"), relating to an Application for Appraised Value Limitation on Qualified Property ("Value Limitation") from the **LILY SOLAR, LLC** ("Company"), for a new solar renewable energy facility, pursuant to Chapter 313, Texas Tax Code. The Services include the components listed below.

PART I. SERVICES

Consultant shall:

- 1.1. *Brief the school board, senior administrators and community leaders:* Consultant will provide a comprehensive briefing on the mandatory procedures, rules of the Comptroller's Office, financial risks, and impact under the Texas school finance system.
- 1.2. *Analyze the Company's Application Prior to Submission to the Comptroller's Office:* Consultant will review the Company's application in detail for completeness prior to submission to the Comptroller's Office.
- 1.3. *Monitor the Comptroller's and T.E.A.'s application review:* Consultant will continually monitor the Comptroller's economic analysis and assessment of the project as well as any review by T.E.A. to ensure that all information requests and any other issues are addressed during the review process.
- 1.4. *Prepare school-finance analysis:* Consultant will use district-specific financial models to estimate impact of the proposed economic development over the full period of the Value Limitation process.
- 1.5. *Negotiate with applicant company:* Consultant will undertake informal and formal negotiations with the Company or its representatives, as directed by the District.