
FINDINGS
OF THE
BRADY INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
RATTLESNAKE POWER, LLC
(Texas Taxpayer ID #12608649864)
(Application #1101)

December 19, 2016

FINDINGS OF THE BRADY INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY RATTLESNAKE POWER, LLC

STATE OF TEXAS §
 §
COUNTY OF MCCULLOCH §

On the 19th day of December 2016, a public meeting of the Board of Trustees of the Brady Independent School 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 Amended Application (“Application”) of Rattlesnake Power, LLC (Application #1101) 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. After hearing presentations from the District’s administrative staff, and from attorneys and consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Brady Independent School District makes the following findings with respect to the Application of Rattlesnake Power, LLC #1101, and the economic impact of that Application:

On August 15, 2016, the Superintendent of Schools of the Brady Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from Rattlesnake Power, LLC #1101 for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, Rattlesnake Power, LLC (Taxpayer Id. No. 12608649864) (“Applicant”), consists of entities subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

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

Board Findings of the Brady Independent School District

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the McCulloch County Appraisal District for review pursuant to 34 Texas Administrative Code § 9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a determination that the Application was complete was issued on December 15, 2016. A copy of the Comptroller's completeness letter is attached to the findings as **Attachment C**.

After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation on December 19, 2016 pursuant to Texas Tax Code § 313.026 and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Attachment D**.

The Board of Trustees also directed that a specific financial analysis be conducted of the impact of the proposed value limitation on the finances of the Brady Independent School District. A copy of a report prepared by Jigsaw School Finance Solutions, LLC is attached to these findings as **Attachment E**.

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

After receipt of the Application, the District submitted a proposed form of Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, in the form required by the Comptroller of Public Accounts. The proposed Agreement and letter approving same are attached to these findings as **Attachment G**.

The Texas Commissioner of Education has determined that the project will not impact school enrollment, as stated in **Attachment H**.

After review of the Comptroller's recommendation, and in consideration of its own economic impact study the Board finds:

Board Finding Number 1.

The Applicant qualifies for a limitation on appraised value of Qualified Property under Section 313.024, Texas Tax Code, in the eligibility category of Renewable Energy, Electric Generation.

Board Finding Number 2.

The Applicant's entire proposed investment in the Brady ISD is \$165,750,000—all of which is proposed to be Qualified Investment under Section 313.021, Texas Tax Code.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least \$44,000 per year. The review of the Application by the State Comptroller's Office indicates that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs pay more than the minimum weekly wage required for Qualified Jobs under Section 313.021, Texas Tax Code.

Board Finding Number 4.

The level of the Applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$41 million on the basis of the 4 new qualifying positions committed to by the Applicant for this project.

In support of Finding 4, the economic impact evaluation states:

The project's total investment is \$165,750,000, resulting in a relative level of investment per qualifying job of \$41,437,500.

Board Finding Number 5.

The Applicant has requested a waiver of the job creation requirement under Section 313.25(f-1), Texas Tax Code, and the Board finds such waiver request should be granted.

In support of Finding 5, the Board notes that the number of jobs proposed for this project (4 jobs) is consistent with industry standards in the renewable energy industry.

Board Finding Number 6.

Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region.

In support of Finding 6, the economic impact evaluation states: **Table 2** depicts this project's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment

Board Findings of the Brady Independent School District

and personal income within the state. The Comptroller’s office calculated the economic impact based on 15 years of annual investment and employment levels.

Table 2: Estimated Statewide Economic Impact of Rattlesnake Power, LLC(modeled)

| Year | Employment | | | Personal Income | | |
|------|------------|--------------------|-------|-----------------|--------------------|---------------|
| | Direct | Indirect + Induced | Total | Direct | Indirect + Induced | Total |
| 2017 | 360 | 339 | 699 | \$ 13,512,240 | \$ 31,582,180 | \$ 45,094,420 |
| 2018 | 4 | 41 | 45 | \$ 176,000 | \$ 5,801,360 | \$ 5,977,360 |
| 2019 | 4 | 22 | 26 | \$ 176,000 | \$ 4,092,230 | \$ 4,268,230 |
| 2020 | 4 | 7 | 11 | \$ 176,000 | \$ 2,628,850 | \$ 2,804,850 |
| 2021 | 4 | (1) | 3 | \$ 176,000 | \$ 1,633,360 | \$ 1,809,360 |
| 2022 | 4 | (4) | 0 | \$ 176,000 | \$ 989,610 | \$ 1,165,610 |
| 2023 | 4 | (6) | -2 | \$ 176,000 | \$ 571,790 | \$ 747,790 |
| 2024 | 4 | (6) | -2 | \$ 176,000 | \$ 322,850 | \$ 498,850 |
| 2025 | 4 | (5) | -1 | \$ 176,000 | \$ 233,280 | \$ 409,280 |
| 2026 | 4 | (3) | 1 | \$ 176,000 | \$ 221,430 | \$ 397,430 |
| 2027 | 4 | (2) | 2 | \$ 176,000 | \$ 296,570 | \$ 472,570 |
| 2028 | 4 | (0) | 4 | \$ 176,000 | \$ 374,720 | \$ 550,720 |
| 2029 | 4 | (0) | 4 | \$ 176,000 | \$ 262,110 | \$ 438,110 |
| 2030 | 4 | 0 | 4 | \$ 176,000 | \$ 254,580 | \$ 430,580 |
| 2031 | 4 | 1 | 5 | \$ 176,000 | \$ 273,260 | \$ 449,260 |
| 2032 | 4 | 1 | 5 | \$ 176,000 | \$ 296,620 | \$ 472,620 |

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and McCulloch County, with all property tax incentives sought being granted using estimated market value from the Application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with McCulloch County and Heart of Texas Memorial Hospital District. The difference noted in the last line is the difference between **Table 3** and **Table 4**:

Table 4: Estimated Direct Ad Valorem Taxes with all property tax incentives sought

| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | Brady ISD I&S Tax Levy | Brady ISD M&O Tax Levy | Brady ISD M&O and I&S Tax Levies | McCulloch County Tax Levy | Heart of Texas Memorial Hospital District Tax Levy | Estimated Total Property Taxes | |
|------|---------------------------------|---------------------------------|-----------------------------|------------------------|----------------------------------|---------------------------|--|--------------------------------|----------------------|
| | | | Tax Rate¹ | 0.3052 | 1.0400 | 0.4862 | 0.1162 | | |
| 2018 | \$ 163,114,000 | \$ 25,000,000 | \$ 497,824 | \$ 260,000 | \$ 757,824 | \$ 126,890 | \$ 185,713 | \$ 1,070,426 | |
| 2019 | \$ 151,727,000 | \$ 25,000,000 | \$ 463,071 | \$ 260,000 | \$ 723,071 | \$ 118,031 | \$ 172,748 | \$ 1,013,850 | |
| 2020 | \$ 141,135,500 | \$ 25,000,000 | \$ 430,746 | \$ 260,000 | \$ 690,746 | \$ 109,792 | \$ 160,689 | \$ 961,227 | |
| 2021 | \$ 131,285,400 | \$ 25,000,000 | \$ 400,683 | \$ 260,000 | \$ 660,683 | \$ 102,130 | \$ 149,474 | \$ 912,287 | |
| 2022 | \$ 122,123,700 | \$ 25,000,000 | \$ 372,722 | \$ 260,000 | \$ 632,722 | \$ 95,002 | \$ 139,043 | \$ 866,767 | |
| 2023 | \$ 113,602,400 | \$ 25,000,000 | \$ 346,715 | \$ 260,000 | \$ 606,715 | \$ 88,374 | \$ 129,341 | \$ 824,429 | |
| 2024 | \$ 105,677,400 | \$ 25,000,000 | \$ 322,527 | \$ 260,000 | \$ 582,527 | \$ 82,209 | \$ 120,318 | \$ 785,054 | |
| 2025 | \$ 98,305,800 | \$ 25,000,000 | \$ 300,029 | \$ 260,000 | \$ 560,029 | \$ 76,474 | \$ 111,926 | \$ 748,429 | |
| 2026 | \$ 91,449,600 | \$ 25,000,000 | \$ 279,104 | \$ 260,000 | \$ 539,104 | \$ 71,140 | \$ 104,119 | \$ 714,364 | |
| 2027 | \$ 85,072,700 | \$ 25,000,000 | \$ 259,642 | \$ 260,000 | \$ 519,642 | \$ 66,180 | \$ 96,859 | \$ 682,681 | |
| 2028 | \$ 80,832,200 | \$ 80,832,200 | \$ 246,700 | \$ 840,655 | \$ 1,087,355 | \$ 393,006 | \$ 93,909 | \$ 1,574,270 | |
| 2029 | \$ 76,804,000 | \$ 76,804,000 | \$ 234,406 | \$ 798,762 | \$ 1,033,167 | \$ 373,421 | \$ 89,229 | \$ 1,495,818 | |
| 2030 | \$ 72,977,200 | \$ 72,977,200 | \$ 222,726 | \$ 758,963 | \$ 981,689 | \$ 354,815 | \$ 84,783 | \$ 1,421,288 | |
| 2031 | \$ 69,340,700 | \$ 69,340,700 | \$ 211,628 | \$ 721,143 | \$ 932,771 | \$ 337,134 | \$ 80,559 | \$ 1,350,464 | |
| 2032 | \$ 65,885,500 | \$ 65,885,500 | \$ 201,083 | \$ 685,209 | \$ 886,292 | \$ 320,335 | \$ 76,544 | \$ 1,283,172 | |
| | | | Total | \$ 4,789,605 | \$ 6,404,732 | \$ 11,194,336 | \$ 2,714,934 | \$ 1,795,256 | \$ 15,704,526 |
| | | | Diff | \$ 0 | \$ 9,916,332 | \$ 9,916,332 | \$ 4,915,164 | \$ 27,964 | \$ 14,859,460 |

¹Tax Rate per \$100 Valuation

Board Findings of the Brady Independent School District

Table 3 illustrates the estimated tax impact of the Applicant’s project on the region if all taxes are assessed.

| Table 3: Estimated Direct Ad Valorem Taxes without property tax incentives | | | | | | | | | |
|---|---------------------------------|---------------------------------|------------------------|------------------------|----------------------------------|---------------------------|--|--------------------------------|----------------------|
| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | Brady ISD I&S Tax Levy | Brady ISD M&O Tax Levy | Brady ISD M&O and I&S Tax Levies | McCulloch County Tax Levy | Heart of Texas Memorial Hospital District Tax Levy | Estimated Total Property Taxes | |
| | | | Tax Rate ¹ | 0.3052 | 1.0400 | 0.4862 | 0.1162 | | |
| 2018 | \$ 163,114,000 | \$ 163,114,000 | \$ | 497,824 | \$ 1,696,386 | \$ 2,194,210 | \$ 793,060 | \$ 189,503 | \$ 3,176,772 |
| 2019 | \$ 151,727,000 | \$ 151,727,000 | \$ | 463,071 | \$ 1,577,961 | \$ 2,041,032 | \$ 737,697 | \$ 176,273 | \$ 2,955,002 |
| 2020 | \$ 141,135,500 | \$ 141,135,500 | \$ | 430,746 | \$ 1,467,809 | \$ 1,898,555 | \$ 686,201 | \$ 163,968 | \$ 2,748,724 |
| 2021 | \$ 131,285,400 | \$ 131,285,400 | \$ | 400,683 | \$ 1,365,368 | \$ 1,766,051 | \$ 638,310 | \$ 152,525 | \$ 2,556,886 |
| 2022 | \$ 122,123,700 | \$ 122,123,700 | \$ | 372,722 | \$ 1,270,086 | \$ 1,642,808 | \$ 593,765 | \$ 141,881 | \$ 2,378,454 |
| 2023 | \$ 113,602,400 | \$ 113,602,400 | \$ | 346,715 | \$ 1,181,465 | \$ 1,528,179 | \$ 552,335 | \$ 131,981 | \$ 2,212,495 |
| 2024 | \$ 105,677,400 | \$ 105,677,400 | \$ | 322,527 | \$ 1,099,045 | \$ 1,421,572 | \$ 513,804 | \$ 122,774 | \$ 2,058,150 |
| 2025 | \$ 98,305,800 | \$ 98,305,800 | \$ | 300,029 | \$ 1,022,380 | \$ 1,322,410 | \$ 477,963 | \$ 114,210 | \$ 1,914,582 |
| 2026 | \$ 91,449,600 | \$ 91,449,600 | \$ | 279,104 | \$ 951,076 | \$ 1,230,180 | \$ 444,628 | \$ 106,244 | \$ 1,781,052 |
| 2027 | \$ 85,072,700 | \$ 85,072,700 | \$ | 259,642 | \$ 884,756 | \$ 1,144,398 | \$ 413,623 | \$ 98,836 | \$ 1,656,857 |
| 2028 | \$ 80,832,200 | \$ 80,832,200 | \$ | 246,700 | \$ 840,655 | \$ 1,087,355 | \$ 393,006 | \$ 93,909 | \$ 1,574,270 |
| 2029 | \$ 76,804,000 | \$ 76,804,000 | \$ | 234,406 | \$ 798,762 | \$ 1,033,167 | \$ 373,421 | \$ 89,229 | \$ 1,495,818 |
| 2030 | \$ 72,977,200 | \$ 72,977,200 | \$ | 222,726 | \$ 758,963 | \$ 981,689 | \$ 354,815 | \$ 84,783 | \$ 1,421,288 |
| 2031 | \$ 69,340,700 | \$ 69,340,700 | \$ | 211,628 | \$ 721,143 | \$ 932,771 | \$ 337,134 | \$ 80,559 | \$ 1,350,464 |
| 2032 | \$ 65,885,500 | \$ 65,885,500 | \$ | 201,083 | \$ 685,209 | \$ 886,292 | \$ 320,335 | \$ 76,544 | \$ 1,283,172 |
| Total | | | \$ | 4,789,605 | \$ 16,321,064 | \$ 21,110,669 | \$ 7,630,098 | \$ 1,823,220 | \$ 30,563,986 |

¹Tax Rate per \$100 Valuation

Board Finding Number 7.

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

Board Finding Number 8.

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 suggesting little underlying enrollment growth based on the impact of the project.

In support of Finding 8, the Board refers to the finding of the Texas Commissioner of Education at **Attachment H** to these findings.

Board Finding Number 9.

The Applicant’s project is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O

Board Findings of the Brady Independent School District

portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the Application.

In support of finding No. 9, **Attachment B** of the economic impact study contains a year-by-year analysis as depicted in the following table:

| | Tax Year | Estimated ISD M&O Tax Levy Generated (Annual) | Estimated ISD M&O Tax Levy Generated (Cumulative) | Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual) | Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative) |
|--|----------|---|---|---|---|
| Limitation Pre-Years | 2015 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | 2016 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | 2017 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Limitation Period (10 Years) | 2018 | \$ 260,000 | \$ 260,000 | \$ 1,436,386 | \$ 1,436,386 |
| | 2019 | \$ 260,000 | \$ 520,000 | \$ 1,317,961 | \$ 2,754,346 |
| | 2020 | \$ 260,000 | \$ 780,000 | \$ 1,207,809 | \$ 3,962,156 |
| | 2021 | \$ 260,000 | \$ 1,040,000 | \$ 1,105,368 | \$ 5,067,524 |
| | 2022 | \$ 260,000 | \$ 1,300,000 | \$ 1,010,086 | \$ 6,077,610 |
| | 2023 | \$ 260,000 | \$ 1,560,000 | \$ 921,465 | \$ 6,999,075 |
| | 2024 | \$ 260,000 | \$ 1,820,000 | \$ 839,045 | \$ 7,838,120 |
| | 2025 | \$ 260,000 | \$ 2,080,000 | \$ 762,380 | \$ 8,600,500 |
| | 2026 | \$ 260,000 | \$ 2,340,000 | \$ 691,076 | \$ 9,291,576 |
| | 2027 | \$ 260,000 | \$ 2,600,000 | \$ 624,756 | \$ 9,916,332 |
| Maintain Viable Presence (5 Years) | 2028 | \$ 840,655 | \$ 3,440,655 | \$ 0 | \$ 9,916,332 |
| | 2029 | \$ 798,762 | \$ 4,239,416 | \$ 0 | \$ 9,916,332 |
| | 2030 | \$ 758,963 | \$ 4,998,379 | \$ 0 | \$ 9,916,332 |
| | 2031 | \$ 721,143 | \$ 5,719,523 | \$ 0 | \$ 9,916,332 |
| | 2032 | \$ 685,209 | \$ 6,404,732 | \$ 0 | \$ 9,916,332 |
| Additional Years as Required by 313.026(c)(1) (10 Years) | 2033 | \$ 651,077 | \$ 7,055,809 | \$ 0 | \$ 9,916,332 |
| | 2034 | \$ 618,644 | \$ 7,674,453 | \$ 0 | \$ 9,916,332 |
| | 2035 | \$ 587,826 | \$ 8,262,279 | \$ 0 | \$ 9,916,332 |
| | 2036 | \$ 558,550 | \$ 8,820,829 | \$ 0 | \$ 9,916,332 |
| | 2037 | \$ 530,732 | \$ 9,351,560 | \$ 0 | \$ 9,916,332 |
| | 2038 | \$ 504,300 | \$ 9,855,861 | \$ 0 | \$ 9,916,332 |
| | 2039 | \$ 479,192 | \$ 10,335,053 | \$ 0 | \$ 9,916,332 |
| | 2040 | \$ 455,335 | \$ 10,790,388 | \$ 0 | \$ 9,916,332 |
| | 2041 | \$ 434,897 | \$ 11,225,285 | \$ 0 | \$ 9,916,332 |
| | 2042 | \$ 434,798 | \$ 11,660,083 | \$ 0 | \$ 9,916,332 |

\$ 11,660,083 is greater than \$ 9,916,332

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

Board Finding Number 10.

The limitation on appraised value requested by the Applicant is a determining factor in the Applicant’s decision to invest capital and construct the project in this state.

Board Finding Number 11.

The ability of the Applicant to locate the proposed facility in another state or another region of this state is substantial, as a result of the highly competitive marketplace for economic development.

In support of Findings Nos. 10 and 11, **Attachment C** of the economic impact study states:

The Comptroller has determined that the limitation on appraised value is a determining factor in the Applicant’s decision to invest capital and construct the project in this state. This is based on

Board Findings of the Brady Independent School District

information available, including information provided by the Applicant. Specifically, the comptroller notes the following:

- Per the Applicant, its parent company is an international solar and wind developer and can locate this type of projects in other states.
- Per the Applicant, it is actively developing other projects throughout the US.
- Per the Applicant, wholesale electricity price in Texas is below international average.
- Per the Applicant, California has subsidies and higher power prices, making it an attractive alternative to Texas.
- Per the Applicant, without Chapter 313 incentives, the lower return makes this project not financeable.
- In September, 2015, the McCulloch County Commissioners voted to approve a tax abatement agreement for this project. The County Judge stated the project would help diversify the County's industrial base and improve the economic vitality of the County.
- Per the Applicant, it has entered into certain leases and obtained certain permits, but none would obligate the company to construct the project.

Supporting Information

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

Board Finding Number 12.

The Board of Trustees of the Brady Independent School District hired consultants to review and verify the information in Application #1101. Based upon the consultants' review, the Board has determined that the information provided by the Applicant appears to be true and correct.

Board Finding Number 13.

The Board of Trustees has determined that the Tax Limitation Amount requested by the Applicant is currently Twenty-Five Million Dollars, which is consistent with the minimum values currently set out by Texas Tax Code, § 313.054(a).

Board Finding Number 14.

The Applicant (Taxpayer Id. 12608649864) is eligible for the limitation on appraised value of Qualified Property as specified in the Agreement based on its “good standing” certification as a franchise-tax paying entity.

Board Finding Number 15.

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.

Board Finding Number 16.

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

[Signature Page to Follow]

Board Findings of the Brady Independent School District

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 Brady Independent School 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 Brady Independent School District.

Dated the 19th day of December, 2016.

BRADY INDEPENDENT SCHOOL DISTRICT

By: 

Brent Raybion
President, Board of Trustees

ATTEST:

By: 

Sandra Keith
Secretary, Board of Trustees

Findings and Order of the Brady Independent School District Board of Trustees under the Texas
Economic Development Act on the Application Submitted by Rattlesnake Power, LLC
(Tax ID 12608649864) (Application # 1101)

ATTACHMENT A
Application of
Rattlesnake Power, LLC

Rattlesnake Power, LLC

Chapter 313 Application to Brady ISD

Cummings Westlake, LLC

TAB 1

Pages 1 through 7 of application.



Application for Appraised Value Limitation on Qualified Property

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

| | |
|------------------------|--------------|
| Sam | Gregson |
| First Name | Last Name |
| Senior Consultant | |
| Title | |
| Cummings Westlake LLC | |
| Firm Name | |
| 713-266-4456 | 713-266-2333 |
| Phone Number | Fax Number |
| sgregson@cwlp.net | |
| Business Email Address | |

SECTION 3: Fees and Payments

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

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

1a. If yes, attach in Tab 2 proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? Yes No N/A

3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Rattlesnake Power, LLC

2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 12608649864

3. List the NAICS code 221115
Amending to reflect current active Tax ID Number

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

4a. If yes, please list application number, name of school district and year of agreement
Lohn ISD #1096

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Company

2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? Yes No

2a. If yes, attach in Tab 3 a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.

3. Is the applicant current on all tax payments due to the State of Texas? Yes No

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

5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in Tab 3)

Application for Appraised Value Limitation on Qualified Property

SECTION 9: Projected Timeline

- 1. Application approval by school board ... March 29, 2016
2. Commencement of construction ... Q1 - 2017
3. Beginning of qualifying time period ... March 29, 2016
4. First year of limitation ... 2018
5. Begin hiring new employees ... December 2017
6. Commencement of commercial operations ... December 2017
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date ... [X] Yes [] No
8. When do you anticipate the new buildings or improvements will be placed in service? ... December 2017

Note: Improvements made before that time may not be considered qualified property.

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located ... McCulloch County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property ... McCulloch CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ... [X] Yes [] No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
County: McCulloch, \$0.483129, 100%
City: N/A
Hospital District: H.O.T. Hosp. Dist., \$0.122254, 100%
Water District: Hickory UWCD #1, \$0.035, 15%
Other (describe): N/A
5. Is the project located entirely within the ISD listed in Section 1? ... [] Yes [X] No
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ... [] Yes [X] No

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at www.texasahead.org/tax_programs/chapter313/.

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? ... 20,000,000.00
2. What is the amount of appraised value limitation for which you are applying? ... 25,000,000.00
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ... [X] Yes [] No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 7);
b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7); and
c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (Tab 11).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ... [X] Yes [] No

Tab 2

Proof of Payment of Application Fee

Proof of payment attached.

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

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

Rattlesnake Power, LLC

Chapter 313 Application to Brady ISD

Cummings Westlake, LLC

TAB 4

Detailed Description of the Project

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

Detailed Description of Project

The Rattlesnake Wind Project (“Rattlesnake” or the “Project”) is a proposed wind energy generation project located in McCulloch County Texas. The Project is anticipated to consist of 64 wind turbines which when operational will be capable of generating 160 MW. Additional Project facilities will include a Project Operations and Maintenance Facility, a main project substation, and a 16 mile transmission line to connect the project to the existing electrical grid. The Project is situated on an uprising known as the Brady Mountains. The ridgeline runs predominantly east-west which runs perpendicular to the prevailing wind direction. The Project area is comprised almost entirely of rangeland (>90 %), utilized for grazing, hunting and off-road recreation and is well suited for a wind farm. The project will be located on approximately 12,000 acres of private land which has been leased under a 30 year wind lease. The project is planned to be interconnected to LCRA’s 345kV system located approximately 15 miles north of the Project. Private easements have been obtained for the transmission line connecting the project to LCRA’s existing system.

The proposed project will include but is not limited to the following:

- 64 turbines, 52 of which will be located in Brady ISD
- There will be underground and potentially overhead medium voltage electric cabling connecting the turbines to the project substation.
- The project will be connected by a series of private gravel roads
- The project will require a 345kV substation, this substation will be located in Brady ISD
- The project will have a 345kV high-voltage transmission line which will be approximately 16 miles long, this transmission line will be located in Brady ISD
- The project will have a single Operations & Maintenance Building which will house spare parts, have mechanics bays and about 2000 sq ft of office space. This O&M building will be located in Brady ISD

Rattlesnake Power, LLC

Chapter 313 Application to Brady ISD

Cummings Westlake, LLC

- The project will have meteorological equipment to measure weather conditions and wind speeds final location of measurement tower(s) will depend on the final turbine selection and project finance requirements

Full construction of the Project is anticipated to begin in the 1st Quarter of 2017 with completion by December 31, 2017.

**NOTE:* The map in TAB 11 shows the potential locations of the 52 wind turbines within Brady ISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

Rattlesnake Power, LLC

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TAB 6

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

- | | |
|-----------------------------|--------|
| 1) McCulloch County | - 100% |
| 2) Brady ISD | - 80% |
| 3) Lohn ISD | - 20% |
| 4) H.O.T. Hospital District | - 100% |
| 5) Hickory UWCD #1 | - 15% |

Rattlesnake Power, LLC

Chapter 313 Application to Brady ISD

Cummings Westlake, LLC

TAB 7*Description of Qualified Investment*

The Rattlesnake Wind Project (“Rattlesnake” or the “Project”) is a proposed wind energy generation project located in McCulloch County Texas. The Project is anticipated to consist of 64 wind turbines which when operational will be capable of generating 160 MW. Additional Project facilities will include a Project Operations and Maintenance Facility, a main project substation, and a 16 mile transmission line to connect the project to the existing electrical grid. The Project is situated on an uprising known as the Brady Mountains. The ridgeline runs predominantly east-west which runs perpendicular to the prevailing wind direction. The Project area is comprised almost entirely of rangeland (>90 %), utilized for grazing, hunting and off-road recreation and is well suited for a wind farm. The project will be located on approximately 12,000 acres of private land which has been leased under a 30 year wind lease. The project is planned to be interconnected to LCRA’s 345kV system located approximately 15 miles north of the Project. Private easements have been obtained for the transmission line connecting the project to LCRA’s existing system.

The proposed project will include but is not limited to the following:

- 64 turbines, 52 of which will be located in Brady ISD
- There will be underground and potentially overhead medium voltage electric cabling connecting the turbines to the project substation.
- The project will be connected by a series of private gravel roads
- The project will require a 345kV substation, this substation will be located in Brady ISD
- The project will have a 345kV high-voltage transmission line which will be approximately 16 miles long, this transmission line will be located in Brady ISD
- The project will have a single Operations & Maintenance Building which will house spare parts, have mechanics bays and about 2000 sq ft of office space. This O&M building will be located in Brady ISD
- The project will have meteorological equipment to measure weather conditions and wind speeds final location of measurement tower(s) will depend on the final turbine selection and project finance requirements

Rattlesnake Power, LLC

Chapter 313 Application to Brady ISD

Cummings Westlake, LLC

TAB 8

Description of Qualified Property

(See Tab 7)

Rattlesnake Power, LLC

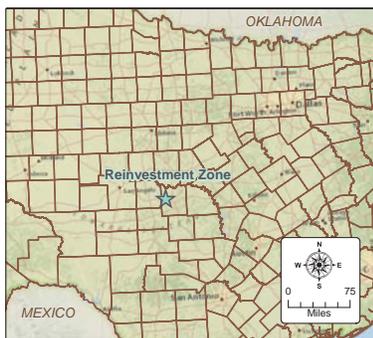
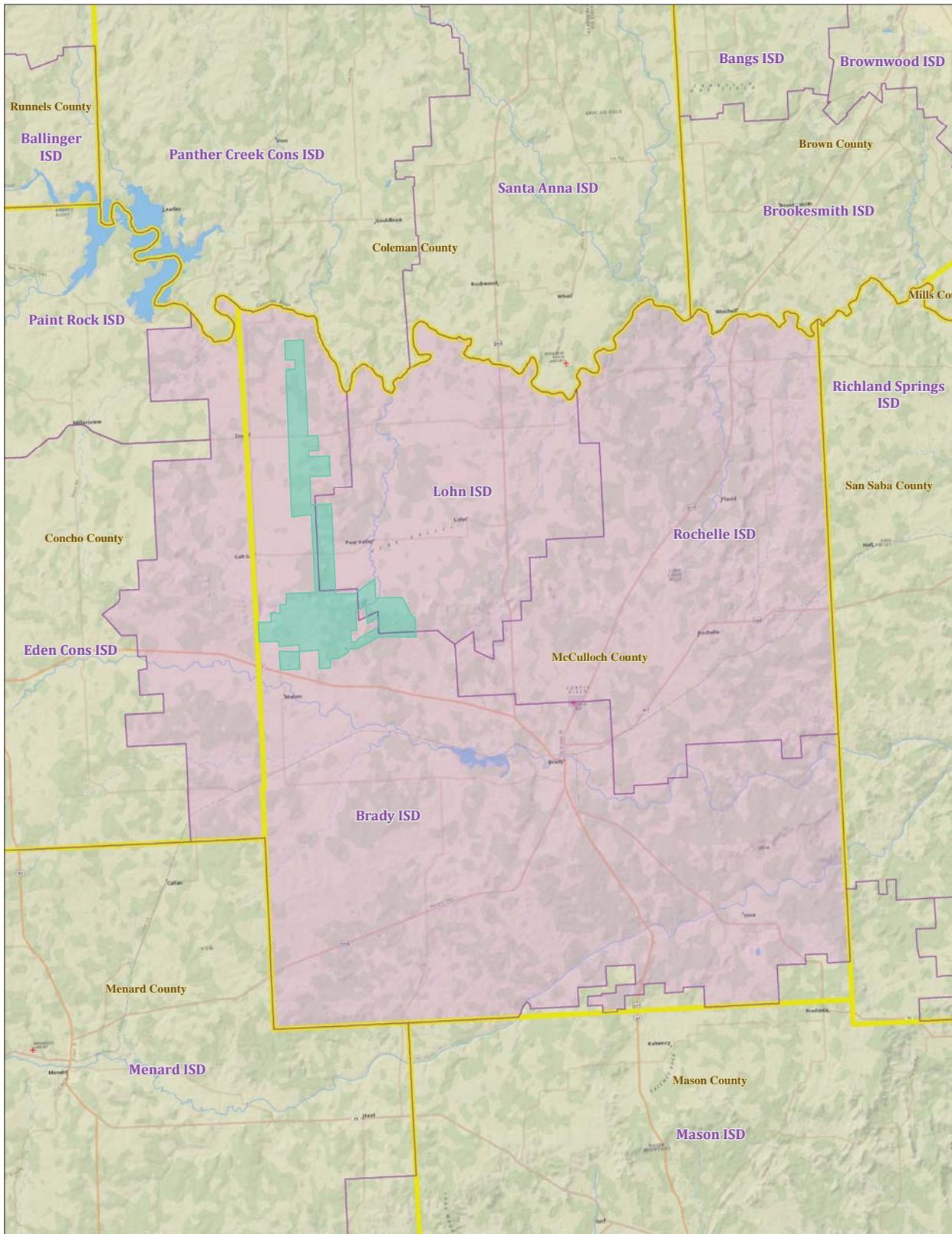
Chapter 313 Application to Brady ISD

Cummings Westlake, LLC

TAB 11

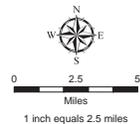
Maps that clearly show:

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



Rattlesnake Wind Project McCulloch County, Texas

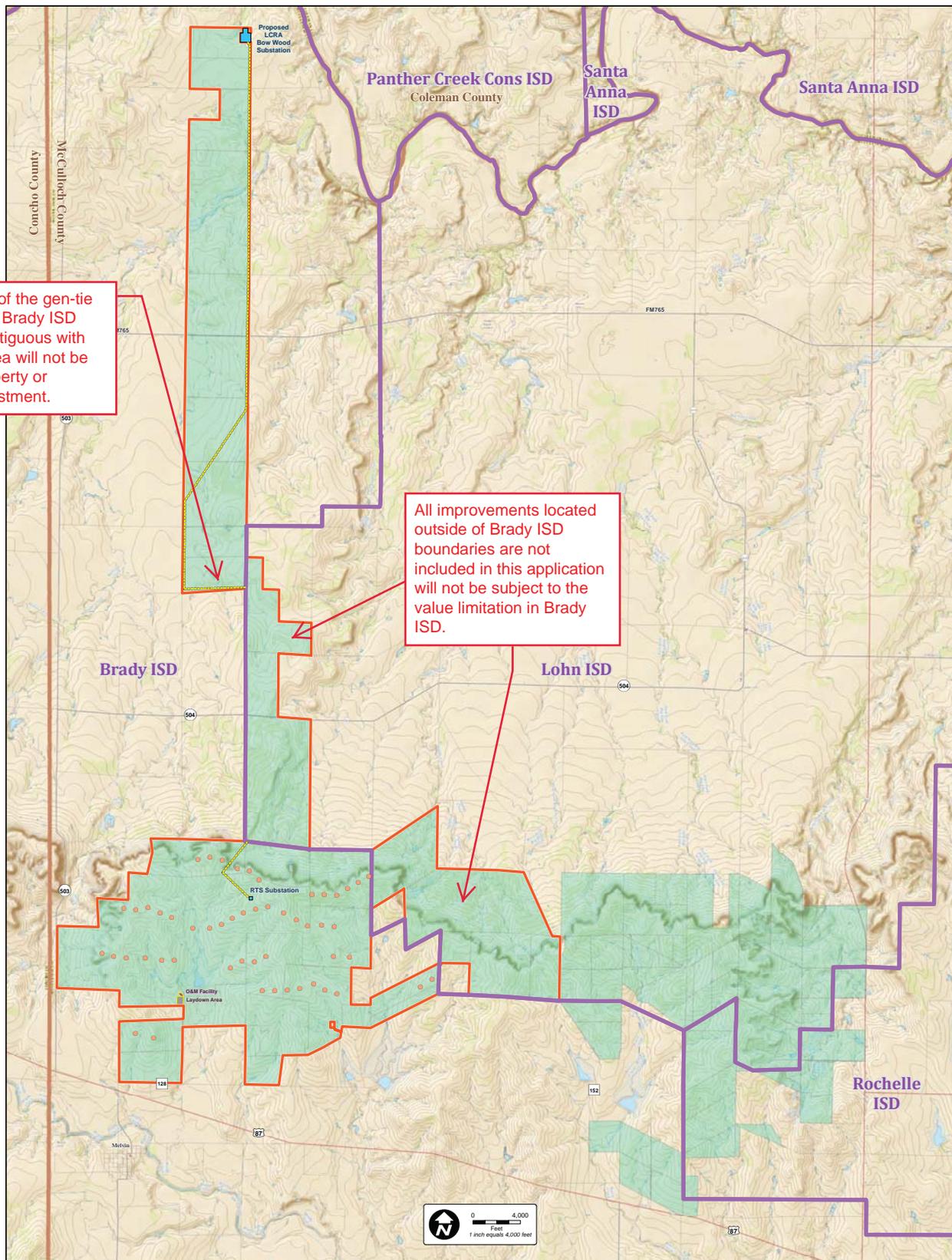
- Reinvestment Zone
- Independent School District Boundary
- County Boundary



**Confidential, Preliminary
and Subject to Change**

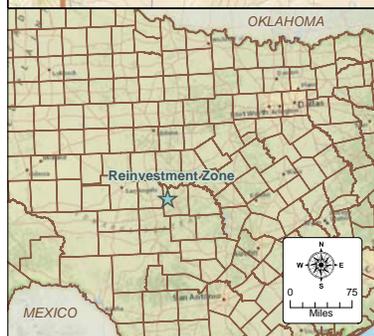
Renewable Energy Systems
res AMERICAS
 11101 W. 120th Ave., Suite 400
 Broomfield, CO, 80021
 Phone: (303) 429-4200
 Fax: (303) 429-4299

This drawing is the property of RES America Developments, Inc. and no reproduction may be made in whole or in part without permission.
 COORDINATE SYSTEM: UTM Zone 14N NAD83
 DRAWN BY: AP Date: 8/5/2015



Any segment of the gas-tie line located in Brady ISD that is not contiguous with the project area will not be Qualified Property or Qualified Investment.

All improvements located outside of Brady ISD boundaries are not included in this application will not be subject to the value limitation in Brady ISD.



Rattlesnake Wind Project Brady ISD McCulloch County, Texas

| | |
|---|---|
| <ul style="list-style-type: none"> Rattlesnake Project Boundary Current McCulloch County Wind Project Reinvestment Zone Independent School District Boundary County Boundary | <ul style="list-style-type: none"> • Turbine Substation O&M Facility Laydown Area Proposed Overhead Transmission |
|---|---|

Confidential, Preliminary and Subject to Change

Renewable Energy Systems
res AMERICAS

11101 W. 120th Ave., Suite 400
 Broomfield, CO, 80021
 Phone: (303) 429-4200
 Fax: (303) 429-4299

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COORDINATE SYSTEM: UTM Zone 14N NAD83
 LAYOUT NUMBER: PUB00022
 DRAWN BY: AP Date: 8/18/2016



Rattlesnake Power, LLC

Chapter 313 Application to Brady ISD

Cummings Westlake, LLC

TAB 14

Schedules A1, A2, B, C and D completed and signed Economic Impact (if applicable)

See attached Schedules A1, A2, B, C and D

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

| | | PROPERTY INVESTMENT AMOUNTS | | | | | | | |
|--|------|--|---|---|--|---|-------------|-------------|--|
| | | (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | |
| | | Column A | Column B | Column C | Column D | Column E | | | |
| | | (Fill in actual tax year below) YYYY | New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property | Other new investment made during this year that will not become Qualified Property [SEE NOTE] | Other new investment made before filing complete application with district that may become Qualified Property [SEE NOTE] | Total Investment (Sum of Columns A+E+C+D) | | | |
| Investment made before filing complete application with district | Year | School Year (YYYY-YYYY) | No eligible to become Qualified Property | 0 | 0 | 0 | 0 | 0 | |
| | | | | | | | | | |
| Investment made after filing complete application with district, but before final board approval of application | | Year preceding the first complete tax year of the qualifying time period (assuming no delinquency of qualifying time period) | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | | | | | | |
| Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period | | | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | | | | | | |
| Complete six years of qualifying time period | QTP1 | 2017-2018 | 165,050,000 | 700,000 | 0 | 0 | 165,750,000 | | |
| | QTP2 | 2018-2019 | 0 | 0 | 0 | 0 | 0 | | |
| Total Investment through Qualifying Time Period [ENTER this row in Schedule A2] | | | 165,050,000 | 700,000 | 0 | 0 | 165,750,000 | | |
| Total Qualified Investment (sum of green cells) | | | Enter amounts from TOTAL row above in Schedule A2 | | | | | 165,750,000 | |

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

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

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings. Dollar value of other investment that may affect economic impact and total value. Examples of other investing property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property. Is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

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

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

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

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

Amended on 8-15-16

Schedule A2: Total Investment for Economic Impact (Including Qualified Property and other Investments)

Date: **8/8/2016**
 Applicant Name: **RATTLESNAKE POWER, LLC**
 ISD Name: **BRADY ISD**

Form 50-296A
 Revised May 2014

| | | PROPERTY INVESTMENT AMOUNTS | | | | | | |
|---|---|---|---|---|---|----------------------------|-------------|--|
| | | Estimated Investment in each year. Do not put cumulative totals. | | | | | | |
| | | Column A | Column B | Column C | Column D | Column E | | |
| | | New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property | New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property | Other investment made during this year that will not become Qualified Property (SEE NOTE) | Other investment made during this year that will become Qualified Property (SEE NOTE) | Total Investment (A+B+C+D) | | |
| | | Enter amounts from TOTAL row in Schedule A1 in the row below | | | | | | |
| | | 165,050,000 | 700,000 | 0 | 0 | 165,750,000 | | |
| Total investment from Schedule A1* | TOTALS FROM SCHEDULE A1 | 165,050,000 | 700,000 | 0 | 0 | 165,750,000 | | |
| | Each year prior to start of value limitation period** | 0 | 0 | 0 | 0 | 0 | 0 | |
| | 1 | 2018-2019 | 2018 | 0 | 0 | 2,080,000 | 2,080,000 | |
| | 2 | 2019-2020 | 2019 | 0 | 0 | 2,080,000 | 2,080,000 | |
| | 3 | 2020-2021 | 2020 | 0 | 0 | 2,080,000 | 2,080,000 | |
| | 4 | 2021-2022 | 2021 | 0 | 0 | 2,080,000 | 2,080,000 | |
| | 5 | 2022-2023 | 2022 | 0 | 0 | 2,080,000 | 2,080,000 | |
| | 6 | 2023-2024 | 2023 | 0 | 0 | 2,080,000 | 2,080,000 | |
| | 7 | 2024-2025 | 2024 | 0 | 0 | 2,080,000 | 2,080,000 | |
| | 8 | 2025-2026 | 2025 | 0 | 0 | 2,080,000 | 2,080,000 | |
| 9 | 2026-2027 | 2026 | 0 | 0 | 2,080,000 | 2,080,000 | | |
| 10 | 2027-2028 | 2027 | 0 | 0 | 2,080,000 | 2,080,000 | | |
| Total Investment made through limitation | | | 165,050,000 | 700,000 | 20,800,000 | 0 | 186,550,000 | |
| Continue to maintain viable presence | | 11 | 2028-2029 | 2028 | | | 2,080,000 | |
| | | 12 | 2029-2030 | 2029 | | | 2,080,000 | |
| | | 13 | 2030-2031 | 2030 | | | 2,080,000 | |
| | | 14 | 2031-2032 | 2031 | | | 2,080,000 | |
| | | 15 | 2032-2033 | 2032 | | | 2,080,000 | |
| | | 16 | 2033-2034 | 2033 | | | 2,080,000 | |
| | | 17 | 2034-2035 | 2034 | | | 2,080,000 | |
| | | 18 | 2035-2036 | 2035 | | | 2,080,000 | |
| | | 19 | 2036-2037 | 2036 | | | 2,080,000 | |
| | | 20 | 2037-2038 | 2037 | | | 2,080,000 | |
| | | 21 | 2038-2039 | 2038 | | | 2,080,000 | |
| | | 22 | 2039-2040 | 2039 | | | 2,080,000 | |
| | | 23 | 2040-2041 | 2040 | | | 2,080,000 | |
| | | 24 | 2041-2042 | 2041 | | | 2,080,000 | |
| | | 25 | 2042-2043 | 2042 | | | 2,080,000 | |

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

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

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

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

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

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

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.02(1) but not creating a new improvement as defined by TAG 9.105.1. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

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

Amended on 8-15-16

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

Date
Applicant Name
ISD Name

8/8/2016
RATTLESNAKE POWER, LLC
BRADY ISD

Form 50-296A
Revised May 2014

| Each year prior to start of Value Limitation Period | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Qualified Property | | Estimated Taxable Value | | | | |
|---|-----------|-------------------------|---|--------------------------------|---|--|--|--|--|------------|
| | | | | Estimated Market Value of Land | Estimated Total Market Value of new buildings or other new improvements | Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements" | Market Value less any exemptions (such as pollution control) and before limitation | Final taxable value for 18S after all reductions | Final taxable value for M&O after all reductions | |
| Value Limitation Period | 0 | 2017-2018 | 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 1 | 2018-2019 | 2018 | 0 | 679,000 | 162,435,000 | 163,114,000 | 163,114,000 | 163,114,000 | 25,000,000 |
| | 2 | 2019-2020 | 2019 | 0 | 662,000 | 151,065,000 | 151,727,000 | 151,727,000 | 151,727,000 | 25,000,000 |
| | 3 | 2020-2021 | 2020 | 0 | 645,500 | 140,490,000 | 141,135,500 | 141,135,500 | 141,135,500 | 25,000,000 |
| | 4 | 2021-2022 | 2021 | 0 | 629,400 | 130,656,000 | 131,285,400 | 131,285,400 | 131,285,400 | 25,000,000 |
| | 5 | 2022-2023 | 2022 | 0 | 613,700 | 121,510,000 | 122,123,700 | 122,123,700 | 122,123,700 | 25,000,000 |
| | 6 | 2023-2024 | 2023 | 0 | 598,400 | 113,004,000 | 113,602,400 | 113,602,400 | 113,602,400 | 25,000,000 |
| | 7 | 2024-2025 | 2024 | 0 | 583,400 | 105,094,000 | 105,677,400 | 105,677,400 | 105,677,400 | 25,000,000 |
| | 8 | 2025-2026 | 2025 | 0 | 568,800 | 97,737,000 | 98,305,800 | 98,305,800 | 98,305,800 | 25,000,000 |
| | 9 | 2026-2027 | 2026 | 0 | 554,600 | 90,895,000 | 91,449,600 | 91,449,600 | 91,449,600 | 25,000,000 |
| | 10 | 2027-2028 | 2027 | 0 | 540,700 | 84,532,000 | 85,072,700 | 85,072,700 | 85,072,700 | 25,000,000 |
| | 11 | 2028-2029 | 2028 | 0 | 527,200 | 80,305,000 | 80,832,200 | 80,832,200 | 80,832,200 | 80,832,200 |
| | 12 | 2029-2030 | 2029 | 0 | 514,000 | 76,290,000 | 76,804,000 | 76,804,000 | 76,804,000 | 76,804,000 |
| | 13 | 2030-2031 | 2030 | 0 | 501,200 | 72,476,000 | 72,977,200 | 72,977,200 | 72,977,200 | 72,977,200 |
| | 14 | 2031-2032 | 2031 | 0 | 488,700 | 68,852,000 | 69,340,700 | 69,340,700 | 69,340,700 | 69,340,700 |
| | 15 | 2032-2033 | 2032 | 0 | 476,500 | 65,409,000 | 65,885,500 | 65,885,500 | 65,885,500 | 65,885,500 |
| | 16 | 2033-2034 | 2033 | 0 | 464,600 | 62,139,000 | 62,603,600 | 62,603,600 | 62,603,600 | 62,603,600 |
| | 17 | 2034-2035 | 2034 | 0 | 453,000 | 59,032,000 | 59,485,000 | 59,485,000 | 59,485,000 | 59,485,000 |
| | 18 | 2035-2036 | 2035 | 0 | 441,700 | 56,080,000 | 56,521,700 | 56,521,700 | 56,521,700 | 56,521,700 |
| | 19 | 2036-2037 | 2036 | 0 | 430,700 | 53,276,000 | 53,706,700 | 53,706,700 | 53,706,700 | 53,706,700 |
| | 20 | 2037-2038 | 2037 | 0 | 419,900 | 50,612,000 | 51,031,900 | 51,031,900 | 51,031,900 | 51,031,900 |
| | 21 | 2038-2039 | 2038 | 0 | 409,400 | 48,081,000 | 48,490,400 | 48,490,400 | 48,490,400 | 48,490,400 |
| | 22 | 2039-2040 | 2039 | 0 | 399,200 | 45,677,000 | 46,076,200 | 46,076,200 | 46,076,200 | 46,076,200 |
| | 23 | 2040-2041 | 2040 | 0 | 389,200 | 43,393,000 | 43,782,200 | 43,782,200 | 43,782,200 | 43,782,200 |
| | 24 | 2041-2042 | 2041 | 0 | 379,500 | 41,437,500 | 41,817,000 | 41,817,000 | 41,817,000 | 41,817,000 |
| 25 | 2042-2043 | 2042 | 0 | 370,000 | 41,437,500 | 41,807,500 | 41,807,500 | 41,807,500 | 41,807,500 | |

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

Schedule C: Employment Information

Date: 8/8/2016
 Applicant Name: RATTLESLAKE POWER, LLC
 ISD Name: BRADY ISD

| | Year | School Year (YYYY-YYYY) | Tax Year (Actual tax year) YYYY | Construction | | Non-Qualifying Jobs | | Qualifying Jobs | | Average annual wage of new qualifying jobs |
|---|---------------------|----------------------------|---------------------------------------|---|--|---|--|-----------------|--------|---|
| | | | | Column A Number of Construction FTE's or man-hours (Specify) | Column B Average annual wage rates for construction workers | Column C Number of non-qualifying jobs applicant estimates it will create (cumulative) | Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative) | Column E | | |
| Each Year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i> | 0 | 2017-2018 | 2017 | 160 FTE avg; 360 FTE peak | 37,534 | 0 | 0 | 0 | 0 | |
| | 1 | 2018-2019 | 2018 | N/A | N/A | 0 | 4 | 4 | 44,000 | |
| | 2 | 2019-2020 | 2019 | N/A | N/A | 0 | 4 | 4 | 44,000 | |
| | 3 | 2020-2021 | 2020 | N/A | N/A | 0 | 4 | 4 | 44,000 | |
| | 4 | 2021-2022 | 2021 | N/A | N/A | 0 | 4 | 4 | 44,000 | |
| | 5 | 2022-2023 | 2022 | N/A | N/A | 0 | 4 | 4 | 44,000 | |
| | 6 | 2023-2024 | 2023 | N/A | N/A | 0 | 4 | 4 | 44,000 | |
| | 7 | 2024-2025 | 2024 | N/A | N/A | 0 | 4 | 4 | 44,000 | |
| | 8 | 2025-2026 | 2025 | N/A | N/A | 0 | 4 | 4 | 44,000 | |
| | 9 | 2026-2027 | 2026 | N/A | N/A | 0 | 4 | 4 | 44,000 | |
| | 10 | 2027-2028 | 2027 | N/A | N/A | 0 | 4 | 4 | 44,000 | |
| Years Following Value Limitation Period | 11 through 25 | 2028-2043 | 2028-2042 | N/A | N/A | 0 | 4 | 4 | 44,000 | |

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

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

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? Yes No

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? Yes No

Date
 Applicant Name
 ISD Name

8/8/2016
 RATTLESNAKE POWER, LLC
 BRADY ISD

Schedule D : Other Incentives (Estimated)

| State and Local Incentives for which the Applicant intends to apply (Estimated) | | | | | | |
|---|-------------------------------|---------------------------|---------------------|-----------------------------------|------------------|---------------------|
| Incentive Description | Taxing Entity (as applicable) | Beginning Year of Benefit | Duration of Benefit | Annual Tax Levy without Incentive | Annual Incentive | Annual Net Tax Levy |
| Tax Code Chapter 311 | County: | N/A | N/A | N/A | N/A | N/A |
| | City: | N/A | N/A | N/A | N/A | N/A |
| | Other: | N/A | N/A | N/A | N/A | N/A |
| Tax Code Chapter 312 | County: McCulloch County | 2018 | 10 Years | \$ 5,851,000 | \$ 3,176,000 | \$ 2,675,000 |
| | City: | N/A | N/A | N/A | N/A | N/A |
| | Other: H.O.T. Hosp. District | 2018 | 10 Years | \$ 649,000 | \$ 634,100 | \$ 14,900 |
| Local Government Code Chapters 380/381 | County: | N/A | N/A | N/A | N/A | N/A |
| | City: | N/A | N/A | N/A | N/A | N/A |
| | Other: | N/A | N/A | N/A | N/A | N/A |
| Freeport Exemptions | N/A | N/A | N/A | N/A | N/A | N/A |
| Non-Annexation Agreements | N/A | N/A | N/A | N/A | N/A | N/A |
| Enterprise Zone/Project | N/A | N/A | N/A | N/A | N/A | N/A |
| Economic Development Corporation | N/A | N/A | N/A | N/A | N/A | N/A |
| Texas Enterprise Fund | N/A | N/A | N/A | N/A | N/A | N/A |
| Employee Recruitment | N/A | N/A | N/A | N/A | N/A | N/A |
| Skills Development Fund | N/A | N/A | N/A | N/A | N/A | N/A |
| Training Facility Space and Equipment | N/A | N/A | N/A | N/A | N/A | N/A |
| Infrastructure Incentives | N/A | N/A | N/A | N/A | N/A | N/A |
| Permitting Assistance | N/A | N/A | N/A | N/A | N/A | N/A |
| Other: | N/A | N/A | N/A | N/A | N/A | N/A |
| Other: | N/A | N/A | N/A | N/A | N/A | N/A |
| Other: | N/A | N/A | N/A | N/A | N/A | N/A |
| Other: | N/A | N/A | N/A | N/A | N/A | N/A |
| TOTAL | | | | 6,500,000 | | 2,689,900 |

Additional information on incentives for this project:

Annual estimate of incentives are based on 10 year average

Rattlesnake Power, LLC

Chapter 313 Application to Brady ISD

Cummings Westlake, LLC

TAB 17

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

See Attached

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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

print here ▶ Johnny Clawson
Print Name (Authorized School District Representative)

Superintendent
Title *SUPT. OF SCHOOLS*

sign here ▶ *Johnny Clawson*
Signature (Authorized School District Representative)

Date *11/28/2016*

2. Authorized Company Representative (Applicant) Signature and Notarization

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

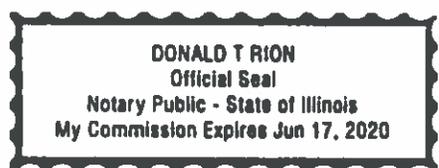
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here ▶ Lynlee Moffatt
Print Name (Authorized Company Representative (Applicant))

Authorized Signatory
Title

sign here ▶ *Lynlee Moffatt*
Signature (Authorized Company Representative (Applicant))

Date *11/22/2016*



(Notary Seal)

GIVEN under my hand and seal of office this, the
22nd day of *November*, *2016*
Donald T. Rion - Notary Public - State of Illinois
Notary Public in and for the State of Texas
My Commission expires: *06/17/2020*

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

Findings and Order of the Brady Independent School District Board of Trustees under the Texas
Economic Development Act on the Application Submitted by Rattlesnake Power, LLC
(Tax ID 12608649864) (Application # 1101)

ATTACHMENT B
Franchise Account Status of
Rattlesnake Power, LLC



Franchise Tax Account Status

As of : 12/16/2016 10:06:01

This Page is Not Sufficient for Filings with the Secretary of State

| RATTLESNAKE POWER, LLC | |
|--|--|
| Texas Taxpayer Number | 12608649864 |
| Mailing Address | 9050 N CAPITAL OF TEXAS HWY STE 390 AUSTIN, TX 78759-7288 |
| Right to Transact Business in Texas | ACTIVE |
| State of Formation | DE |
| Effective SOS Registration Date | 06/05/2015 |
| Texas SOS File Number | 0802229774 |
| Registered Agent Name | C T CORPORATION SYSTEM |
| Registered Office Street Address | 1999 BRYAN ST., STE. 900 DALLAS, TX 75201 |

Findings and Order of the Brady Independent School District Board of Trustees under the Texas
Economic Development Act on the Application Submitted by Rattlesnake Power, LLC
(Tax ID 12608649864) (Application # 1101)

ATTACHMENT C
Comptroller Letter
Certifying
Application as Complete



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 19, 2016

AMENDED COMPLETENESS

Johnny Clawson
Superintendent
Brady Independent School District
1003 West 11th Street
Brady, Texas 76825

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Brady Independent School District and Rattlesnake Power, LLC, Application 1101

Dear Superintendent Clawson:

On August 30, 2016, the Comptroller's office received from Brady Independent School District an agreement amendment from Rattlesnake Power, LLC for a limitation on appraised value (Application 1101).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the amendment and determined that it includes the information necessary to be determined as complete on December 15, 2016. Pursuant to 34 TAC 9.1053(f)(2)(P)(ii) the Comptroller shall provide a revised comptroller certificate for a limitation within 90 days or the request to amend the application is denied.

Please be advised we may request additional or clarifying information to complete our evaluation.

Should you have any questions, please contact Annet Nalukwago with our office. She can be reached by email at annet.nalukwago@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 5-5656, or at 512-475-5656.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Coughlin", is positioned above the typed name.

Will Coughlin
Director
Data Analysis & Transparency

cc: Sara Leon, Powell & Leon, LLP
Lynlee Moffat, Goldwind Americas
Vikaas Aourpally, Rattlesnake Power, LLC
Sam Gregson, Cummings Westlake

Findings and Order of the Brady Independent School District Board of Trustees under the Texas
Economic Development Act on the Application Submitted by Rattlesnake Power, LLC
(Tax ID 12608649864) (Application # 1101)

ATTACHMENT D
Comptroller's Economic Impact Analysis



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

December 19, 2016

AMENDED CERTIFICATION

Johnny Clawson
Superintendent
Brady Independent School District
1003 West 11th Street
Brady, Texas 76825

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Brady Independent School District and Rattlesnake Power, LLC, Application 1101

Dear Superintendent Clawson:

This application (Application 1101) was originally submitted on August 27, 2015, to the Brady Independent School District (school district) by Rattlesnake Power, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313^[1]. On November 11, 2015, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on February 5, 2016. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on March 29, 2016.

On August 30, 2016, the Comptroller received an amendment to the agreement. This presents the Comptroller's review of that amendment per Section 10.2 of the agreement and determinations required:

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

Determination required by 313.025(h)

The information provided by the applicant related to eligibility has not changed and therefore, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

^[1] All statutory references are to the Texas Tax Code, unless otherwise noted.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

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

Determination required by 313.026(c)(2)

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

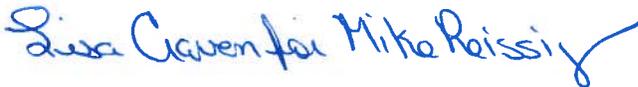
Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value for the amendment.

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

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the amendment to the agreement by December 31, 2016.

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

Sincerely,

A handwritten signature in blue ink that reads "Lisa Caven for Mike Reissig".

Mike Reissig
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Rattlesnake Power, LLC (project) applying to Brady Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Rattlesnake Power, LLC.

| | |
|---|--------------------------------------|
| Applicant | Rattlesnake Power, LLC |
| Tax Code, 313.024 Eligibility Category | Renewable Energy Electric Generation |
| School District | Brady ISD |
| Estimated 2015-2016 Average Daily Attendance | 1,179 |
| County | McCulloch |
| Proposed Total Investment in District | \$165,750,000 |
| Proposed Qualified Investment | \$165,750,000 |
| Limitation Amount | \$25,000,000 |
| Qualifying Time Period (Full Years) | 2017-2018 |
| Number of new qualifying jobs committed to by applicant * | 4 |
| Number of new non-qualifying jobs estimated by applicant | 0 |
| Average weekly wage of qualifying jobs committed to by applicant | \$846 |
| Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B) | \$823 |
| Minimum annual wage committed to by applicant for qualified jobs | \$44,000 |
| Minimum weekly wage required for non-qualifying jobs | \$793 |
| Minimum annual wage required for non-qualifying jobs | \$41,210 |
| Investment per Qualifying Job | \$41,437,500 |
| Estimated M&O levy without any limit (15 years) | \$16,321,064 |
| Estimated M&O levy with Limitation (15 years) | \$6,404,732 |
| Estimated gross M&O tax benefit (15 years) | \$9,916,332 |
| <i>* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).</i> | |

Table 2 is the estimated statewide economic impact of Rattlesnake Power, LLC (modeled).

| Year | Employment | | | Personal Income | | |
|------|------------|--------------------|-------|-----------------|--------------------|--------------|
| | Direct | Indirect + Induced | Total | Direct | Indirect + Induced | Total |
| 2017 | 360 | 339 | 699 | \$13,512,240 | \$31,582,180 | \$45,094,420 |
| 2018 | 4 | 41 | 45 | \$176,000 | \$5,801,360 | \$5,977,360 |
| 2019 | 4 | 22 | 26 | \$176,000 | \$4,092,230 | \$4,268,230 |
| 2020 | 4 | 7 | 11 | \$176,000 | \$2,628,850 | \$2,804,850 |
| 2021 | 4 | (1) | 3 | \$176,000 | \$1,633,360 | \$1,809,360 |
| 2022 | 4 | (4) | 0 | \$176,000 | \$989,610 | \$1,165,610 |
| 2023 | 4 | (6) | -2 | \$176,000 | \$571,790 | \$747,790 |
| 2024 | 4 | (6) | -2 | \$176,000 | \$322,850 | \$498,850 |
| 2025 | 4 | (5) | -1 | \$176,000 | \$233,280 | \$409,280 |
| 2026 | 4 | (3) | 1 | \$176,000 | \$221,430 | \$397,430 |
| 2027 | 4 | (2) | 2 | \$176,000 | \$296,570 | \$472,570 |
| 2028 | 4 | (0) | 4 | \$176,000 | \$374,720 | \$550,720 |
| 2029 | 4 | (0) | 4 | \$176,000 | \$262,110 | \$438,110 |
| 2030 | 4 | 0 | 4 | \$176,000 | \$254,580 | \$430,580 |
| 2031 | 4 | 1 | 5 | \$176,000 | \$273,260 | \$449,260 |
| 2032 | 4 | 1 | 5 | \$176,000 | \$296,620 | \$472,620 |

Source: CPA REMI, Rattlesnake Power, LLC

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

| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | Tax Rate | Brady ISD I&S Tax Levy | Brady ISD M&O Tax Levy | Brady ISD M&O and I&S Tax Levies | McCulloch County Tax Levy | Heart of Texas Memorial Hospital District Tax Levy | Estimated Total Property Taxes |
|------|---------------------------------|---------------------------------|--------------|------------------------|------------------------|----------------------------------|---------------------------|--|--------------------------------|
| | | | | 0.3052 | 1.0400 | | 0.4862 | 0.1162 | |
| 2018 | \$163,114,000 | \$163,114,000 | | \$497,824 | \$1,696,386 | \$2,194,210 | \$793,060 | \$189,503 | \$3,176,772 |
| 2019 | \$151,727,000 | \$151,727,000 | | \$463,071 | \$1,577,961 | \$2,041,032 | \$737,697 | \$176,273 | \$2,955,002 |
| 2020 | \$141,135,500 | \$141,135,500 | | \$430,746 | \$1,467,809 | \$1,898,555 | \$686,201 | \$163,968 | \$2,748,724 |
| 2021 | \$131,285,400 | \$131,285,400 | | \$400,683 | \$1,365,368 | \$1,766,051 | \$638,310 | \$152,525 | \$2,556,886 |
| 2022 | \$122,123,700 | \$122,123,700 | | \$372,722 | \$1,270,086 | \$1,642,808 | \$593,765 | \$141,881 | \$2,378,454 |
| 2023 | \$113,602,400 | \$113,602,400 | | \$346,715 | \$1,181,465 | \$1,528,179 | \$552,335 | \$131,981 | \$2,212,495 |
| 2024 | \$105,677,400 | \$105,677,400 | | \$322,527 | \$1,099,045 | \$1,421,572 | \$513,804 | \$122,774 | \$2,058,150 |
| 2025 | \$98,305,800 | \$98,305,800 | | \$300,029 | \$1,022,380 | \$1,322,410 | \$477,963 | \$114,210 | \$1,914,582 |
| 2026 | \$91,449,600 | \$91,449,600 | | \$279,104 | \$951,076 | \$1,230,180 | \$444,628 | \$106,244 | \$1,781,052 |
| 2027 | \$85,072,700 | \$85,072,700 | | \$259,642 | \$884,756 | \$1,144,398 | \$413,623 | \$98,836 | \$1,656,857 |
| 2028 | \$80,832,200 | \$80,832,200 | | \$246,700 | \$840,655 | \$1,087,355 | \$393,006 | \$93,909 | \$1,574,270 |
| 2029 | \$76,804,000 | \$76,804,000 | | \$234,406 | \$798,762 | \$1,033,167 | \$373,421 | \$89,229 | \$1,495,818 |
| 2030 | \$72,977,200 | \$72,977,200 | | \$222,726 | \$758,963 | \$981,689 | \$354,815 | \$84,783 | \$1,421,288 |
| 2031 | \$69,340,700 | \$69,340,700 | | \$211,628 | \$721,143 | \$932,771 | \$337,134 | \$80,559 | \$1,350,464 |
| 2032 | \$65,885,500 | \$65,885,500 | | \$201,083 | \$685,209 | \$886,292 | \$320,335 | \$76,544 | \$1,283,172 |
| | | | Total | \$4,789,605 | \$16,321,064 | \$21,110,669 | \$7,630,098 | \$1,823,220 | \$30,563,986 |

Source: CPA, Rattlesnake Power, LLC

¹Tax Rate per \$100 Valuation

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

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

| Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought | | | | | | | | | |
|--|---------------------------------|---------------------------------|-----------------------|------------------------|------------------------|----------------------------------|---------------------------|--|--------------------------------|
| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | | Brady ISD I&S Tax Levy | Brady ISD M&O Tax Levy | Brady ISD M&O and I&S Tax Levies | McCulloch County Tax Levy | Heart of Texas Memorial Hospital District Tax Levy | Estimated Total Property Taxes |
| | | | Tax Rate ¹ | 0.3052 | 1.0400 | | 0.4862 | 0.1162 | |
| 2018 | \$163,114,000 | \$25,000,000 | | \$497,824 | \$260,000 | \$757,824 | \$126,890 | \$185,713 | \$1,070,426 |
| 2019 | \$151,727,000 | \$25,000,000 | | \$463,071 | \$260,000 | \$723,071 | \$118,031 | \$172,748 | \$1,013,850 |
| 2020 | \$141,135,500 | \$25,000,000 | | \$430,746 | \$260,000 | \$690,746 | \$109,792 | \$160,689 | \$961,227 |
| 2021 | \$131,285,400 | \$25,000,000 | | \$400,683 | \$260,000 | \$660,683 | \$102,130 | \$149,474 | \$912,287 |
| 2022 | \$122,123,700 | \$25,000,000 | | \$372,722 | \$260,000 | \$632,722 | \$95,002 | \$139,043 | \$866,767 |
| 2023 | \$113,602,400 | \$25,000,000 | | \$346,715 | \$260,000 | \$606,715 | \$88,374 | \$129,341 | \$824,429 |
| 2024 | \$105,677,400 | \$25,000,000 | | \$322,527 | \$260,000 | \$582,527 | \$82,209 | \$120,318 | \$785,054 |
| 2025 | \$98,305,800 | \$25,000,000 | | \$300,029 | \$260,000 | \$560,029 | \$76,474 | \$111,926 | \$748,429 |
| 2026 | \$91,449,600 | \$25,000,000 | | \$279,104 | \$260,000 | \$539,104 | \$71,140 | \$104,119 | \$714,364 |
| 2027 | \$85,072,700 | \$25,000,000 | | \$259,642 | \$260,000 | \$519,642 | \$66,180 | \$96,859 | \$682,681 |
| 2028 | \$80,832,200 | \$80,832,200 | | \$246,700 | \$840,655 | \$1,087,355 | \$393,006 | \$93,909 | \$1,574,270 |
| 2029 | \$76,804,000 | \$76,804,000 | | \$234,406 | \$798,762 | \$1,033,167 | \$373,421 | \$89,229 | \$1,495,818 |
| 2030 | \$72,977,200 | \$72,977,200 | | \$222,726 | \$758,963 | \$981,689 | \$354,815 | \$84,783 | \$1,421,288 |
| 2031 | \$69,340,700 | \$69,340,700 | | \$211,628 | \$721,143 | \$932,771 | \$337,134 | \$80,559 | \$1,350,464 |
| 2032 | \$65,885,500 | \$65,885,500 | | \$201,083 | \$685,209 | \$886,292 | \$320,335 | \$76,544 | \$1,283,172 |
| | | | Total | \$4,789,605 | \$6,404,732 | \$11,194,336 | \$2,714,934 | \$1,795,256 | \$15,704,526 |
| | | | Diff | \$0 | \$9,916,332 | \$9,916,332 | \$4,915,164 | \$27,964 | \$14,859,460 |

Source: CPA, Rattlesnake Power, LLC

¹Tax Rate per \$100 Valuation

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

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

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

| | Tax Year | Estimated ISD M&O Tax Levy Generated (Annual) | Estimated ISD M&O Tax Levy Generated (Cumulative) | Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual) | Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative) |
|---|----------|---|---|---|---|
| Limitation Pre-Years | 2015 | \$0 | \$0 | \$0 | \$0 |
| | 2016 | \$0 | \$0 | \$0 | \$0 |
| | 2017 | \$0 | \$0 | \$0 | \$0 |
| Limitation Period (10 Years) | 2018 | \$260,000 | \$260,000 | \$1,436,386 | \$1,436,386 |
| | 2019 | \$260,000 | \$520,000 | \$1,317,961 | \$2,754,346 |
| | 2020 | \$260,000 | \$780,000 | \$1,207,809 | \$3,962,156 |
| | 2021 | \$260,000 | \$1,040,000 | \$1,105,368 | \$5,067,524 |
| | 2022 | \$260,000 | \$1,300,000 | \$1,010,086 | \$6,077,610 |
| | 2023 | \$260,000 | \$1,560,000 | \$921,465 | \$6,999,075 |
| | 2024 | \$260,000 | \$1,820,000 | \$839,045 | \$7,838,120 |
| | 2025 | \$260,000 | \$2,080,000 | \$762,380 | \$8,600,500 |
| | 2026 | \$260,000 | \$2,340,000 | \$691,076 | \$9,291,576 |
| | 2027 | \$260,000 | \$2,600,000 | \$624,756 | \$9,916,332 |
| Maintain Viable Presence (5 Years) | 2028 | \$840,655 | \$3,440,655 | \$0 | \$9,916,332 |
| | 2029 | \$798,762 | \$4,239,416 | \$0 | \$9,916,332 |
| | 2030 | \$758,963 | \$4,998,379 | \$0 | \$9,916,332 |
| | 2031 | \$721,143 | \$5,719,523 | \$0 | \$9,916,332 |
| | 2032 | \$685,209 | \$6,404,732 | \$0 | \$9,916,332 |
| Additional Years as Required by 313.026(c)(1) (10 Years) | 2033 | \$651,077 | \$7,055,809 | \$0 | \$9,916,332 |
| | 2034 | \$618,644 | \$7,674,453 | \$0 | \$9,916,332 |
| | 2035 | \$587,826 | \$8,262,279 | \$0 | \$9,916,332 |
| | 2036 | \$558,550 | \$8,820,829 | \$0 | \$9,916,332 |
| | 2037 | \$530,732 | \$9,351,560 | \$0 | \$9,916,332 |
| | 2038 | \$504,300 | \$9,855,861 | \$0 | \$9,916,332 |
| | 2039 | \$479,192 | \$10,335,053 | \$0 | \$9,916,332 |
| | 2040 | \$455,335 | \$10,790,388 | \$0 | \$9,916,332 |
| | 2041 | \$434,897 | \$11,225,285 | \$0 | \$9,916,332 |
| | 2042 | \$434,798 | \$11,660,083 | \$0 | \$9,916,332 |

\$11,660,083

 is greater than

\$9,916,332

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

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

Source: CPA, Rattlesnake Power, LLC

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

Findings and Order of the Brady Independent School District Board of Trustees under the Texas
Economic Development Act on the Application Submitted by Rattlesnake Power, LLC
(Tax ID 12608649864) (Application # 1101)

ATTACHMENT E
Summary of Financial Impact on
Brady Prepared by
Jigsaw School Finance Solutions, LLC

SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED
RATTLESNAKE POWER, LLC PROJECT (APP # 1101) ON THE
FINANCES OF BRADY ISD UNDER A REQUESTED CHAPTER
313 APPRAISED VALUE LIMITATION

PREPARED BY
JIGSAW SCHOOL FINANCE SOLUTIONS, LLC
FEBRUARY 22, 2016

Introduction

Rattlesnake Power, LLC has submitted an application to the Brady ISD Board of Trustees for a property value limitation on a proposed project under Chapter 313 of the Tax Code. The Brady ISD Board of Trustees accepted the application on August 17, 2015, and an amended application was filed with the District on November 9, 2015. The application is for a renewable energy project as authorized by Sec. 313.024 (b) of the Tax Code with a proposed \$149 million qualifying investment.

This project is consistent with the state's goal for economic development, the expanded intent of House Bill 1200 as originally passed by the Texas Legislature in 2001 and amended thereafter, and with Chapter 313 of the Texas Tax Code.

Rattlesnake Power, LLC is proposing to invest in Brady ISD for a proposed wind energy generation project located in McCulloch County Texas. Under the provisions of Chapter 313, BIRD may offer a minimum value limitation of \$25 million. Under Sec. 313.027, the application must provide that the limitation under Subsection (a) applies for a period of 10 years; and (2) specify the beginning date of the limitation, which must be January 1 of the first tax year that begins after: (A) the application date; (B) the qualifying time period; or (C) the date commercial operations begin at the site of the project. Rattlesnake Power, LLC proposed a January 1, 2017 beginning date of the limitation. For the purpose of this review, the limitation would extend from 2017-18 through 2026-27 (years 1-10). Beginning with the 2017-18 school year, the project would go on the local tax roll at \$25 million and remain at that level of taxable value for ten years for maintenance and operations (M&O) taxes.

School Finance Background

Brady ISD intends to offer a value limitation for this project of \$25 million effective school year 2017-18 through 2026-27. As a result, the project will impact the local tax roll of the school district at that same amount for M&O taxes only. Taxes for debt service, voter approved projects financed by the sale of bonds, will be at the full taxable value. I&S taxes for any future projects approved by the voters of the district will also be assessed against the full taxable value. Depreciation will reduce the taxable value of the project over time at an estimated annual rate of about 4% in accordance with schedule B of the application.

While taxes are collected by the district on the current year county appraisal district (CAD) value, the state funding formulas use the comptroller's property tax division (CPTD) value for the purpose of calculating the district's required local shares within the funding tiers of that formula. The CPTD is a reflection of last year's CAD value; therefore, it lags behind the CAD value in all years. As a result, state and local revenues are generated by two different values in any given year.

With the passage of House Bill 1 in the 2006 special legislative session, the school finance system in Texas moved from one that was formula driven with a maximum M&O tax rate of \$1.50 to one that was, and continues to be, target revenue driven at a maximum tax rate of generally \$1.04, voter approval for a higher tax rate up to \$1.17 notwithstanding. This means

that many districts now receive additional state aid for tax reduction (ASATR) to offset the loss in state and local funds at the new maximum \$1.04 M&O tax cap vs. what was previously generated at the \$1.50 maximum M&O tax cap. The stated goal is for ASATR revenue to be completely eliminated by school year 2017-18.

This initial school finance analysis incorporates the principal legislative changes adopted in May 2015 following the 84th Regular Session of the Texas Legislature. The basic allotment was raised from \$5040 to \$5140 per WADA, which is used throughout the state aid calculations. The Tier II guaranteed yield level for up to six cents of tax effort was increased from \$61.86 in 2014-15 to \$74.28 in 2015-16 and \$77.53 in 2016-17 and beyond. Currently filed legal challenges and future legislative sessions will determine the course of school finance after school year 2016-17 and beyond.

Underlying Assumptions

The drivers of the funding mechanisms for Texas school districts are the current year property values, known as the County Appraisal District (CAD values), the prior year property values [after review by the Texas State Comptroller become the “comptroller’s property tax division” (CPTD) values (used for next year funding)] and Average Daily Attendance (ADA of current funding year).

In calculating district’s state and local tax revenue for any year the current year CAD values, current year ADA and prior year CPTD is used. The 2014 Comptroller’s *adjusted* CPTD values were used in this review. For the purposes of these calculations, the starting point is to determine the projected CAD value for the 2015-16 school year. The District’s 2015 local CAD certified value is \$437,091,296.

ADA of 1201.60 has been used as the basis of these calculations for the duration of the agreement. Rattlesnake Power, LLC has requested a waiver of the job creation requirement and increased student enrollment is not anticipated as a result of this facility.

For the Chapter 313 projects, 15 years of data must be calculated. In order to provide calculations extended 15 years into the future and to isolate the impact of the proposed project by Rattlesnake Power, LLC, certain constants and assumptions are used.

1. The estimates presented below are based upon the school funding system and formulas as defined by House Bill 1 passed in 2015 as mentioned above. In addition, the hold harmless provisions related to the additional \$10,000 homestead exemption outlined in Senate Bill 1 and the constitutional amendment approved by the voters in November 2015 have also been factored into this review as the provisions are understood at this time. This school funding system and formulas were used for the duration of the project; although, no guarantee exists that this system or these formulas will remain in effect after the 2016-17 school year.
2. The ADA funding driver used is 1201.60 was held constant for the duration of the agreement.

3. The general approach used here is to maintain relatively static base property values. The certified freeze adjusted CAD taxable value as furnished by McCulloch and Concho County Appraisal Districts for school year 2015-16 as released on July 27, 2015 was used as the base value. Once the base value was established as described above, Rattlesnake Power, LLC's project values for each year as set forth in schedule B of their application were added. These projected CAD values were then used for the CPTD values in each of the following years based on the lag between these two values as heretofore explained.
4. Although the impact of the approval of this agreement could result in lower M&O tax rates in future years, evaluation of the M&O tax rate is not included in the scope of this analysis. The calculated tax collections each year are based on the district's 2015-16 adopted M&O rate of \$1.04 and was used for the duration of the review with an assumed collection rate of 100 percent each year.

The enrollment and property value assumptions are summarized in Table 1.

Table 1 – Data Assumptions for Brady ISD and Rattlesnake Power, LLC, – This table illustrates by year the tax rates, CAD Values with the Limitation in place, CAD Values for full taxable value for I&S purposes and the respective move to the next year of those values to the CPTD value. This respective data is then used as the basis for calculations in Tables 2 - 4.

Tables 2 - 4 – M&O Revenue Without the Limitation and With the Limitation – The first set of calculations (Table 2) uses the data to calculate the baseline revenue by adding the value of the proposed facility to the model, but without assuming that the value limitation is approved. The second set of the calculations (Table 3) show the M&O taxes and state revenue with the limitation in place. The ending result after the basic calculations are performed is to illustrate the difference between the two sets of calculations since this will be the basis for the Revenue Protection under the agreement (Table 4). **If the full value of the project increases significantly during the value limitation period, the school district revenue losses may be larger than these estimates.**

Financial Impact on the District

A summary of the differences in Table 2 and Table 3 are summarized in Table 4. A loss in total state and local M&O revenue to the district is noted in year one resulting from the agreement due to the inverted value lag between the CPTD and CAD values during the first year of the value limitation. Gains are noted in years 2-11. The slightly larger gain noted in year 11 is due primarily to another value lag between the CPTD and CAD values, the inverse of that observed in year 1. This analysis assumes the aforementioned elimination of ASATR funding at the end of school year 2016-17.

M&O Impact on Taxpayer (Rattlesnake Power, LLC)

In tax year 2017, the tax value limitation applies, but only to the M&O portion of the M&O taxes collected at the assumed rate of \$1.04 per \$100 of taxable value.

Under these provisions, Rattlesnake Power, LLC has the potential savings in M&O taxes of \$10,410,178 in savings. This does not include school revenue loss or any other supplemental payments permitted by law. Rattlesnake Power, LLC is not eligible for a tax credit(s) on taxes paid on value in excess of the value limitation in the years prior to the value limitation becoming effective. House Bill (HB) 3390 as passed by the 83rd Texas Legislature repealed the provision for tax credits. Correspondingly the provision for the school district to make such payments to Rattlesnake Power, LLC and the reimbursement by the state for such tax credit payments has been eliminated. Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. **It is important to note that future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.**

I&S Funding Impact on School District

The project remains fully taxable for debt service purposes. BISD currently levies \$0.3052 per \$100 for I&S taxes with 2036-37 being the final year of the current aggregated debt service obligation for the district. The value of the Rattlesnake Power, LLC project is expected to depreciate over the term of the agreement and beyond, but full access to the additional value is expected to increase the District's projected wealth per ADA to \$312,557 in the peak year of I&S taxable project value. Even with depreciation in project values in future years, local taxpayers should benefit from the addition of the project to the local I&S tax roll.

The Rattlesnake Power, LLC project is not expected to affect BISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population.

Conclusion

While some uncertainty exists concerning school finance legislation during the course of this project, the following points appear to currently apply to the Rattlesnake Power, LLC project and the BISD. The proposed project enhances the tax base of BISD and it reflects continued capital investment and job creation in keeping with the goals of Chapter 313 of the Tax Code. Under the assumptions outlined above, the potential tax savings for Rattlesnake Power, LLC under a Chapter 313 agreement could reach an estimated \$9.0 million. This amount is net of any anticipated revenue losses, and prior to any supplemental payments to BISD as permitted by law. The additional taxable value also enhances the tax base of BISD in meeting possible future debt service

obligations without creating an overall financial loss for the district with regard to M&O earnings over the term of the project provided Rattlesnake Power, LLC contractually agrees to offset the loss that is indicated in the Table 5.

Table 1- Base District Information with Rattlesnake Power, LLC Project Value and Limitation Values

| Year of Agreement | School Year | ADA | WADA | M&O Tax Rate | I&S Tax Rate | CAD Value with Project | CAD Value with Limitation | CPTD with Project | CPTD With Limitation | CPTD Value with Project per WADA | CPTD Value with Limitation per WADA |
|-------------------|-------------|----------|----------|--------------|--------------|------------------------|---------------------------|-------------------|----------------------|----------------------------------|-------------------------------------|
| QTP 1 | 2015-16 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$437,091,296 | \$437,091,296 | \$455,852,765 | \$455,852,765 | \$242,979 | \$242,979 |
| QTP 2 | 2016-17 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$437,091,296 | \$437,091,296 | \$437,091,296 | \$437,091,296 | \$232,979 | \$232,979 |
| 1 | 2017-18 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$586,387,296 | \$462,091,296 | \$437,091,296 | \$437,091,296 | \$232,979 | \$232,979 |
| 2 | 2018-19 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$580,415,456 | \$462,091,296 | \$586,387,296 | \$462,091,296 | \$312,557 | \$246,304 |
| 3 | 2019-20 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$574,682,490 | \$462,091,296 | \$580,415,456 | \$462,091,296 | \$309,374 | \$246,304 |
| 4 | 2020-21 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$569,178,842 | \$462,091,296 | \$574,682,490 | \$462,091,296 | \$306,318 | \$246,304 |
| 5 | 2021-22 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$563,895,340 | \$462,091,296 | \$569,178,842 | \$462,091,296 | \$303,384 | \$246,304 |
| 6 | 2022-23 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$558,823,178 | \$462,091,296 | \$563,895,340 | \$462,091,296 | \$300,568 | \$246,304 |
| 7 | 2023-24 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$553,953,903 | \$462,091,296 | \$558,823,178 | \$462,091,296 | \$297,865 | \$246,304 |
| 8 | 2024-25 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$549,279,399 | \$462,091,296 | \$553,953,903 | \$462,091,296 | \$295,269 | \$246,304 |
| 9 | 2025-26 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$544,791,875 | \$462,091,296 | \$549,279,399 | \$462,091,296 | \$292,778 | \$246,304 |
| 10 | 2026-27 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$540,483,851 | \$462,091,296 | \$544,791,875 | \$462,091,296 | \$290,386 | \$246,304 |
| 11 | 2027-28 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$536,348,149 | \$462,091,296 | \$540,483,851 | \$462,091,296 | \$288,089 | \$246,304 |
| 12 | 2028-29 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$532,377,875 | \$462,091,296 | \$536,348,149 | \$462,091,296 | \$285,885 | \$246,304 |
| 13 | 2029-30 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$528,566,412 | \$462,091,296 | \$532,377,875 | \$462,091,296 | \$283,769 | \$246,304 |
| 14 | 2030-31 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$524,907,407 | \$462,091,296 | \$528,566,412 | \$462,091,296 | \$281,737 | \$246,304 |
| 15 | 2031-32 | 1,201.60 | 1,876.10 | \$1.0400 | \$0.3052 | \$521,394,763 | \$462,091,296 | \$524,907,407 | \$462,091,296 | \$279,787 | \$246,304 |

Basic Allotment: \$5140; AISD Yield: 2015-16 \$74.28/2016-17 and beyond \$77.53.; Equalized Wealth: \$514,000 per WADA

Table 2 - "Baseline Revenue Model" - Project Value Added with No Value Limitation

| Year of Agreement | School Year | M&O Taxes @ Compressed Rate | State Aid | Additional State Aid-Hold Harmless | Recapture at the \$514,000 Level | Additional Local M&O Collections | State Aid From Additional M&O Tax Collections | Recapture at the \$319,500 Level | Other State Aid | Total General Fund |
|-------------------|-------------|-----------------------------|-------------|------------------------------------|----------------------------------|----------------------------------|---|----------------------------------|-----------------|--------------------|
| QTP 1 | 2015-16 | \$4,370,913 | \$5,281,815 | \$0 | \$0 | \$174,837 | \$360,082 | \$0 | \$38,750 | \$10,226,396 |
| QTP 2 | 2016-17 | \$4,370,913 | \$5,469,429 | \$0 | \$0 | \$174,837 | \$406,979 | \$0 | \$38,750 | \$10,460,908 |
| 1 | 2017-18 | \$5,863,873 | \$5,469,429 | \$0 | \$0 | \$234,555 | \$546,369 | \$0 | \$38,750 | \$12,152,976 |
| 2 | 2018-19 | \$5,804,155 | \$3,976,469 | \$0 | \$0 | \$232,166 | \$343,788 | \$0 | \$38,750 | \$10,395,328 |
| 3 | 2019-20 | \$5,746,825 | \$4,036,188 | \$0 | \$0 | \$229,873 | \$346,153 | \$0 | \$38,750 | \$10,397,789 |
| 4 | 2020-21 | \$5,691,788 | \$4,093,518 | \$0 | \$0 | \$227,672 | \$348,423 | \$0 | \$38,750 | \$10,400,150 |
| 5 | 2021-22 | \$5,638,953 | \$3,879,747 | \$0 | \$0 | \$225,558 | \$323,614 | \$0 | \$38,750 | \$10,106,623 |
| 6 | 2022-23 | \$5,588,232 | \$3,932,582 | \$0 | \$0 | \$223,529 | \$325,707 | \$0 | \$38,750 | \$10,108,800 |
| 7 | 2023-24 | \$5,539,539 | \$3,983,304 | \$0 | \$0 | \$221,582 | \$328,543 | \$0 | \$38,750 | \$10,111,717 |
| 8 | 2024-25 | \$5,492,794 | \$4,031,996 | \$0 | \$0 | \$219,712 | \$330,476 | \$0 | \$38,750 | \$10,113,728 |
| 9 | 2025-26 | \$5,447,919 | \$4,078,741 | \$0 | \$0 | \$217,917 | \$332,332 | \$0 | \$38,750 | \$10,115,659 |
| 10 | 2026-27 | \$5,404,839 | \$4,123,617 | \$0 | \$0 | \$216,194 | \$334,113 | \$0 | \$38,750 | \$10,117,512 |
| 11 | 2027-28 | \$5,363,481 | \$4,166,697 | \$0 | \$0 | \$214,539 | \$335,823 | \$0 | \$38,750 | \$10,119,291 |
| 12 | 2028-29 | \$5,323,779 | \$4,208,054 | \$0 | \$0 | \$212,951 | \$337,465 | \$0 | \$38,750 | \$10,120,999 |
| 13 | 2029-30 | \$5,285,664 | \$4,247,757 | \$0 | \$0 | \$211,427 | \$339,042 | \$0 | \$38,750 | \$10,122,639 |
| 14 | 2030-31 | \$5,249,074 | \$4,285,871 | \$0 | \$0 | \$209,963 | \$340,555 | \$0 | \$38,750 | \$10,124,213 |
| 15 | 2031-32 | \$5,213,948 | \$4,322,461 | \$0 | \$0 | \$208,558 | \$342,007 | \$0 | \$38,750 | \$10,125,724 |

Table 3 - "Value Limitation Revenue Model" - Project Value Added with Value Limit

| Year of Agreement | School Year | M&O Taxes @ Compressed Rate | State Aid | Additional State Aid-Hold Harmless | Recapture at the \$514,000 Level | Additional Local M&O Collections | State Aid From Additional M&O Tax Collections | Recapture at the \$319,500 Level | Other State Aid | Total General Fund |
|-------------------|-------------|-----------------------------|-------------|------------------------------------|----------------------------------|----------------------------------|---|----------------------------------|-----------------|--------------------|
| QTP 1 | 2015-16 | \$4,370,913 | \$5,281,815 | \$0 | \$0 | \$174,837 | \$360,082 | \$0 | \$38,750 | \$10,226,396 |
| QTP 2 | 2016-17 | \$4,370,913 | \$5,469,429 | \$0 | \$0 | \$174,837 | \$406,979 | \$0 | \$38,750 | \$10,460,908 |
| 1 | 2017-18 | \$4,620,913 | \$5,469,429 | \$0 | \$0 | \$184,837 | \$430,380 | \$0 | \$38,750 | \$10,744,309 |
| 2 | 2018-19 | \$4,620,913 | \$5,219,429 | \$0 | \$0 | \$184,837 | \$396,979 | \$0 | \$38,750 | \$10,460,908 |
| 3 | 2019-20 | \$4,620,913 | \$5,219,429 | \$0 | \$0 | \$184,837 | \$396,979 | \$0 | \$38,750 | \$10,460,908 |
| 4 | 2020-21 | \$4,620,913 | \$5,219,429 | \$0 | \$0 | \$184,837 | \$396,979 | \$0 | \$38,750 | \$10,460,908 |
| 5 | 2021-22 | \$4,620,913 | \$4,950,622 | \$0 | \$0 | \$184,837 | \$369,718 | \$0 | \$38,750 | \$10,164,840 |
| 6 | 2022-23 | \$4,620,913 | \$4,950,622 | \$0 | \$0 | \$184,837 | \$369,718 | \$0 | \$38,750 | \$10,164,840 |
| 7 | 2023-24 | \$4,620,913 | \$4,950,622 | \$0 | \$0 | \$184,837 | \$369,718 | \$0 | \$38,750 | \$10,164,840 |
| 8 | 2024-25 | \$4,620,913 | \$4,950,622 | \$0 | \$0 | \$184,837 | \$369,718 | \$0 | \$38,750 | \$10,164,840 |
| 9 | 2025-26 | \$4,620,913 | \$4,950,622 | \$0 | \$0 | \$184,837 | \$369,718 | \$0 | \$38,750 | \$10,164,840 |
| 10 | 2026-27 | \$4,620,913 | \$4,950,622 | \$0 | \$0 | \$184,837 | \$369,718 | \$0 | \$38,750 | \$10,164,840 |
| 11 | 2027-28 | \$5,363,481 | \$4,950,622 | \$0 | \$0 | \$214,539 | \$428,873 | \$0 | \$38,750 | \$10,996,266 |
| 12 | 2028-29 | \$5,323,779 | \$4,208,054 | \$0 | \$0 | \$212,951 | \$337,465 | \$0 | \$38,750 | \$10,120,999 |
| 13 | 2029-30 | \$5,285,664 | \$4,247,757 | \$0 | \$0 | \$211,427 | \$339,042 | \$0 | \$38,750 | \$10,122,639 |
| 14 | 2030-31 | \$5,249,074 | \$4,285,871 | \$0 | \$0 | \$209,963 | \$340,555 | \$0 | \$38,750 | \$10,124,213 |
| 15 | 2031-32 | \$5,213,948 | \$4,322,461 | \$0 | \$0 | \$208,558 | \$342,007 | \$0 | \$38,750 | \$10,125,724 |

Table 4 - "Baseline Revenue Model" Less "Value Limitation Model"

| Year of Agreement | School Year | M&O Taxes @ Compressed Rate | State Aid | Additional State Aid-Hold Harmless | Recapture at the \$514,000 Level | Additional Local M&O Collections | State Aid From Additional M&O Tax Collections | Recapture at the \$319,500 Level | Other State Aid | Total General Fund |
|-------------------|-------------|-----------------------------|-------------|------------------------------------|----------------------------------|----------------------------------|---|----------------------------------|-----------------|--------------------|
| QTP 1 | 2015-16 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| QTP 2 | 2016-17 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1 | 2017-18 | -\$1,242,960 | \$0 | \$0 | \$0 | -\$49,718 | -\$115,989 | \$0 | \$0 | -\$1,408,667 |
| 2 | 2018-19 | -\$1,183,242 | \$1,242,960 | \$0 | \$0 | -\$47,330 | \$53,191 | \$0 | \$0 | \$65,580 |
| 3 | 2019-20 | -\$1,125,912 | \$1,183,242 | \$0 | \$0 | -\$45,037 | \$50,826 | \$0 | \$0 | \$63,119 |
| 4 | 2020-21 | -\$1,070,875 | \$1,125,912 | \$0 | \$0 | -\$42,835 | \$48,556 | \$0 | \$0 | \$60,757 |
| 5 | 2021-22 | -\$1,018,040 | \$1,070,875 | \$0 | \$0 | -\$40,722 | \$46,104 | \$0 | \$0 | \$58,217 |
| 6 | 2022-23 | -\$967,319 | \$1,018,040 | \$0 | \$0 | -\$38,693 | \$44,011 | \$0 | \$0 | \$56,040 |
| 7 | 2023-24 | -\$918,626 | \$967,319 | \$0 | \$0 | -\$36,745 | \$41,175 | \$0 | \$0 | \$53,123 |
| 8 | 2024-25 | -\$871,881 | \$918,626 | \$0 | \$0 | -\$34,875 | \$39,242 | \$0 | \$0 | \$51,112 |
| 9 | 2025-26 | -\$827,006 | \$871,881 | \$0 | \$0 | -\$33,080 | \$37,386 | \$0 | \$0 | \$49,181 |
| 10 | 2026-27 | -\$783,926 | \$827,006 | \$0 | \$0 | -\$31,357 | \$35,605 | \$0 | \$0 | \$47,328 |
| 11 | 2027-28 | \$0 | \$783,926 | \$0 | \$0 | \$0 | \$93,050 | \$0 | \$0 | \$876,976 |
| 12 | 2028-29 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 13 | 2029-30 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 14 | 2030-31 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 15 | 2031-32 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Table 5: Estimated Financial Impact of the Rattlesnake Power, LLC #1101 Property Value Limitation Request Submitted to Brady ISD at \$1.04 M&O Rate

| Year of Agreement | School Year | Project Value | Estimated Taxable Value | Value Savings | Assumed M&O Tax Rate | Taxes Before Value Limit | Taxes after Value Limit | Tax Savings @ Projected M&O Rate | Tax Benefit to Company Before Revenue Protection | School District Revenue Losses | Estimated Net Tax Benefits |
|-------------------|-------------|---------------|-------------------------|---------------|----------------------|--------------------------|-------------------------|----------------------------------|--|--------------------------------|----------------------------|
| QTP 1 | 2015-16 | \$0 | \$0 | \$0 | \$1.040 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| QTP 2 | 2016-17 | \$0 | \$0 | \$0 | \$1.040 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| LP 1 | 2017-18 | \$149,296,000 | \$25,000,000 | \$124,296,000 | \$1.040 | \$1,552,678 | \$260,000 | \$1,292,678 | \$1,292,678 | -\$1,408,667 | -\$115,989 |
| LP 2 | 2018-19 | \$143,324,160 | \$25,000,000 | \$118,324,160 | \$1.040 | \$1,490,571 | \$260,000 | \$1,230,571 | \$1,230,571 | \$0 | \$1,230,571 |
| LP 3 | 2019-20 | \$137,591,194 | \$25,000,000 | \$112,591,194 | \$1.040 | \$1,430,948 | \$260,000 | \$1,170,948 | \$1,170,948 | \$0 | \$1,170,948 |
| LP 4 | 2020-21 | \$132,087,546 | \$25,000,000 | \$107,087,546 | \$1.040 | \$1,373,710 | \$260,000 | \$1,113,710 | \$1,113,710 | \$0 | \$1,113,710 |
| LP 5 | 2021-22 | \$126,804,044 | \$25,000,000 | \$101,804,044 | \$1.040 | \$1,318,762 | \$260,000 | \$1,058,762 | \$1,058,762 | \$0 | \$1,058,762 |
| LP 6 | 2022-23 | \$121,731,882 | \$25,000,000 | \$96,731,882 | \$1.040 | \$1,266,012 | \$260,000 | \$1,006,012 | \$1,006,012 | \$0 | \$1,006,012 |
| LP 7 | 2023-24 | \$116,862,607 | \$25,000,000 | \$91,862,607 | \$1.040 | \$1,215,371 | \$260,000 | \$955,371 | \$955,371 | \$0 | \$955,371 |
| LP 8 | 2024-25 | \$112,188,103 | \$25,000,000 | \$87,188,103 | \$1.040 | \$1,166,756 | \$260,000 | \$906,756 | \$906,756 | \$0 | \$906,756 |
| LP 9 | 2025-26 | \$107,700,579 | \$25,000,000 | \$82,700,579 | \$1.040 | \$1,120,086 | \$260,000 | \$860,086 | \$860,086 | \$0 | \$860,086 |
| LP 10 | 2026-27 | \$103,392,555 | \$25,000,000 | \$78,392,555 | \$1.040 | \$1,075,283 | \$260,000 | \$815,283 | \$815,283 | \$0 | \$815,283 |
| VP 1 | 2027-28 | \$99,256,853 | \$99,256,853 | \$0 | \$1.040 | \$1,032,271 | \$1,032,271 | \$0 | \$0 | \$0 | \$0 |
| VP 2 | 2028-29 | \$95,286,579 | \$95,286,579 | \$0 | \$1.040 | \$990,980 | \$990,980 | \$0 | \$0 | \$0 | \$0 |
| VP 3 | 2029-30 | \$91,475,116 | \$91,475,116 | \$0 | \$1.040 | \$951,341 | \$951,341 | \$0 | \$0 | \$0 | \$0 |
| 14 | 2030-31 | \$87,816,111 | \$87,816,111 | \$0 | \$1.040 | \$913,288 | \$913,288 | \$0 | \$0 | \$0 | \$0 |
| 15 | 2031-32 | \$84,303,467 | \$84,303,467 | \$0 | \$1.040 | \$876,756 | \$876,756 | \$0 | \$0 | \$0 | \$0 |
| | | | | | | \$17,774,815 | \$7,364,637 | \$10,410,178 | \$10,410,178 | -\$1,408,667 | \$9,001,511 |

QTP = Qualifying Time Period
 LP = Limitation Period
 VP = Continue to Maintain Viable Presence

*Note: School District Revenue-Loss estimates are subject to change based on various factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year project appraisal values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

Findings and Order of the Brady Independent School District Board of Trustees under the Texas
Economic Development Act on the Application Submitted by Rattlesnake Power, LLC
(Tax ID 12608649864) (Application # 1101)

ATTACHMENT F
Comptroller's 2015 ISD Summary Worksheet
For Brady ISD



Taxes

Property Tax

SCHOOL AND APPRAISAL DISTRICTS PROPERTY VALUE STUDY 2015 REPORT

2015 Deduction Detail

**048/Concho
160-901/Brady ISD**

| Deductions Allowed in PVS | Local Value | PTAD Value | Assigned Value |
|---|--------------------|-------------------|-----------------------|
| Homestead - State-Mandated Homestead Exemption | 339,670 | 339,670 | 339,670 |
| Homestead - State-Mandated Over-65 or Disabled \$10,000 | 110,000 | 110,000 | 110,000 |
| Homestead - 100% Disabled or Unemployable Veterans | 0 | 0 | 0 |
| Homestead - Disabled Veterans and Surviving Spouse | 0 | 0 | 0 |
| Homestead - Over-65 or Disabled Freeze Loss | 76,866 | 76,866 | 76,866 |
| Homestead - 10% Appraisal Cap Loss | 0 | 0 | 0 |

| | | | |
|---|---------|---------|---------|
| Freeport | 0 | 0 | 0 |
| Pollution Control | 0 | 0 | 0 |
| Difference Between Taxable and Limited Value for Chapter 313 Value Limitation Agreement | 0 | 0 | 0 |
| Tax Increment Financing | 0 | 0 | 0 |
| Low Income Housing, Counties Under 1.8 Million Pop | 0 | 0 | 0 |
| Solar and Wind-Powered | 0 | 0 | 0 |
| Deferred Taxes | 0 | 0 | 0 |
| Prorations | 0 | 0 | 0 |
| Home Donated by Charity to Disabled Veteran | 0 | 0 | 0 |
| Total Deductions Allowed in PVS | 526,536 | 526,536 | 526,536 |

**160/McCulloch
160-901/Brady ISD**

| Deductions Allowed in PVS | Local Value | PTAD Value | Assigned Value |
|---|-------------|------------|----------------|
| Homestead - State-Mandated Homestead Exemption | 40,786,090 | 40,786,090 | 40,786,090 |
| Homestead - State-Mandated Over-65 or Disabled \$10,000 | 6,310,820 | 6,310,820 | 6,310,820 |
| Homestead - 100% Disabled or Unemployable Veterans | 785,110 | 785,110 | 785,110 |

| | | | |
|---|-------------------|-------------------|-------------------|
| Homestead - Disabled Veterans and Surviving Spouse | 429,310 | 429,310 | 429,310 |
| Homestead - Over-65 or Disabled Freeze Loss | 11,484,166 | 11,484,166 | 11,484,166 |
| Homestead - 10% Appraisal Cap Loss | 5,228,970 | 5,228,970 | 5,228,970 |
| Freeport | 0 | 0 | 0 |
| Pollution Control | 845,440 | 845,440 | 845,440 |
| Difference Between Taxable and Limited Value for Chapter 313 Value Limitation Agreement | 0 | 0 | 0 |
| Tax Increment Financing | 0 | 0 | 0 |
| Low Income Housing, Counties Under 1.8 Million Pop | 0 | 0 | 0 |
| Solar and Wind-Powered | 0 | 0 | 0 |
| Deferred Taxes | 222,569 | 222,569 | 222,569 |
| Prorations | 0 | 0 | 0 |
| Home Donated by Charity to Disabled Veteran | 0 | 0 | 0 |
| Total Deductions Allowed in PVS | 66,092,475 | 66,092,475 | 66,092,475 |

160-901/Brady ISD

| Deductions Allowed in PVS | Local Value | PTAD Value | Assigned Value |
|--|--------------------|-------------------|-----------------------|
| Homestead - State-Mandated Homestead Exemption | 41,125,760 | 41,125,760 | 41,125,760 |

| | | | |
|---|-------------------|-------------------|-------------------|
| Homestead - State-Mandated Over-65 or Disabled \$10,000 | 6,420,820 | 6,420,820 | 6,420,820 |
| Homestead - 100% Disabled or Unemployable Veterans | 785,110 | 785,110 | 785,110 |
| Homestead - Disabled Veterans and Surviving Spouse | 429,310 | 429,310 | 429,310 |
| Homestead - Over-65 Freeze Loss | 11,561,032 | 11,561,032 | 11,561,032 |
| Homestead - 10% Appraisal Cap Loss | 5,228,970 | 5,228,970 | 5,228,970 |
| Freeport | 0 | 0 | 0 |
| Pollution Control | 845,440 | 845,440 | 845,440 |
| Difference Between Taxable and Limited Value for Chapter 313 Value Limitation Agreement | 0 | 0 | 0 |
| Tax Increment Financing | 0 | 0 | 0 |
| Low Income Housing, Counties Under 1.8 Million Pop | 0 | 0 | 0 |
| Solar and Wind-Powered | 0 | 0 | 0 |
| Deferred Taxes | 222,569 | 222,569 | 222,569 |
| Prorations | 0 | 0 | 0 |
| Home Donated by Charity to Disabled Veteran | 0 | 0 | 0 |
| Total Deductions Allowed in PVS | 66,619,011 | 66,619,011 | 66,619,011 |

Findings and Order of the Brady Independent School District Board of Trustees under the Texas
Economic Development Act on the Application Submitted by Rattlesnake Power, LLC
(Tax ID 12608649864) (Application # 1101)

ATTACHMENT G
Proposed Agreement Between
Brady ISD and
Rattlesnake Power, LLC



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

December 19, 2016

AMENDED AGREEMENT

Johnny Clawson
Superintendent
Brady Independent School District
1003 West 11th Street
Brady, Texas 76825

Re: Amendment Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Brady Independent School District and Rattlesnake Power, LLC, Application 1101

Dear Superintendent Clawson:

This office has been provided with the Amended Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Brady Independent School District and Rattlesnake Power, LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that it complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Annet Nalukwago with our office. She can be reached by email at annet.nalukwago@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-5656, or at 512-475-5656.

Sincerely,

A handwritten signature in cursive script that reads "Will Counihan".

Will Counihan
Director
Data Analysis & Transparency Division

cc: Sara Leon, Powell & Leon, LLP
Lynlee Moffat, Goldwind Americas
Vikaas Aourpally, Rattlesnake Power, LLC
Sam Gregson, Cummings Westlake

AMENDED

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

by and between

BRADY INDEPENDENT SCHOOL DISTRICT

and

RATTLESNAKE POWER, LLC

(Texas Taxpayer ID #12608649864)

Comptroller Application #1101

Dated

December 19, 2016

Application was delivered to the McCulloch County Appraisal District established in McCulloch County, Texas (the “McCulloch 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 February 5, 2016, 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 19, 2016, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on December 19, 2016, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant’s Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District’s maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant’s decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on December 19, 2016, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on December 19, 2016, the Texas Comptroller’s Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on December 19, 2016, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant; and,

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I **DEFINITIONS**

Section 1.1. DEFINITIONS.

Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMINISTRATIVE CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMINISTRATIVE 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 Rattlesnake Power, LLC, (*Texas Taxpayer ID #12608649864*), 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 Amended 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 August 15, 2016. 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 McCulloch County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Brady 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.

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

“County” means McCulloch County, Texas.

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

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

“Force Majeure” means those causes generally recognized under Texas law as constituting impossible conditions. Each Party must inform the other in writing with proof of receipt within 30 (thirty) 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 ADMINISTRATIVE CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

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

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

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

“State” means the State of Texas.

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

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

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

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

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

Section 1.2. NEGOTIATED DEFINITIONS.

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

"Applicable School Finance Law" means the state laws, agency regulations and/or judicial rulings then controlling the public school finance system for Texas public schools generally and the District specifically at the time the computation, calculation or obligation of either party under this Agreement is performed.

"Commercial Operation" shall be measured by the installation and placement in service of at least one of the components identified in the Qualified Property set forth in Exhibit 4 of this Agreement.

"Cumulative Payments" means for each year of this Agreement the total of all payments, calculated under Articles IV, V and VI of this Agreement for the current Tax Year which are paid by or owed by Applicant to the District, plus payments paid by Applicant to compensate District for loss of revenue under this Agreement.

"Lost M&O Revenue" means the reduction in Maintenance and Operations ad valorem tax revenue to the District 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 of this Agreement.

"New M&O Revenue" means the total State and local Maintenance and Operations revenue that the District received or accrued, after all adjustments have been made to such Maintenance and Operations revenue because of any portion of this Agreement in accordance with the provisions of the Applicable School Finance Law for such school year.

"Net Tax Benefit" means 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; *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, plus (B) any and all payments due to the District under Articles IV, V, and VI of this Agreement.

"Original M&O Revenue" means the total State and local Maintenance and Operations revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant's Qualified Property and/or the Applicant's Qualified Investment been subject to the ad valorem maintenance and operations tax at the

tax rate actually adopted by the District for the applicable year. For purposes of this calculation, the Third Party will base its calculations upon actual local taxable values for each applicable year as certified by the County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property and/or the Applicant's Qualified Investment subject to this Agreement, *plus* the total appraised value of the Qualified Property and/or the Applicant's Qualified Investment subject to this Agreement which is or would be used for the calculation of the District's tax levy for debt tax purposes. For the calculation of Original M&O Revenue, Applicant's Taxable value for its Qualified Property and/or the Applicant's Qualified Investment for M&O purposes will not be used.

"Revenue Protection Amount" means the amount calculated pursuant to Section 4.2 of this Agreement.

"Unadjusted Tax Benefit" means for each Tax Year of this Agreement the total of all gross tax savings calculated for each year of the Agreement by multiplying the Applicant's taxable value for debt service taxes for each applicable Tax Year, minus the Tax Limitation Amount of Twenty Five Million Dollars (\$25,000,000.00), multiplied by the District's Maintenance & Operations tax rate for the applicable Tax Year.

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 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 December 15, 2016, which will be used to determine the eligibility of the Applicant's Qualified Property and all applicable wage standards.
- B. The Application Approval Date for this Agreement is December 19, 2016.
- C. The Qualifying Time Period for this Agreement:

- i. Starts on March 29, 2016, the Application Approval Date; and
 - ii. Ends on December 31, 2018, 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, 2018 the first complete Tax Year that begins after the date of commencement of Commercial Operation; and
 - ii. Ends on December 31, 2027; which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i plus 9 years.
- E. The Final Termination Date for this Agreement is December 31, 2032.
- F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION.

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

- A. The Market Value of the Applicant's Qualified Property; or,
- B. Twenty Five Million Dollars (\$25,000,000.00)

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

Section 2.5. TAX LIMITATION ELIGIBILITY.

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

- A. Have completed the Applicant's Qualified Investment in the amount of Twenty Million Dollars (\$20,000,000.00) during the Qualifying Time Period;
- B. Have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. Pay an average weekly wage of at least \$793.00 for all New Non-Qualifying Jobs created by

the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS.

In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

- A. Provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. Provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;
- C. Provide such Supplemental Payments as more fully specified in Article VI;
- D. Create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and
- E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III
QUALIFIED PROPERTY

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE.

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

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT.

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

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY.

The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by

official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY.

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

Section 3.5. QUALIFYING USE.

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

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF PARTIES.

In accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, it is the intent of the Parties that the District shall be compensated by the Applicant as provided in this Article IV for any loss that District incurs in its Maintenance and Operations revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI of this Agreement. Subject to the limitations contained in this Agreement (including Section 7.1), **it is the intent of the Parties that the risk of any and all negative financial consequence to the District in making the decision to enter into this Agreement will be borne by the Applicant and not by the District.**

The calculation of any Lost M&O Revenue required to be paid by the Applicant under this Article IV shall be made for the first time for the first complete Tax Year following the start of Commercial Operations, and every year thereafter during the term of this Agreement.

Within 60 days from the date commercial operations begin, the Applicant shall provide to the District, the Comptroller, and the Appraisal District a verified written report, giving a specific and detailed description of the land, tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such qualified property within the boundaries of the land which is subject to the agreement, if such final description is different than the description provided in the application or any supplemental application information, or if no substantial changes have been made, a verification of the fact that no substantial changes have been made.

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 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 LOST M&O REVENUE.

The amount to be paid by the Applicant to compensate the District for Lost M&O 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 shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula: The Lost M&O Revenue owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue. In making the calculations required by this Section 4.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.
- iv. For all calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, Subsection *ii* of this subsection will reflect the Tax Limitation Amount for such year.

- v. All calculations made under this Section 4.2 shall be made by a methodology which isolates the full Maintenance and Operation Revenue impact caused by this Agreement.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY.

All calculations under this Agreement shall be made annually by an independent third party (the “Third Party”) selected each year by the District. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

- A. All non-reimbursed costs, certified by the District’s external auditor to have been incurred by the 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. Applicant shall have the right to contest the findings of the District’s external auditor pursuant to Section 4.6 herein.
- B. Any other costs to the District, including costs under Subsection 8.6(C), below, which are or may be attributable to compliance with State-imposed costs of compliance with the terms of this Agreement.

Section 4.5. DATA USED FOR CALCULATIONS.

The calculations for payments under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including 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 4.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the 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 4.6. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.

If 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 Investment at the time the Third Party selected under Section 4.4 makes its calculations under this Agreement, 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 Investment 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 amount to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.7. DELIVERY OF CALCULATIONS.

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 4.2 and/or 4.3, Article VI, and/or Section 7.1 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 District, but subject to the provisions of Section 4.8, below. 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 4.8. STATUTORY CHANGES AFFECTING MAINTENANCE & OPERATION 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 the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District that are necessary to fully reimburse and hold the District harmless from any actual negative impact on the District as a 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 the District. Such payment shall be made no later than thirty (30) days following notice from the District of such determination and calculation. The District shall use reasonable

efforts to mitigate the economic effects of any such statutory change or administrative interpretation, and if the Applicant disagrees with any calculation or determination by the District of any adverse impact described in this Section 4, the Applicant shall have the right to appeal such calculation or determination in accordance with the procedures set forth in Section 9.5.

Section 4.9. PAYMENT BY APPLICANT.

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 January 31 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 for all calculations under this Agreement under Section 4.4, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas, for any audits conducted by the State Auditor's Office, or for other legal expenses which are, or may be required under the terms of, or because of, the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of fees and expenses under this Section 4.9 that exceeds the necessary and reasonable costs incurred by the District for compliance with this Agreement. In any year in which such compliance is anticipated to exceed an aggregate amount of Fifteen Thousand Dollars (\$15,000) per year, the District shall provide the Applicant with prior written notice of the anticipated annual aggregate amount the District anticipates it will incur, and if the Applicant disagrees that such fees are necessary and reasonable, the parties may resolve such dispute as provided in Section 4.10.

Section 4.10. RESOLUTION OF DISPUTES.

Should the Applicant disagree with the Third Party calculations made pursuant to Article 4 of this Agreement, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the calculation. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the District's Board of Trustees. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of the calculations.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES.

In addition to the amounts determined pursuant to Articles IV and VI of this Agreement, Applicant on an annual basis shall also indemnify and reimburse District for the following:

A. 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; and

B. Any other loss of District revenues related to the Project which are, or may be attributable to the payment by Applicant to or on behalf any other third party beneficiary.

ARTICLE VI

SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENT.

- A. The Applicant shall pay the District Supplemental Payments each year beginning on December 31, 2016 and ending with the third tax year after the last year of the Limitation Period identified in Section 2.3 (D)(ii), or December 31, 2031. Such payments shall be due and owing each year no later than December 31.
- B. 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) unless that limit is increased by the Legislature at a future date, in which case Applicant agrees that the Supplemental Payment amount owed to the District shall be the maximum amount of Supplemental Payments as allowed by applicable law; provided, however, that that total Supplemental Payments for any given year of this Agreement shall not exceed the greater of (i) forty percent (40%) of Applicant's Net Tax Benefit under this Agreement.
- C. If, for any year of this Agreement, the payment of the Supplemental Payment amount exceeds forty percent (40%) of the Net Tax Benefit, the difference between the Supplemental Payment amount(s) due and owing and the Net Tax Benefit shall be carried forward from year to year into subsequent years of this Agreement until all Supplemental Payment amounts are paid in full.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

- 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 42.005 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.
 - i. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 per year or \$100 multiplied by the District’s Average Daily Attendance of 1,245 rounded to the nearest whole number, unless a larger amount is authorized by law.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO SUPPLEMENTAL PAYMENT LIMITATION.

- A. During the entire term of this Agreement, but subject to the statutory restrictions set forth in 6.2, District shall, subject to the limitations set forth in Subsection 6.3(B) and Section 7.1, below, be entitled to receive Supplemental Payments equal to Section 6.2(A), above.
- B. Beginning with the first year of the Tax Limitation Period, as calculated pursuant to Section 42.005 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. ANNUAL LIMITATION.

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District’s actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included

in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

Section 7.2. OPTION TO TERMINATE AGREEMENT.

In the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred.

Section 7.3. EFFECT OF OPTIONAL TERMINATION.

Upon the exercise of the option to terminate pursuant to Section 7.2, 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 ADMINISTRATIVE 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 forty-eight (48) 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; or,
- 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 not greater than thirty (30) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute

by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within thirty (30) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in McCulloch 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 McCulloch County, Texas, 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 30 days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS 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 7.2 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 30 days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

- C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.
- D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.
- E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.5. LIMITATION OF OTHER DAMAGES.

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

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT.

Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make Twenty Million Dollars (\$20,000,000.00) of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN 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:

| To the District | With Copy to |
|--|--------------------------|
| Name: Brady ISD | Powell & Leon. LLP |
| Attn: Superintendent Johnny Clawson, or his successor | Sara Hardner Leon |
| Address: 1003 West 11 th Street | 115 Wild Basin Road #106 |
| City/Zip: Brady, Texas 76825 | West Lake Hills TX 78746 |
| Phone : 325-597-2301 | Phone : (512) 494-1177 |
| Fax : 325-597-3984 | Fax : (512) 494-1188 |
| Email: jclawson@bradyisd.org | sleon@powell-leon.com |

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

| To the Applicant | With Copy to |
|---|-----------------------------|
| Name: Rattlesnake Power, LLC | Cummings Westlake LLC |
| Attn: CEO | Sam Gregson |
| Address: c/o Goldwind Americas 20. N. Wacker Drive, Suite 1375 | 12837 Louetta Rd, Suite 201 |
| City/Zip: Chicago, IL 60606 | Cypress, TX 77429 |
| Phone : (312) 948-8050 | (713) 266-4456 |
| Fax : (312) 948-8051 | (713) 266-2333 |
| Email: vrao@goldwindamericas.com | sgregson@cwlp.net |

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.

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; and,
 - c. 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.

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 McCulloch County, Texas.

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 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. CONFLICT 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).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 19th day of December, 2016.

RATTLESNAKE POWER, LLC

BRADY INDEPENDENT SCHOOL DISTRICT

By: _____



VIKAAS RAO AOURPALLY
CEO, Rattlesnake Power, LLC

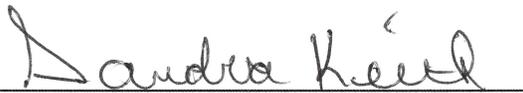
By: _____



BRENTT RAYBION
President, Board of Trustees

ATTEST:

By: _____



SANDRA KEITH
Secretary, Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The reinvestment zone was created and is in effect at the time of the approval of this Application. The Rattlesnake Reinvestment Zone was created on August 17, 2015, by action of the McCulloch County Commissioner's Court. As a result, all of the following real property is within the boundaries of the *Rattlesnake Reinvestment Zone*. A map of the reinvestment zone is attached as the last page of this **EXHIBIT 1** following the legal description of the zone.

EXHIBIT A

LEGAL DESCRIPTION OF EASEMENT PROPERTY

The following lands situated in McCulloch County, Texas:

FIRST TRACT: 185 acres, more or less, and being described in three tracts out of W. J. Jamison Survey No. 46, Certificate No. 33/3222, Abstract No. 1674, patented to A. M. Jamison by Patent No. 639, Volume 8, and being:

(1) 70 acres, more or less, off the East end of the 210 acre tract that was conveyed by G. V. Gansel to J. E. Ake by Deed dated November 25, 1905, recorded in Volume 7, Page 346, Deed Records of

McCulloch County, Texas, which Deed and record are here referred to and made part hereof for description.

The 70 acre tract is the 70 acre off the East end of said 210 acre tract set apart to S. H. Deatherage et al in Partition Deed between them and Ernest Tankersley et al, dated August 12, 1924, and which Partition Deed is here referred to and made part hereof for description.

The 70 acres here conveyed begins at the Northeast corner of said 210 acre tract in the East line of said Survey No. 46, and which corner is 902 varas South from the Northeast corner of said Survey No. 46;

THENCE along the East line of said 210 acre tract of land, South 592 varas to the Southeast corner of same in the East line of said Survey No. 46;

THENCE along the South line of said 210 acre tract of land, West 668 varas to the Southeast corner of the portion of said tract set apart and partitioned to Ruby E. Tankersley in said above mentioned Partition Deed;

THENCE with the East line of said Ruby E. Tankersley tract, North 592 varas to Northeast corner of said Ruby E. Tankersley tract in North line of said above described 210 acre tract;

THENCE along the North line of said above described 210 acre tract East 668 varas to the place of beginning. The land here conveyed is the same land conveyed to Ernest Tankersley by S.H. Deatherage, Samuel Perry Deatherage and wife, Edna Deatherage, by Deed dated August 13, 1924, of record in Book 66, Page 212, Deed Records of McCulloch County, Texas, which Deed and record are here referred to and made part hereof for description.

(2) 35 acres, more or less, and being the same 35 acres of land set apart to Ruby E. Tankersley in the Partition Deed dated August 12, 1924, now of record in Volume 66, Page 230 to 232 Deed Records of McCulloch County, Texas, which Deed and the record thereof are here referred to and made part hereof for all purposes;

Said land being described in Deed by S. H. Deatherage, et al, in the Partition of the community property between S. H. Deatherage and his deceased wife, Laura Deatherage. Said Deed and its record are here specifically referred to and made part hereof for all purposes;

BEGINNING at a stake in North line of said 210 acre tract, 668 varas West from the Northeast corner of said 210 acre tract and set for the Northwest corner of a 70 acre tract off of the East end of said 210 acre tract set apart to S. H. Deatherage and Samuel Perry Deatherage, being tract No. 2 described in Deed of Partition S. H. Deatherage, et al, to Bertha J. Speights, et al recorded in Volume 66, Page 230, Deed Records of McCulloch County, Texas;

THENCE with the West line of said 70 acre tract, South 592 varas to stake in South line of said 210 acre tract set for the Southwest corner of said 70 acre tract off of the East end of said 210 acre tract set apart to said S. H. Deatherage and Samuel Perry Deatherage;

THENCE with the South line of said 210 acre tract West 333 3/4 varas to the middle of the South line of said 210 acre tract, and the Southeast corner of the portion of said Survey set apart to Bertha J. Speights;

THENCE North to the middle of the North line of said 210 acre tract and the Northeast corner of said Bertha J. Speights tract;

THENCE with the North line of said 210 acre tract, East 333 3/4 varas to the place of beginning.

(3) 80 acres, being the South 1/2 of the East 1/2 of the 320 acre tract out of the North part of said Section 46, purchased from the State by W. J. Jamison and patented to A. M. Jamison by Patent No. 639, Volume 8, recorded in Volume J, Page 135, Deed Records of McCulloch County, Texas, which Patent is here referred to and made part hereof. Said land conveyed by S. N. Lemons and wife, to S. C. Crumbley by Deed dated October 23, 1915, recorded in Volume 40, Page 147, Deed Records, McCulloch County, Texas.

The three above described tracts of land are the same tracts of land described in Deed of Trust from Oscar B. Betsill and wife, Willye Betsill, to the Federal Land Bank of Houston dated November 27, 1946, recorded in Book 15, Page 241, Deed of Trust Records of McCulloch County, Texas, and said Deed of Trust and record are here referred to and made part hereof for all purposes.

SECOND TRACT: 45.1 acres, more or less, out of two surveys as follows:

(1) 30.1 acres out of the Southeast part of H. & T. C. RR Co, Survey No. 46, Certificate No. 33/3222, Abstract No. 1674, purchased from the State by W. J. Jamison and patented to A. M. Jamison by Patent No. 639, Volume 8, and;

(2) 15 acres out of the Northeast part of Heinrich Schneider Survey No. 1275, Certificate No. 298, Abstract No. 1309, patented to Evan Shelby by Patent No. 829, Volume 12.

Which said tracts lie contiguous and described by metes and bounds as follows:

BEGINNING at a stake set for the Southeast corner of said Survey No. 46, and Northeast corner of said Survey No. 1275;

THENCE with East line of said Survey No. 46, North 435 varas to stake set for the Northeast corner of this tract and being set for the Northeast corner of Tract No. 5 in the Partition of a certain 210 1/2 acre tract out of said Surveys Nos. 46 and 1275, in Cause No. 2972 entitled I. N. Hallmark vs. Duward Jones, et al, in District Court of McCulloch County, Texas, rendered on the 17th day of October A.D. 1935, and recorded in Volume 8, Page 14, Records of said Court:

THENCE with North line of said 210 1/2 acre tract, South 89° 20' West (at 138.66 varas the Northwest corner of Tract No. 5, the Northeast corner of Tract No. 4, at 277 1/2 varas the Northwest corner of Tract No. 4 and Northeast corner of Tract No. 3) 416.65 varas to stake set for Northwest corner of Tract No. 3 and Northeast corner of Tract No. 2, for the Northwest corner of this tract;

THENCE with East line of Tract No. 2 and West line of Tract No. 3, South 610 varas to stake in South line of said 210 1/2 acre tract set for the Southeast corner of Tract No. 2, and Southwest corner of Tract No. 3, for the Southwest corner of this tract;

THENCE with South line of said 210 1/2 acre tract, North 89° 45' East (at 139.11 varas the Southeast corner of Tract No. 3 and Southwest corner of Tract No. 4, at 276.99 varas the Southeast corner of Tract No. 4, and Southwest corner of Tract No. 5) 415.65 varas to stake in East line of said Survey No. 1275, set for the Southeast corner of said 210 1/2 acre tract, the Southeast corner of said Tract No. 5, for the Southeast corner of this tract, from which a Mesquite 4" in dia. brs. North 23° West 16 1/2 varas, a mesquite 3" in dia. brs. South 57 1/2° West 21 1/2 varas;

THENCE with East line of said Survey No. 1275, North 178 varas to the place of beginning.

Said two tracts of land are the same two tracts of land conveyed to Oscar Betsill by Louella Knight, et al, by Deed dated July 1, 1949, recorded in Book 126, Page 405, Deed Records of McCulloch County, Texas, and said Deed and record are here referred to and made part hereof for description.

EXHIBIT A

LEGAL DESCRIPTION OF EASEMENT PROPERTY

The following lands situated in McCulloch County, Texas:

The West half of 137.64 acres, more or less, out of the W. J. Jamison Survey No. 46, Abstract No. 1674, Certificate No. 33/3222, purchased from the State by W. J. Jamieson and patented to A. M. Jamieson by Patent No. 639, Volume 8, McCulloch County, Texas, being in two (2) tracts, described by metes and bounds as follows:

Tract 1: 82.74 acres, more or less, out of the North part of the Northwest part of W. J. Jamison Survey No. 46, Abstract No. 1674, Certificate No. 33/3222, purchased from the State by W. J. Jamieson and patented to A.M. Jamieson by patent No. 639, Volume 8, which 82.74 acre tract is out of and a part of a 103 acre tract described in a Contract of Sale between Veterans Land Board and Karl R. Kiesling, recorded in Volume 154, Page 488, Deed Records, McCulloch County, Texas, said 103 acre tract described by metes and bounds as follows:

Beginning at a concrete marker set in a fence corner 21.6 varas South of and 36 varas East of the Northwest corner of said Survey No. 46, in the South line of F. M. Highway No. 765, 21.6 varas South of the center line Station 173/58 of said Highway, for the Northwest corner hereof;

Thence South 45° 00' West with a fence and said Highway Right of Way 50.9 varas to a fence corner in the West line of said Survey, 57.6 varas South of the Northwest corner of said Survey, and in the East line of a public road;

Thence South 0° 12' West with a fence and West Survey line, 549.7 varas to a concrete marker set in the said fence in East line of said road, and in the West line of said Survey No. 46 for the Southwest corner hereof;

Thence East 1004 varas to a concrete marker set in a North and South fence for the Southeast corner hereof;

Thence North, with a fence, 574.6 varas to a concrete marker set in a fence corner in the South line of said F. M. Highway 765, 21.6 varas South of the North line of said Survey No. 46, for the Northeast corner hereof;

Thence North 89° 20' West with a fence and South right of way line of said Highway 966.2 varas to the place of beginning.

Save and Except 20.26 acres out of the W. J. Jamieson Survey No. 46, Abstract No. 1674, in McCulloch County, Texas, said 20.26 acres being out of and a part of the 103 acre tract described in said Contract of Sale between Veteran's Land Board and Karl R. Kiesling, recorded in Volume 154, Page 488, Deed Records, McCulloch County, Texas, said 20.26 acres being described by metes and bounds as follows:

Beginning at a ½ inch steel stake in the South line of F. M. Highway 765 by a T corner post for the Northwest corner hereof, from which point a concrete highway

monument for the most northerly Northwest corner of said 103 acre tract bears North 89° 20' West 1473.0 feet;

Thence with a fence and the West line hereof, South 03° 10' West 1301.9 feet to a ½ inch steel stake set for the Southwest corner hereof;

Thence with the South line hereof, South 86° 50' East 670.7 feet to a ½ inch steel stake set for the Southeast corner hereof;

Thence with the East line hereof, North 03° 08' 21" East 1331.16 feet to a ½ inch steel stake set in said South line of Highway 765 for the Northeast corner hereof, from which point a 3/8 inch steel stake for the Northeast corner of said 103 acre tract bears South 89° 20' East 540.5 feet;

Thence with said South line of Highway 765 for the North line hereof, North 89° 20' West 670.7 feet to the place of beginning, leaving a net acreage in this Tract 1 of 82.74 acres, more or less.

Tract 2: 54.9 acres out of the South part of the Northwest part of W. J. Jamison Survey No. 46, Abstract No. 1674, Certificate No. 33/3222, purchased from the State by W. J. Jamieson and patented to A. M. Jamieson by Patent No. 639, Volume 8, which 54.9 acre tract is described by metes and bounds as follows:

Beginning at a concrete marker set in a fence in the East line of a public road, and in the West line of said Survey No. 46, 607.3 varas South 0° 12' West from the Northwest corner of said Survey No. 46, for the Southwest corner of a 103 acre tract of land for the Northwest corner hereof;

Thence South 0° 12' West with a fence and West Survey line 308.5 varas to a fence corner and the intersection of the East line of said Road with the North line of a lane for the Southwest corner hereof;

Thence East with a fence 1005.1 varas to a fence corner in the North line of said land for the Southeast corner hereof;

Thence North, with a fence, 308.5 varas to a concrete marker set in a said fence for the Southeast corner of said 103 acre tract, and for the Northeast corner hereof;

Thence West with the South line of said 103 acre tract, 1004 varas to the place of beginning.

EXHIBIT A

LEGAL DESCRIPTION OF EASEMENT PROPERTY

The following lands situated in McCulloch County, Texas:

657.373 acres, more or less, being all of the A.M. Jamison Survey No. 48, Abstract No. 1814, Certificate No. 33/3223, patented to A.M. Jamieson by Patent No. 641, Volume 18, McCulloch County, Texas.

Said land being the same land described in that certain deed dated April 2, 1998 and recorded in Volume 294, Page 155, Deed Records, McCulloch County, Texas.

EXHIBIT A TO WIND ENERGY GROUND LEASE: LEGAL DESCRIPTION OF PREMISES

TRACT ONE: BEING an area of 665.161 acres of land, more or less, in McCulloch County comprised of 626.50 acres out of C.R Tisdale Survey 38, Abstract No. 2211, and 38.66 acres out of C. Schmidt Survey No. 1252, Abstract No. 1234, McCulloch County, Texas, and said 665.161 acre tract being out of 2554 acres conveyed by deed from Ollie M. Johnson, a widow, and Noble M. Johnson to Joe Dale Johnson, described and recorded May 15th, 1953, in Volume 144, Page 526, Deed Records of McCulloch County, Texas, and said 665.161 acre tract being more particularly described by metes and bounds as follows;

BEGINNING at a ½" iron rod found, from which a fence corner post bears South 1.0 feet, for the Northeast corner of this tract being the Northeast corner of the Survey 38, Northwest corner of H. Schaefer Survey 1221, Abstract 1215, the Southeast corner of Thos. Kreiker Survey 1256, Abstract 814, the Southwest corner of H. & T. C. Ry. Co. Survey 63, Abstract 634, and being the Northeast corner of 2554 acre Johnson tract, the Northwest corner of 349.952 acres described in a Warranty Deed from John P. Easley, and wife, Mary Lou Easley to J. P. Easley Family Partnership, LTD. recorded in Volume 328, Page 6, Deed Records of McCulloch County, Texas, and being a Southern corner of 4,369.319 acres described in a Warranty Deed to Beakley Cattle Company, LLC. recorded in Volume 366, Page 252, Deed Records of McCulloch County, Texas;

THENCE with the East line of Survey 38 and the West line of Survey 1221, and the West line of said 349.952 acres, the East line of 2554 acre Johnson tract, the East line of this tract along and with a fence, S0° 10' 37"E (Call North), at 1186.46 feet passing a ½" iron rod found, at 2309.28 feet passing a ½" iron rod found, at 2586.94 feet passing the Southwest corner of Survey 1221 and the Northwest corner of H. Schaefer Survey 1222, Abstract 1216, and continuing with the East line of Survey 38 and the West line of Survey 1222, at 4083.05 feet passing a ½" iron rod found, and continuing for a total of 5146.41 feet to a three way fence corner post, being the Southeast corner of Survey 38, the Southwest corner of Survey 1222, the Northwest corner of G. & B.N. Co. Survey 34, Abstract 443, the Northeast corner of Jacob Klock Survey 1250, Abstract 820, also being the Southwest corner of 349.952 acre tract, the Northwest corner of a 364.43 acres described in a Warranty Deed from Jesse L. Stanfield and wife, Margret Stanfield to SMIKID, LTD., a Texas Limited Partnership, recorded in Volume 332, Page 511, Deed Records of McCulloch County Texas, and the Northeast corner of a 125.293 acres described in a General Warranty Deed from Joe H. Johnson and wife, Mackye M. Johnson; Joeen Johnson and husband, Gary Sutton; Janice Johnson Cook and husband, Ronnie Lee Cook; Justine Johnson McNeely and husband, Ted E. McNeely to SMIKID, Ltd recorded in Volume 380 Page 100, Deed Records of McCulloch County, Texas, and being the Southeast corner of this tract;

THENCE with the North line of Survey 1250 and the South line of Survey 38, and the North line of 125.293 acre tract with a fence, N87° 46' 07"W, 1699.29 feet (Call S. 87° 22' 12" E, 1700.06 feet) to a ½" iron rod with cap marked "ROSS", for the Northwest corner of 125.293 acre SMIKID tract, and an interior corner of the remainder of 2,554 acre Johnson tract;

THENCE upon and across 2,554 acre Johnson tract, along the South line of Survey 38 and North line of Survey 1250, with a fence, N87° 46' 07"W, at 976.88 feet passing a calculated point for the Northwest corner of Survey 1250 and the Northeast corner of Jacob Klock Survey 1251,

Abstract 822, continuing for a total distance of 3653.05 feet to a four way fence corner post, from which an Oak tree, 36" diameter, bears S43° 36' 09"E, 56.34 feet, being the Northwest corner of Survey 1251, the Southwest corner of Survey 38, the Northeast corner of H. & T. C. Survey 37, Abstract 820, the Southeast corner of C. Schmidt Survey 1252, Abstract 1234, and being an angle point for the South line of this tract;

THENCE upon and across Survey 1252, and 2554 acre Johnson tract, with a fence, N84° 54' 58"W, 592.71 feet to a 2 ½" pipe fence corner post, for the Southwest corner of this tract;

THENCE with a fence, N0° 19' 28"W, 2689.66 feet to a 2 ½" pipe fence corner post, being in the North line of Survey 1252, the South line of C. Schmidt Survey 1255, Abstract 1235, and being in the South line of 617.7 acres described in a Warranty Deed to Harold Lanier Price recorded in Volume 206, Page 506, Deed Records of McCulloch County, Texas, the North line of 2554 acre Johnson tract, and being the Western most Northwest corner of this tract;

THENCE along the North line of Survey 1252, the South line of Survey 1255, the South line of 617.7 acre Price tract, the North line of 2554 acre Johnson tract, with a fence, N89° 52' 54"E, 649.28 feet to a cedar fence corner post, being the Northeast corner of Survey 1252, the Southeast corner of Survey 1255, being in the West line of Survey 38, for an interior corner of this tract;

THENCE along the East line of Survey 1255, the West line of Survey 38, the East line of 617.7 acre Price tract, the West line of 2554 acre Johnson Tract, with a fence, N0° 54' 43"E, 2407.29 feet (Call South 950 varas) to a ½" iron rod by a three way fence corner post, for the Northeast corner of Survey 1255, the Northwest corner of Survey 38, the Southeast corner of H & T. C. R.R. Survey 39, Abstract 621, the Southwest corner Survey 1256, being the Southwest corner of 4369.319 acre Beakley tract, and being the Northern most Northwest corner of 2554 acre Johnson tract, and being the Northern most Northwest corner of this tract;

THENCE along the South line of Survey 1256, the North line of Survey 38, the South line of 4369.319 acre Beakley tract, the North line of 2554 acre Johnson tract, with a fence, S87° 40' 57"E, 5254.71 feet (Call West 1900 varas) to the PLACE OF BEGINNING and containing an area of 665.161 acres of land.

TRACT TWO:

A non-exclusive easement as described in an easement dated April 25, 1994 from Carol Ann Johnson to Joeen Johnson Sutton , et al, recorded in Volume 265, Page 264, Deed Records, McCulloch County, Texas, to be held, used and enjoyed in common with the other Grantors herein, said easement described as follows:

Said 30-foot wide strip is 15.0 feet on each side of a centerline, more particularly described by metes and bounds as follows, to-wit:

BEGINNING at a point in the north line of public road for the south end hereof from which point a railroad spike set by a "T" corner post in the south line of said public road for the southeast

corner of said Fisher & Miller Survey No. 2591 bears South 82° 39' 51" East 461.51 feet;

THENCE with the approximate centerline of an existing road across said Carol Ann Johnson 524 acres, North 15° 15' 58" West 1504.37 feet, a railroad spike, North 12° 46' 58" West 1999.73 feet, a railroad spike, North 12° 13' 58" West 577.82 feet, a railroad spike at the intersection of another access road, (which bears northwest to the east property line of Grantee's property, said access road to the Northwest to Grantee's property is included herein), North 09° 08' 00" East 148.54 feet, North 33° 02' 48" East 1008.57 feet, and North 11° 59' 16" East 169.17 feet to a point in the north line of said Survey No. 2591, being the north line of said Carol Ann Johnson 524 acres, from which a point a ½ inch steel stake set by a "T" corner post for the Northeast corner of said Survey No. 2591 bears South 88° 31' 20" East 731.97 feet, also from said point a railroad spike in a west pine gatepost bears North 88° 31' 21" West 10.0 feet.

TRACT THREE:

A non-exclusive easement as described in an easement from J. A. Jones, James M. Anderson, Patrick S. Anderson and Timothy Lee Anderson to Joe H. Johnson, Joeen Johnson Sutton, Janice Johnson Cook, and Justine Johnson McNeely dated June 30, 2008, recorded in Volume 380, Page 95, Official Public Records, McCulloch County, Texas, to be held, used and enjoyed in common with the other Grantors herein, said easement described as follows:

Easement and right-of-way upon and across a thirty (30) foot wide strip of land crossing a 109.252 acre tract out of Jacob Klock Survey No. 1249, Abstract No. 819, in McCulloch County, Texas described in Deed from Noble M. Johnson and wife, Modenia Johnson dated November 19, 1993 to J. A. Jones and J. S. Anderson, recorded in Volume 265, Page 560, Official Public Records of McCulloch County, Texas. Said 30-foot wide strip is 15.0 feet on each side of a centerline, more particularly described by metes and bounds as follows, to wit:

BEGINNING at a point in the North line of the F & M Survey No. 2591, Abstract No. 268 and the South line of said Jacob Klock Survey No. 1249, Abstract No. 819, also being the ending point of an easement from Carol Ann Johnson dated April 25, 1994, recorded in Volume 265, Page 264, Official Public Records, McCulloch County, Texas, and further being in the North line of a public road for the south end hereof, from which point a ½ inch steel stake set by a "T" corner post for the Northeast corner of said Survey No. 2591 bears South 88° 31' 20" East 731.97 feet, also from said point a railroad spike in a west pine gatepost bears North 88° 31' 21" West 10.0 feet;

THENCE continuing with said centerline hereof, North 13° 23' 21" East 250.79 feet North 04° 21' 34" East 725.71 feet, North 8° 46' 23" East 913.85 feet, and North 19° 12' 58" East 55.33 feet to a point in the center of a cattleguard, being in the north line of said J. A. Jones et al tract, from which point a ½ inch steel stake set by a "T" fence corner post for a Northeasterly corner of said Noble Johnson tract bears South 88° 35' East 427.28 feet.

TRACT FOUR:

A non-exclusive easement as described in a Warranty Deed dated July 3, 2008 from Joe H. Johnson et ux et al to SMIKID Ltd recorded in Volume 380, Page 100, Official Public Records, McCulloch County, Texas, to be held, used and enjoyed in common with the other Grantors herein, and being an easement over, upon and across a strip or tract of land located in the Jacob Klock Survey No. 1249, Abstract No. 819, and the Jacob Klock Survey No. 1250, Abstract No. 820, in McCulloch County, Texas, said easement being fifteen feet on each side of a center line described by metes and bounds as follows, to-wit:

BEGINNING at a point in the North line of that tract described in Deed from Ollie M. Johnson et al to Noble Johnson, dated May 31, 1955, recorded in Volume 144, page 529, Deed Records of McCulloch County, Texas, being also at a point in a southerly line of a 2,544.0 acre tract, from which point a ½ inch steel stake set by a “T” fence corner post for a northeasterly corner of said Noble Johnson tract bears S. 88° 35' East 427.28 feet, and being also the ending point of that easement from Carol Ann Hagler et al to Ona Green, dated July 15, 1985, recorded in Volume 228, Page 366, Deed Records of McCulloch County, Texas;

THENCE North 38° 16' 12” East 57.77 feet, North 78° 36' 10” East 176.95 feet, North 63° 38' 18” East 101.77 feet, North 35° 22' 43” East 180.45 feet, a 30d nail, North 06° 44' 28” West, at 362.02 feet cross the North line of said Jacob Klock Survey No. 1249 at a point from which a ½ inch steel stake set by a “T” fence corner post for the Northeast corner of said Survey No. 1249 bears East 54.15 feet, a total distance this course of 831.36 feet, a railroad spike, North 01° 35' 29” East 409.77 feet, North 21° 59' 17” East 82.84 feet, North 63° 23' 31” East 36.91 feet to a point for an angle hereof, from which point the center of a cattle guard in the East line of said Jacob Klock Survey No. 1250 bears North 63° 23' 31” East 16.65 feet;

THENCE parallel to and 15.0 feet West of the East line of Jacob Klock Survey No. 1250, North 01° 00' West, at 1,599.5 feet pass the North line of said Survey No. 1250, at a point 15.0 feet West of the Northeast corner of said Survey No. 150, a total distance this last course of 1,614.5 feet;

THENCE East 15.0 feet to a point in the West line of H. Schaefer Survey No. 1222, Abstract No. 1216, for the North end hereof, from which said point the Southwest corner of said Survey No. 1222 bears South 01° East 15.0 feet.

EXHIBIT A TO WIND ENERGY GROUND LEASE: LEGAL DESCRIPTION OF PREMISES

All of that certain land situated in McCulloch County, Texas, described as follows:

Tract 1:

(1) The west half of Johann H. Lochmann Survey No. 1132, Abstract No. 939, Certificate No. 741, patented to Johann H. Lochmann by Patent No. 543, Volume 17; and

(2) The West half of Johann H. Lochmann Survey No. 1133, Abstract No. 940, Certificate No. 741, patented to Johann H. Lochmann by Patent No. 545, Volume 17.

SAVE AND EXCEPT THEREFROM, HOWEVER, the following three tracts of land:

(1) A 1 acre cemetery lot out of the West part of Survey 1133; and

(2) A strip of land 40 feet wide off of the east side of the west half of J.H. Lochmann surveys 1132 and 1133, abstract 939 and 940, certificate 741, patented to J.H. Lochmann by patents 543 and 545, Vol. 17, said strip of land extending from the south boundary line of survey 1133 to the north line of survey 1132 and being bounded on the east by the east boundary line of portions of said surveys conveyed to J.H. White and G.R. White, executors, by Abner Hanson and wife Jennie Hanson by deed dated December 7, 1923 and recorded in Volume 65, Page 384, Deed Reorrd, McCulloch County, Texas; and said strip of land bounded on the west by a line running from south boundary line of said Survey 1133 to the north boundary line of said Survey 1132 parallel with said east line and 40 feet west therefrom and being the same strip above reserved in deed from G.R. White, et al, to W.N. White, recorded in Volume 65, Page 452, Deed Records, McCulloch County, Texas.

(3) A strip of land 30 feet side off of the south side of the west half of J.H. Lochmann survey 1133, abstract 940, certificate 741, patented to J.H. Lochmann by patent 543 and 545, Vol. 17, said strip of land extending from the west boundary line of survey 1133 to the east boundary line of the west half of survey 133.

Tract 2:

10 acres, more or less, and being part of G&BNGO. Survey No. 24, Abstract No. 445, Certificate No. 84, patented to H. H. Sears by Patent No. 13, Volume 20, described by metes and bounds as follows:

BEGINNING at a stake set 30 ft. South from the NW cor. of said Survey No. 24, for the NW cor. this tract;

THENCE South $252\frac{1}{2}$ varas with West line of said Survey No. 24, to stake;

THENCE East 330.4 vrs. to stake;

THENCE North 87 varas to stake in South line of old Brady and Eden public road;

THENCE with South line of said public road, North 66° West $37\frac{1}{4}$ varas to the place of beginning.

EXHIBIT A

LEGAL DESCRIPTION OF EASEMENT PROPERTY

The following lands situated in McCulloch County, Texas

TRACT 1:

160 acres, more or less, being all of the John C. Prude Survey No. 1289, Abstract No. 1900, patented by the State of Texas to W.H. Donathan, Sr., Assignee, by Patent No. 349, Volume 20, dated December 20, 1887, recorded in Volume J-1, Page 87, Deed Records, McCulloch County, Texas.

Said land being the same land described in that certain Deed and Stipulation of Interests recorded on February 7, 2012 in Volume 408, Page 240, Deed Records, McCulloch County, Texas.

TRACT 2:

324.535 acres, more or less, being all of the Peter Bonn Survey No. 1288, Abstract No. 57, Cert. No. 645, McCulloch County, Texas.

Said land being the same land described in that certain Deed and Stipulation of Interests recorded on February 7, 2012 in Volume 408, Page 240, Deed Records, McCulloch County, Texas.

EXHIBIT A TO WIND ENERGY GROUND LEASE: LEGAL DESCRIPTION OF PREMISES

All of that certain land situated in McCulloch County, Texas, described as follows:

BEING 168.61 acres, more or less, in the J. H. Lochmann Survey No. 1132, Abstract No. 939, McCulloch County, Texas, said tract is that land that Virgil L. Dahlberg, et ux, deeded to Judith E. Carpenter by Deed dated January 31, 2000, recorded in Volume 309, Page 67, Deed Records, McCulloch County, Texas:

BEGINNING at a corner post with a set ½" iron stake located at the recognized Southeast corner of said Survey No. 1132, said point is the Southeast corner of this tract;

THENCE North 00° 15' 57" East 2667.3 ft. (North 2652.8 ft - deed call) along a fence line to a corner post with a found ½" iron stake, said point is the Northeast corner of Survey No. 1132;

THENCE North 63° 04' 55" West 3089.9 ft. (North 63° 23' West 3072.2 ft. - deed call) along the North line of said Survey No. 1132 and near a fence line to a corner post located 1.7 ft. South of an iron corner post;

THENCE South 00° 05' 05" West 2664.2 ft. (South 2654.2 ft - deed call) along a fence line located on the East line of County Road 154 to a set ½" iron stake by a broken corner post;

THENCE South 62° 57' 35" East 3083.8 ft. (South 63° 23' East 3066.0 ft - deed call) along a fence line located on the South line of said Survey No. 1132 to the POINT OF BEGINNING.

EXHIBIT A TO WIND ENERGY GROUND LEASE: LEGAL DESCRIPTION OF PREMISES

The following lands situated in McCulloch County, Texas, described as Parcel A and Parcel B below.

PARCEL A: 524.696 ACRES

BEING 524.696 acres, more or less, located in McCulloch County, Texas, and being all of a tract of land containing 1324.75 acres, more or less, described in a deed dated November 15, 1993 from Nellie Belle Snyder to Kay Snyder Fortson recorded in Volume 262, Page 540, Deed Records, McCulloch County, Texas, which 1324.75 acre tract is hereinafter described as Tracts One, Two and Three, LESS, SAVE AND EXCEPT, three tracts of land containing 800.054 acres, more or less, which three tracts are hereinafter described as Parcels One, Two, and Three.

Tract One: 797.35 acres, more or less, described as follows:

- (1) 159.3 acres, more or less, the East half of Carl Usener Survey No. 1351, Certificate No. 402, patented to James F. Edmunds by Patent No. 382, Volume 24, Abstract No. 1383.
- (2) 178 acres, more or less, off of the East part of Carl Usener Survey No. 1352, Certificate No. 402, patented to James F. Edmunds by Patent No. 381, Volume 24, Abstract No. 1382.
- (3) 409-8/10 acres, more or less, the North part of H. & T.C. R.R. Co. School Section No. 16, purchased from the State by and patented to S.E. McKnight by Patent No. 487, Volume 21, Certificate No. 33/3207, Abstract No. 2236.
- (4) 50-1/4 acres, more or less, the West part of the South half of H. & T.C. R.R. Co. School Section No. 16, purchased from the State by and patented to S.E. McKnight by Patent No. 487, Volume 21, Certificate No. 33/3207, Abstract No. 2236.

Tracts (1), (2), (3) and (4), being all of Tract One above and is more particularly described by metes and bounds in deed dated November 21, 1932, from Elmer Wallace, et ux, to Mrs. Elizabeth Snyder and Kenneth Snyder, recorded in Volume 87, Page 594, Deed Records, McCulloch County, Texas.

Tract Two: 320.00 acres, more or less, all of Simon Balmert Survey No. 1349, Certificate No. 39, Abstract No. 63, patented to heirs of Simon Balmert by Patent No. 125, Volume 31, and being the land described as Tract (1) in deed dated March 2, 1942, from J. A. Henton, et ux, to Elizabeth Snyder, a widow, and Kenneth L. Snyder, recorded in Volume 107, Page 596, Deed Records of McCulloch County, Texas.

Tract Three: 207.4 acres, more or less, described as follows:

- (1) 114.2 acres, more or less, out of the West part of Carl Usener Survey No. 1351, Certificate No. 402, Abstract No. 1383, patented to James F. Edmunds by Patent No. 382, Volume 24.
- (2) 93.2 acres, more or less, out of the West part of Carl Usener Survey No. 1352, Certificate No. 402, Abstract No. 1382, patented to James F. Edmunds by Patent No. 381, Volume 24.

Tracts (1) and (2), being all of Tract Three, are described by metes and bounds in deed dated October 14, 1960, from W. T. Russell and wife, Pattie Russell, to Kenneth L. Snyder, recorded in Volume 158, Page 203, Deed Records of McCulloch County, Texas.

SAVE AND EXCEPT from the 1,324.75 acre, more or less, parcel of land:

Parcel One: Being an area of 130.054 acres of land, more or less, out of and a part of Carl Usener Survey No. 1352, Abstract No. 1382, McCulloch County, Texas and said 130.054 acre tract also being out of that certain 207.4 acre (Tract Three) described and recorded in Volume 275, Page 562, Official Public Records of McCulloch County, Texas and out of that certain 1324.75 acre tract (Tract One) described and recorded in Volume 275, page 562, Official Public Records of McCulloch County, Texas and said 130.054 acre tract being more particularly described by metes and bounds in Deed dated August 24, 2007 from Kay Snyder Fortson, a single woman to Shawn M. Gaudet, a single man and filed for record in Volume 371, Page 443, Official Public Records, McCulloch County, Texas, and said deed and the record thereof is here incorporated for all purposes. Said 130.054 acres being more particularly described by metes and bounds as follows:

Beginning at a ½" iron rod with cap set for the southwest corner of this tract and said 207.4 acre tract and being in the east right-of-way line of F. M. Highway No. 503 and from which a 5" steel fence corner bears N. 31° 40' 42" E. 29.0 feet;

Thence with the west line of this tract and said 207.4 acre tract and the east line of said F. M. Highway No. 503 with a curve to the left, having a radius of 756.38 feet, central angle of 09° 15' 31", arc length of 122.23 feet and whose long chord bears N. 06° 54' 16" E. 122.09 feet to a ½" iron rod with cap set for the end of this curve;

Thence continuing with the west line of this tract and said 207.4 acre tract and the east line of said F. M. Highway No. 503, N. 02° 16' 30" E. 463.89 feet to a ½" iron rod with cap set, N. 02° 18' 50" E. 1196.97 feet to a ½" iron rod with cap set for the northwest corner of this tract;

Thence with the north line of this tract and across said 207.4 acre tract and said 1324.75 acre tract, S. 87° 16' 52" E. 3144.12 feet to a ½" iron rod with cap set for the northeast corner of this tract;

Thence with the east line of this tract, S. 01° 05' 52" W. 1799.89 feet to a ½" iron rod with cap set for the southeast corner of this tract;

Thence with the south line of this tract and said 1327.75 acre tract and said 207.4 acre tract, N. 86° 59' 00" W. 3191.94 feet to the place of beginning and containing an area of 130.054 acres of land.

Bearings recited hereon are based on Texas Coordinate System NAD83 - Texas Central Zone by GPS observation.

Parcel Two: Being 70.000 acres of land, more or less, out of and a part of Carl Usener Survey No. 1352, Abstract No. 1382, McCulloch County, Texas and said 70.000 acre tract also being out of that certain 207.4 acre (Tract Three) and certain 1324.75 acre (Tract One) described and recorded in Volume 275, Page 562, Official Public Records of McCulloch County, Texas and said 70.000 being more fully described in deed dated February 15, 2010 from Kay Snyder Fortson, a single woman, to Shawn Gaudet and wife, Erin Gaudet, filed for record in Volume 393, Page 571, Official Public Records, McCulloch County, Texas, which deed and the record thereof are here incorporated for all purposes, and said 70.000 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at an iron rod with cap found for the Southwest corner of this tract in the East right-of-way line of F.M. Highway No. 503 and from which the Southwest corner of said 207.4 acre tract bears South 02° 18' 50" West 1196.97 feet, South 02° 16' 30" West 463.89 feet and South 06° 54' 16" West 122.09

feet;

THENCE with the West line of this tract and said 207.4 acre tract and the East line of said F.M. Highway 503, North 02° 18' 50" East 124.45 feet to an iron rod with cap found for an angle corner, North 04° 17' 18" East 810.41 feet to an iron rod with cap found for the beginning of a curve to the left;

THENCE with said curve to the left, having a radius of 2904.79 feet, central angle of 05° 33' 00", arc length of 281.38 feet, and whose long chord bears North 01° 30' 47" East 281.27 feet to an iron rod with cap found for the end of this curve;

THENCE continuing with the West line of this tract and said 207.4 acre tract, North 01° 15' 42" West 438.50 feet to an iron rod with cap found for the beginning of a curve to the left;

THENCE with said curve to the left, having a radius of 4623.32 feet, central angle of 05° 34' 00", arc length of 449.19 feet, and whose long chord bears North 04° 02' 42" West 449.01 feet to an iron rod with cap found for the end of this curve;

THENCE continuing with the West line of this tract and said 207.4 acre tract, North 06° 49' 42" West 58.32 feet to a ½" iron rod with cap set for the Northwest corner of this tract;

THENCE with the North line of this tract and across said 207.4 acre tract and said 1324.75 acre tract, South 75° 23' 33" East 1894.36 feet to a 5" fence corner occupying the Northeast corner of this tract;

THENCE with the easterly line of this tract, along and with a fence, South 17° 59' 48" West 1419.71 feet to a 5" fence corner found, South 18° 12' 45" West at 339.19 feet pass a ½" iron rod with cap set, in all a total distance of 411.78 feet to a ½" iron rod with cap set for the Northeast corner of this tract;

THENCE with the South line of this tract, North 87° 16' 51" West 1292.03 feet to THE PLACE OF BEGINNING and containing an area of 70.000 acres of land, more or less.

Bearings recited hereon are based on Texas Coordinate System NAD83 - Texas Central Zone by GPS observation.

Parcel Three: Being an area of 600.000 acres, more or less, of land, out of Carl Usener Survey No. 1351, Abstract No. 1383, Carl Usener Survey No. 1352, Abstract No. 1382, and S. McKnight Survey No. 16, Abstract No. 2236, McCulloch County, Texas, and said 600.000 acre tract being a portion of 1324.75 acres of land conveyed by Warranty Deed to Kay Snyder Fortson, described and dated November 15th, 1993, in Volume 262, Page 540, Deed Records of McCulloch County, Texas, said 600.000 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a ½" iron rod with cap marked "SKG ENGINEERS" found at a fence corner post found in said Survey No. 1351, in the East right of way line of F.M. Highway No. 503 at station 191+80.28, being the Northwest corner of 70.000 acres described and recorded in a Warranty Deed from Kay Snyder Fortson to Shawn Gaudet, in Volume 393, Page 571, McCulloch County, Texas, and being in a western corner of the remainder of said 1324.75 acres and being a Southwest corner hereof;

THENCE with the East right of way of said F.M. 503 and the West line of the remainder of said 1324.75 acres, with the following bearings and distances; North 07° 11' 36" West, 713.82 feet, to a ½" iron rod with cap marked "SKG ENGINEERS" set at the beginning of a curve;

THENCE with a curve to the left having a long chord of North 28° 16' 30" West, 680.25 feet and a radius

of 944.65, to a ½" iron rod with cap marked "SKG ENGINEERS" set for the end of a curve;

THENCE North 49° 21' 28" West, 381.46 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set at the beginning of a curve;

THENCE with a curve to the right having a long chord of North 45° 30' 40" West, 46.73 feet, radius of 343.34 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set in the North line of Survey No. 1351, the South line of H & T.C. R.R. Survey No. 15, Abstract No. 608, in the East right of way line of F.M. Highway No. 503 on a curve to the left at station 209+94.81, being the Southwest corner of 161.93 acres described and recorded in a Warranty Deed to Dorman Dan Jacoby in Volume 210, Page 560, Deed Records, McCulloch County, Texas, being the Northwest corner hereof;

THENCE with the North line of said Survey No. 1351 and the South line of said Survey No. 15, the South line of said 161.93 acres, the North line of said 1324.75 acres, the North line hereof, South 85° 43' 15" East (East), passing at 2487.85 feet the Southeast corner of said 161.93 acres and the Southwest corner of 160 acres (SE¼) of said Survey 15 described and recorded in a Warranty Deed to J.B. Lewis and wife, Daisy Dwan Lewis in Volume 306, Page 1016, McCulloch County Official Public Records, continuing with the South line of said 160 acres, the North line of said 1324.75 acres and the North line hereof a total of 5187.54 feet to a rock marked "X" buried on the North side of a 4 way fence corner post being the Southeast corner of said Survey No. 15, the Northeast corner of said Survey No. 1351, the Southwest corner of D. Rothenberg Survey No. 1348, Abstract No. 1144, the Northwest corner of S. McKnight Survey No. 16, Abstract No. 2236, the Southwest corner of 336 acres described and recorded in a Deed to Willie R. Siler in Volume 114, Page 352, Deed Records of McCulloch County, being in the North line of said 1324.75 acres and the North line hereof;

THENCE with the South line of Survey No. 1348 and said 336 acres, the North line of said Survey No. 16 and said 1324.75 acres, with a fence and the North line hereof, South 89° 53' 01" East, 2832.48 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set for the Northeast corner hereof, from which a rock marked "X" buried on the North side of a 4 way fence corner post being the Northeast corner of said Survey No. 16 bears South 89° 53' 01" East, 2679.79 feet;

THENCE upon and across said Survey No. 16 and said 1324.75 acres, South 07° 42' 28" East, 1193.03 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set for an angle hereof;

THENCE continuing upon and across said Survey No. 16 and said 1324.75 acres, South 12° 59' 10" West, 1938.97 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set at a fence in the South line of said 1324.75 acres and the North line of 258.33 acres (First Tract) described and recorded in a Deed to Harold Lanier Price in Volume 160, Page 68, Deed Records, McCulloch County, Texas, said iron rod being a Southeast corner hereof;

THENCE with the North line of said 258.33 acres and the South line of said 1324.75 acres with a fence, North 86° 08' 48" West (North 86° West), 1618.90 feet to a three way fence corner post being the Northwest corner of said 258.33 acres and an interior corner of said 1324.75 acres and being an interior corner hereof;

THENCE with the West line of said 258.33 acres and an East line of said 1324.75 acres with a fence, South 00° 09' 47" East (South), 2409.74 feet (860 varas) to a ½" iron rod with cap marked "SKG ENGINEERS" set in the South line of Survey No. 16, the North line of A. Neuendorf Survey No. 1353, Abstract No. 1067, being the Southwest corner of said 258.33 acres and in the North line of 677.75 acres (First Tract), described and recorded in a Deed to Harold Lanier Price in Volume 160, Page 68, Deed Records, McCulloch County, said iron rod being a Southeast corner hereof, from which a 3 way fence

corner post bears North 02° 35' 29" West 32.25 feet;

THENCE with the North line of said 677.75 acres, said Survey No. 1353, and the South line of said 1324.75 acres, said Survey No. 16, North 84° 47' 57" West (North 86° West), 916.61 feet (330 varas) to a rock marked "X" buried on the West side of a fence post being the Southwest corner of said Survey No. 16, the Northwest corner of said Survey No. 1353, the Southeast corner of Carl Usener Survey No. 1352, Abstract No. 1382, the Northeast corner of H. & T.C. R.R. Co. Survey No. 17, Abstract No. 609, the Northwest corner of said 677.75 acres, the Northeast corner of 105.81 acres (Fourth Tract) described and recorded in a Deed to Harold Lanier Price in Volume 160, Page 68, Deed Records, McCulloch County, being in the South line hereof;

THENCE with the North line of said 105.81 acres, the North line of said Survey No. 17, and the South line of said 1324.75 acres, the South line of said Survey No. 1352, North 86° 41' 44" West (North 87° West), 1366.09 feet to a ½" iron rod with cap marked "SKG ENGINEERS" found for the Southeast corner of 130.054 acres described and recorded in a Warranty Deed with Vendor's Lien to Shawn M. Gaudet in Volume 371, Page 443, Official Public Records, McCulloch County, being the Southwest corner hereof;

THENCE upon and across said 1324.75 acres, with the East line of said 130.054 acres, North 00° 42' 55" East, 1799.78 feet (North 01° 05' 52" East, 1799.89') to a ½" iron rod with cap marked "SKG ENGINEERS" found being the Northeast corner of said 130.054 acres, being an interior corner hereof;

THENCE with the North line of said 130.054 acres, North 87° 40' 37" West, 1831.95 feet (North 87° 16' 52" West) to a ½" iron rod with cap marked "SKG ENGINEERS" found in a fence in the East line of said 70.000 acres, being a Southwest corner hereof;

THENCE with the East line of said 70.000 acres with a fence, North 17° 52' 47" East, 339.68 feet (North 18° 12' 45" East, 339.19') to a 5" fence post, continuing, North 17° 34' 58" East, 1419.21 feet (North 17° 59' 48" East, 1419.71') to a 3 way fence corner post, being an interior corner hereof;

THENCE with a fence and the North line of said 70.000 acres, North 75° 47' 01" West, 1893.42 feet (North 75° 23' 33" West, 1894.36) to the PLACE OF BEGINNING and containing 600.000 acres of land, more or less.

Bearings recited hereon are based on Texas coordinate system NAD-83-Texas Central zone by GPS observation.

PARCEL B: EASEMENT

Being a 40 foot wide easement across Carl Usener Survey No. 1351, Abstract No. 1383, S. McKnight Survey No. 16, Abstract No. 2236, McCulloch County, Texas, and said easement being out of a portion of 1324.75 acres of land conveyed by Warranty Deed to Kay Snyder Fortson, described and dated November 15, 1993, in Volume 262, Page 540, Deed Records of McCulloch County, Texas, said easement being more particularly described by metes and bounds as follows:

Beginning at a ½" iron rod with cap marked "SKG ENGINEERS" found in said Survey No. 1351, in the East right of way line of F. M. Highway No. 503 on a curve to the left at station 199+51.87, from which a ½" iron rod with cap marked "SKG ENGINEERS" found in the East right of way line of F. M. Highway No. 503 at station 191+80.28, bears South 07° 19' 59" West, 774.29 feet, being the Northwest corner of 70.000 acres described and recorded in a Warranty Deed from Kay Snyder Fortson to Shawn Gaudet, in Volume 393, Page 571, McCulloch County, Texas, another ½" iron rod with cap marked "SKG

ENGINEERS" set in the North line of Survey No. 1351, the South line of H. & T. C. R.R. Survey No. 15, Abstract No. 608, in the East right of way line of F. M. Highway No. 503 on a curve to the left at station 209+94.81, bears North 37° 45' 36" East, 1037.87 feet, being the Southwest corner of 161.93 acres described and recorded in a Warranty Deed to Dorman Dan Jacoby in Volume 210, Page 560, McCulloch County, Texas.

Thence upon and across said Survey No. 1351 and said Survey No. 16 with the following centerline bearings and distances:

North 85° 15' 41" East, 631.87 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set;

North 88° 39' 35" East, 177.94 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set;

North 59° 23' 04" East, 159.42 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set;

South 82° 21' 57" East, 481.74 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set;

South 82° 30' 33" East, 480.68 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set;

South 29° 52' 17" East, 492.80 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set;

South 73° 53' 58" East, 471.24 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set;

North 75° 14' 21" East, 239.83 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set;

North 64° 05' 21" East, 1837.98 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set;

South 86° 11' 18" East, 76.28 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set;

North 00° 04' 49" West, 101.40 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set;

South 89° 53' 02" East, 2815.16 feet to a ½" iron rod with cap marked "SKG ENGINEERS" set, to the end of this centerline description in the East line of the above described 600.00 acre tract, from which a ½" iron rod with cap marked "SKG ENGINEERS" set for the Northeast corner of said 600.000 acres bears North 07° 42' 28" West, 20.19 feet, and from which a rock marked "X" buried on the North side of a 4 way fence corner post being the Northeast corner of said Survey No. 16 bears North 89° 41' 17" East, 2677.11 feet.

Bearings recited hereon are based on Texas coordinate system NAD-83 Texas Central Zone by GPS observation.

EXHIBIT A

LEGAL DESCRIPTION OF EASEMENT PROPERTY

The following lands situated in McCulloch County, Texas:

640 acres, more or less, situated in McCulloch County, Texas and being all of H. & T. C. R. R. Co. Survey No. 47, Abstract No. 625, Certificate No. 33/3223, patented to H. & T. C. R. R. Co. by Patent No. 198, Volume 44, in McCulloch County, Texas.

EXHIBIT A TO WIND ENERGY GROUND LEASE: LEGAL DESCRIPTION OF PREMISES

BEING an area of 672.411 acres of land, more or less, in McCulloch County, Texas, comprised of 158.45 acres out of Jacob Klock Survey 1251, Abstract 822, 57.82 acres out of Jacob Klock Survey 1250, Abstract 820, 23.88 acres out of Jacob Klock Survey 1249, Abstract 819, 157.77 acres out of Jacob Klock Survey 1248, Abstract 821, 116.98 acres out of Fisher and Miller Survey 2591, Abstract 268, 4.17 acres out of C. Schmidt Survey 1252, Abstract 1234, 149.81 acres out of H. & T. C. Survey 37, Abstract 620, 3.53 acres out of H. W. A. Bothmer Survey 1247, Abstract 77, McCulloch County, Texas, and said 672.411 acre tract being out of 2554 acres conveyed by deed from Ollie M. Johnson, a widow, and Noble M. Johnson to Joe Dale Johnson, described and recorded May 15th, 1953, in Volume 144, Page 526, Deed Records of McCulloch County, Texas and said 672.411 acre tract being more particularly described by metes and bounds as follows;

BEGINNING at a ½" iron rod found, from which a fence corner post bears East 0.2 feet, for a Eastern angle of this tract, being in the North line of the Survey 2591, and the South line of Survey 1249, and being the Southwest corner of 109.252 acres described in a Warranty Deed with Vender's Lien from Noble M. Johnson and wife, Modenia Johnson, to J. A. Jones and J. S. Anderson, recorded in Volume 262, Page 560, Deed Records of McCulloch County, Texas, the Northern most Northwest corner of 397.264 acres described in a Warranty Deed from 4K Land and Cattle Company, to 4K Comfort Ranches, L.P., recorded in Volume 340, Page 1043, and being an Eastern angle point for 2554 acre Johnson tract, from which a ½" iron rod found, for the Northeast corner of Survey 2591, bears S87° 48' 31"E, 2440.36 feet,

THENCE with the Northwest line of 397.264 acre 4K tract, and the Southeastern line of the 2554 Johnson tract, the Southeastern line of this tract, with a fence with the next three calls (Call N 04° E, 432 varas) S8° 07' 58"W, 218.90 feet to a 60d nail in the East side of a large Live Oak tree, S9° 56' 22"W, 240.90 feet, to a ½" iron rod set with cap marked "SKG ENGINEERS" in the center of a road, S9° 32' 40"W, 516.43 feet, to a ½" iron rod found at a fence angle, with the next two calls (Call N 56.5° E) S59° 21' 40"W, 567.83 feet, to a ½" iron rod found in a fence, S59° 27' 04"W, 625.05 feet, to a ½" iron rod found at a fence corner post, being the Western most Northwest corner of 397.264 acre 4K tract, and the Northeast corner of 125 acres described in a Warranty Deed with Vender's Lien from Douglas E. Moore and wife, Laura Y. Moore, to Richard J. Malaszowski and wife Felicitas Malaszowski, recorded in Volume 275, Page 14, Deed Records of McCulloch County, Texas, and being a Southeastern angle of this tract;

THENCE with the North line of 125 acre Malaszowski tract, the South line of 2554 acre Johnson tract, with a fence, S59° 23' 57"W (Call N 56.5° E) 461.67 feet to a ½" iron rod at the base of a Live Oak tree, S89° 21' 42"W, 3.59 feet to a ½" iron rod at the base of a Live Oak tree, with the next two calls (Call N 60° E), S63° 12' 24"W, 1501.94 feet to ½" iron rod by a cedar fence corner post, S86° 40' 37"W, 13.37 feet to a 4x4 concrete monument being in the West line of Survey 2591, and being the Northeast corner of H. W. A. Bothmer Survey 1246, Abstract 76, the Southeast corner of H. W. A. Bothmer Survey 1247, Abstract 77, the Northwest corner of 125 acre Malaszowski tract, the Northeast corner of 139.534 acres described in a Warranty Deed from Leslie M. Sellers and wife, Mary Patricia Sellers, to Glen R. Kent III and wife, Donna S. Kent, recorded in Volume 354, Page 949, Deed Records McCulloch County, Texas, and being a southern angle of this tract;

THENCE with the North line of Survey 1246, and the South line of Survey 1247, the North line of 139.534 acre Kent tract, the South line of 2554 acre Johnson tract, and the South line of this tract, with a fence, S88° 11' 12"W (Call S 88° 35'24" E) 226.73 feet to a 2 ½" pipe fence corner post for the Southwest corner of this tract;

THENCE upon and across Survey 1247 and 2,554 acre Johnson tract, with a fence, N5° 06' 00"W, 612.16 feet to a 2 ½" pipe fence corner post for an exterior corner of this tract;

THENCE with a fence, S88° 14' 04"E, at 284.27 feet crossing the East line of Survey 1247 and the West line of Survey 2591, continuing for a total distance 294.31 feet to a 2 ½" pipe fence corner post for an interior corner of this tract;

THENCE with a fence, N0° 00' 43"E, 1997.47 feet to a cedar fence corner post, being the Northeast corner of Survey 1247, the Northwest corner of Survey 2591, the Southeast corner of Jacob Klock Survey 1248, Abstract 821, the Southeast corner of H. &T. C. Survey 37, Abstract 620, from which a large Oak tree bears N2° 14' 49"E, 43.62 feet;

THENCE with a fence, N0° 06' 43"E, 1948.15 feet to a ½" iron rod set with cap marked "SKG ENGINEERS" at a fence corner post for an interior angle of this tract;

THENCE with a fence, N82° 03' 31"W, at 7.23 feet passing the West line of Survey 1248 and the East line of Survey 37, continuing for a total distance 2265.15 feet to a ½" iron rod set with cap marked "SKG ENGINEERS" at a fence corner for an exterior angle of this tract;

THENCE with a fence, N3° 27' 15"E, at 2873.21 feet passing the North line of Survey 37 and the South line of C. Schmidt Survey 1252, Abstract 1234, continuing for a total distance of 3039.74 feet to a 2 ½" pipe corner post for an exterior angle of this tract;

THENCE with a fence, S86° 18' 56"E, 1460.23 feet to a 2½" pipe fence corner post, S84° 54' 58"E, 592.71 feet to a four way fence corner post, being the Northeast corner of Survey 37, the Southeast corner of Survey 1252, the Southwest corner of C.R Tisdale Survey 38, Abstract No. 2211, the Northwest corner of Jacob Klock Survey 1251, Abstract 822, from which an Oak tree, 36" diameter, bears S43° 36' 09"E, 56.34 feet,

THENCE along the South line of Survey 38, the North line of Survey 1251, with a fence, S87° 46' 07"E, passing at 2676.17 feet a calculated point for the Northeast corner of Survey 1251, the Northwest corner of Jacob Klock Survey 1250, Abstract 820, and continuing with the North line of Survey 1250, the South line of Survey 38, a total distance of 3653.05 feet to a ½" iron rod with cap marked "ROSS" found at a fence corner post, for the Northwest corner of 125.293 acres described in a General Warranty Deed from Joe H. Johnson and wife, Mackye M. Johnson; Joeen Johnson and husband, Gary Sutton; Janice Johnson Cook and husband, Ronnie Lee Cook; Justine Johnson McNeely and husband, Ted E. McNeely to SMIKID, Ltd recorded in Volume 380 Page 100, Deed Records of McCulloch County, Texas, and being the Northeast corner of this tract;

THENCE along the West line of 125.293 acre SMIKID tract, the East line of this tract, with a fence, S0° 16' 47"E (Call N 00° 08' 01" E), passing at 2574.77 feet, the South line of Survey 1250, the north line of Survey 1249, continuing for a total of 3216.81 feet (Call 3216.02 feet) to a 2 ½" pipe fence corner post, being the Southwest corner of 125.293 acre tract and in the North line of 109.252 acre tract, and being an exterior corner of this tract;

THENCE along the North line of 109.252 acre tract, a South line of this tract, with a fence, N87° 49' 28"W (Call S 88° 38' 14" W), 799.74 feet, to a ½" iron rod found at a fence corner post, being the Northwest corner of 109.252 acre tract, and being an interior angle of this tract;

THENCE along the West line of 109.252 acre tract and an East line of this tract, with a fence, S2° 05' 00"E, 1393.71 feet (Call N 02° 48' 24" W, 1394.20 feet) to a ½" iron rod found, continuing S1° 54' 44"E, 535.57 feet (Call N 02° 37' 40" W 535.73 feet) to the PLACE OF BEGINNING and containing an area of 672.411 acres of land.

EXHIBIT A

LEGAL DESCRIPTION OF EASEMENT PROPERTY

The following lands situated in McCulloch County, Texas

335.5 acres, more or less, being the North part of H. & T. C. R. R. Co. Survey No. 44, Abstract No. 1765, Certificate No. 33/3221, patented to Adam T. Brown by Patent No. 332, Volume 26, McCulloch County, Texas, and described by metes ad bounds as follows:

Beginning at a rock mound set for the Northeast corner of Survey No. 44, the Northeast corner of this tract from which a rock bears North 19 varas Do. Bears South 10 varas;

Thence South 950 varas along the East line of Survey No. 44, to stake and mound for Southeast corner of ~~this~~ tract from which a Mesquite 6" bears North 23/34 ~~Do. 5~~ 2/3 varas Do. 4' bears North 28 1/2 West 11 varas;

Thence South 88' West 1985 varas to stake in West boundary line of said Survey No. 44, for Southwest corner of this tract from which a Mesquite 6" bears South 11 3/4' West 8 1/2 varas. Do. Bears South 6 East 22 varas;

Thence North 950 varas with the West line, of said Survey No. 44 to stake and mound for Northwest corner of Survey No. 44 and Northwest corner of this tract from which a Mesquite 2" bears South 82' West 33/34 varas;

Thence North 88' East 1985 varas to the place of beginning.

And being the same land described in a Deed from Jean Hutto Mitchell, et al to Ben D. Klausmayer, et ux, dated October 10, 2002, and recorded in Volume 327, Page 958 of the Official Records of McCulloch County, Texas.

EXHIBIT A TO WIND ENERGY GROUND LEASE: LEGAL DESCRIPTION OF PREMISES

TRACT ONE: Being 303.591 acres of land, more or less, out of the H. & T.C. RR Co. Survey No. 39, Abstract No. 621, in McCulloch County, Texas and being a portion of that certain 2947.884 acre tract described in Volume 366, Page 252 of the Official Public Records of McCulloch County, Texas; said 303.591 acre tract being more particularly described as follows and as surveyed under the supervision of Watson Professional Group, Inc.;

BEGINNING at a ½ inch iron rod set in the record common line of the Heinrich Herder Survey No. 1258, Abstract No. 510 and said Survey No. 39 in the south line of a 1000.011 acre tract and in the west line of a 12.872 acre tract, both said tracts surveyed this same day by Watson Professional Group, Inc. being a portion of said 2947.884 acre tract for the most northerly northeast corner hereof and from which an 8-inch cedar fence corner post found at the southeast corner of said Survey No. 1258, the southwest corner of the H. & T.C. RR Co. Survey No. 61, Abstract No. 633, the northwest corner of the Thomas Kreiker Survey No. 1257, Abstract No. 813 and the northeast corner of said Survey No. 39 for an interior corner of said 2947.884 acre tract, bears South 83° 32' 31" East a distance of 50.46 feet.

THENCE crossing said Survey No. 39 along the west and south line of said 12.872 acre tract the following two (2) courses:

1. South 00° 01' 00" East a distance of 55.52 feet to a ½ inch iron rod set for the southwest corner of said 12.872 acre tract;
2. South 89° 49' 02" East a distance of 50.28 feet to a ½ inch iron rod set in the record common line of said Survey No. 39 and said Survey No. 1257 and the west line of a 1288.274 acre tract surveyed this same day by Watson Professional Group Inc. being a portion of said 2947.884 acre tract for the southeast corner of said 12.872 acre tract and the most easterly northeast corner hereof;

THENCE South 00° 20' 14" East a distance of 3091.74 feet along the record common line of said Survey No. 39, said Survey 1257 and the Thomas Kreiker Survey No. 1256, Abstract No. 814 and the west line of said 1288.274 acre tract to a 10 inch cedar fence gate post found for a corner of that certain tract described in Volume 206, Page 506 of said Deed Records, an interior corner of said 2947.884 acre tract, and the southeast corner hereof;

THENCE crossing said Survey No. 39, along the general meanders of a fence for the south line of said 2947.884 acre tract and the north line of said tracts described in Volume 206, Page 506 the following 6 courses:

1. South 85° 53' 55" West a distance of 1284.61 feet to a 4 inch cedar fence corner post found;
2. North 86° 51' 02" West a distance of 1045.94 feet to a 36 inch live oak tree found used as a fence corner post;
3. North 76° 48' 42" West a distance of 595.40 feet to a 24 inch live oak tree found used as a fence corner post;
4. North 67° 04' 15" West a distance of 1778.95 feet to a dead 10 inch mesquite found used as a fence corner post;
5. North 65° 25' 50" West a distance of 378.58 feet to a 26 inch live oak tree found used as a fence corner post;
6. South 85° 01' 53" West a distance of 688.77 feet to a 12 inch cedar fence corner post found in the record common line of the Carl Schmiedeke Survey No. 1350, Abstract No. 1195 and said Survey 39 for the southwest corner of said 2947.884 acre tract and a corner of said tracts described in Volume 206, Page 506 of said Deed Records tract and the southwest corner hereof;

THENCE along the record common line of said Survey No. 39, said Survey No. 1350 and the Simon Balmert Survey No. 1349, Abstract No. 63, the west line of said 2947.884 acre tract and the east line of said tracts described in Volume 206, Page 506 tract and that certain 320 acre tract as described in Volume 262, Page 540 of said Deed Records the following 3 courses:

1. North 01° 57' 44" West a distance of 540.11 feet to a 4 inch pipe fence corner post found;
2. North 01° 09' 41" West a distance of 519.57 feet to a 12 inch cedar fence corner post found;
3. North 00° 25' 36" West a distance of 449.77 feet to a 6 inch cedar fence corner post found for the southwest corner of said 1000.011 acre tract and the northwest corner hereof;

THENCE crossing said Survey No. 39, said 2947.884 acre tract and along the south line of said 1000.011 acre tract the following 3 courses:

1. North 88° 50' 06" East a distance of 3430.38 feet to a ½ inch iron rod set;
2. North 59° 25' 24" East a distance of 1509.73 feet to a ½ inch iron rod set in the record common line of said Survey No. 39 and said Survey No. 1258;
3. South 83° 32' 31" East a distance of 814.68 feet along the record common line of said Survey No. 1258 and said Survey No. 39 to the POINT OF BEGINNING containing 303.591 acres, more or less.

NOTE: Bearings and distances are grid, NAD 83 US TX Central Zone. Iron rods set are ½ inch rebar with plastic caps marked "WATSON 1989" or "Watson 5740"

TRACT TWO: A non-exclusive right of way and easement for access and utilities over and across a parcel of land of 12.872 acres, more or less, out of the H. & T. C. RR Co. Survey No. 39, Abstract No. 621, the Heinrich Herder Survey No. 1258, Abstract No. 510, the Heinrich Herder Survey No. 1259, Abstract No. 511 and the Fisher & Miller Survey No. 2596, Abstract No. 287 and also being a portion of that certain 2947.884 acre tract of land as described in Volume 366, Page 352 of the Official Public Records of McCulloch County, Texas and a portion of a called 160 acre tract described in a deed recorded in Volume 228, Page 811 of the Deed Records of McCulloch County, Texas; Said 12.872 acre tract being more particularly described as follows and as surveyed under the supervision of Watson Professional Group, Inc;

BEGINNING at a 8 inch cedar fence corner post found for the southeast corner of said Survey No. 1258, the southwest corner of the H. & T. C. RR Co. Survey No. 61, Abstract No. 633, the northwest corner of the Thomas Kreiker Survey No. 1257, Abstract No. 813, the northeast corner of said Survey No. 39 for an interior corner of said 2947.884 acre tract, the southwest corner of that certain 1212.285 acre tract as described in Volume 338, Page 529 of said Official Public Records and the northwest corner of that certain 1288.274 acre tract as surveyed this same day by Watson Professional Group, Inc. as a portion of said 2947.884 acre tract;

THENCE South 00° 20' 14" East a distance of 50.00 feet along the record common line of said Survey No. 1257 and said Survey No. 39, the west line of a right of way easement as described in Volume 167, Page 207 of the Deed Records of McCulloch County, Texas and the west line of said 1288.274 acre tract to a ½ inch iron rod set for a corner of that certain 303.591 acre tract as surveyed this same day by Watson Professional Group, Inc. being a portion of said 2947.884 acre tract and the southeast corner hereof;

THENCE crossing said Survey No. 39, said Survey No. 1258, said Survey No. 1259 and said Survey No. 2596 along the north line of said 303.591 acre tract, the east line of that certain 1000.011 acre tract as surveyed this same day by Watson Professional Group, Inc. being a portion of said 2947.884 acre tract, the east line of that certain 509.223 acre tract as surveyed this same day by Watson Professional Group,

Inc. being a portion of said 2947.884 acre tract and crossing said 2947.884 acre tract the following five (5) courses;

1. South 89° 49' 02" West a distance of 50.28 feet to a ½ inch iron rod set for the southwest corner hereof;
2. North 00° 10' 00" West a distance of 55.52 feet to a ½ inch iron rod set in the record common line of said Survey No. 39 and said Survey No. 1258 for a corner hereof;
3. North 00° 10' 58" West a distance of 5535.13 feet to a ½ inch iron rod set in the common line of said Survey 1259 and said Survey 2596;
4. North 00° 13' 32" West a distance of 2872.44 feet to a ½ inch iron rod set;
5. North 00° 19' 57" West a distance of 2743.90 feet to a ½ inch iron rod set in south right-of-way line of Farm-to-Market Road 504 and the north line of said 2947.884 acre tract for the northeast corner of said 509.223 acre tract and the northwest corner hereof;

THENCE South 89° 38' 59" East a distance of 50.02 feet along the north line of said 2947.884 acre tract and the south line of said FM 504 to a ½ inch iron rod set in the common line of said Survey No. 2596 and the A. Hoelscher Survey No. 1261, Abstract No. 501 for the most northerly northeast corner of said 2947.884 acre tract, the northwest corner of said 1212.285 acre tract and the northeast corner hereof and from which a 6 inch cedar post fence corner found bears South 25° 31' 31" East a distance of 1.77 feet and a 4 inch post fence corner found bears South 84° 32' 19" East a distance of 43.01 feet;

THENCE along the record common line of said Survey No. 1261, said Survey No. 2596, said Survey No. 1259, said Survey No. 1258, said Survey No. 39, said Survey No. 61 and the A. Hoelscher Survey No. 1260, Abstract No. 500 for the west line of said 1212.285 acre tract and the east line of said 2947.884 acre tract the following three (3) courses:

1. South 00° 19' 57" East a distance of 2746.03 feet ½ inch iron rod found with a plastic cap marked "WATSON 5740" at the southwest corner of said Survey No. 1261 and the northwest corner of said Survey No. 1260;
2. South 00° 13' 32" East a distance of 2875.34 feet to a 14 inch cedar fence corner post found for the southeast corner of said Survey No. 2596, the southwest corner of said Survey No. 1260, the northwest corner of said Survey No. 61 and the northeast corner of said Survey No. 1259;
3. South 00° 11' 03" East a distance of 5534.73 feet to the POINT OF BEGINNING, containing 12.872 acres, more or less.

Note: Bearings and distances are grid, NAD 83 US TX Central Zone. Iron rods set are 1/2 inch rebar with plastic caps marked "WATSON 1989".

EXHIBIT A TO WIND ENERGY GROUND LEASE: LEGAL DESCRIPTION OF PREMISES

BEING an area of 649.172 acres of land, more or less, in McCulloch County, Texas, comprised of 82.047 acres out of H. W. A. Bothmer Survey 1247, Abstract 77, 263.909 acres out of H. & T. C. Survey 37, Abstract 620, 129.546 acres out of C. Schmidt Survey 1252, Abstract 1234, 173.670 acres out of J. A. Scherfius Survey 1253, Abstract 1979, McCulloch County, Texas, and said 649.172 acre tract being out of 2554 acres conveyed by deed from Ollie M. Johnson, a widow, and Noble M. Johnson to Joe Dale Johnson, described and recorded May 15th, 1953, in Volume 144, Page 526, Deed Records of McCulloch County, Texas and said 649.172 acre tract being more particularly described by metes and bounds as follows;

BEGINNING at a 4x4 concrete monument found, being the Northeast corner of S. E. McKnight Survey M-2, Abstract 2305, the Northeast corner of Indianola Railway Co. Survey 13, Abstract 759, the Southeast corner of J. C. Peter Survey 1359, Abstract 1106, the Southwest corner of H. & T. C. Survey 37, Abstract 620, the Northwest corner of H. W. A. Bothmer Survey 1247, Abstract 77, and being the Northeast corner of 80.2 acres described in a Deed without Warranty to Jason Jacoby and Randal Jacoby, recorded in Volume 267, Page 168, Deed Records of McCulloch County, Texas, the Southeast corner of 83.990 acres described in a Warranty Deed with Vender's Lien to Lawrence Rex Marks and wife, Jacqueline L. Marks, recorded in Volume 250, Page 789, Deed Records of McCulloch County, Texas, being in the West line of 2554 acre Johnson tract, from which a Live Oak tree bears N 40° 07' 27" E, 49.95 feet, and a 1' pipe found, bears S88°55'08"W, 30.26 feet, and being in the West line of this tract;

THENCE with the East line of Survey 1359, the West line of Survey 37, the East line of 83.990 acre Marks tract, and the West line of 2554 acre Johnson tract, generally along and West of a fence, N0°03'23"W (Call South), passing at 1406.3 feet, a 1" pipe for the Northeast corner of 83.990 acre Marks tract and the Southeast corner of 132.61 acres described in a Warranty Deed to Wesley Brian Sparks, ET UX, recorded in Volume 314, Page 293, Deed Records of McCulloch County, Texas, passing at 2611.4 feet, the calculated Northeast corner of Survey 1359 and the Southeast corner of J. C. Peter Survey 1358, Abstract 1105, passing at 3579.7 feet, a 1" pipe for the Northeast corner of 132.61 acre Sparks tract, the Southeast corner of 100 acres described in a Warranty Deed, called the "Fourth Tract (3)", to Harold Lanier Price recorded in Volume 206, Page 506, Deed Records McCulloch County, Texas, for a total distance of 5219.53 feet, to a rock mound found at a fence offset, being the Northeast corner of Survey 1358, the Northwest corner of Survey 37, the Southwest corner of J. A. Scherfius Survey 1253, Abstract 1979, the Southeast corner of W. H. & O. T. Melvin Survey 16, Abstract 1569, the Northeast corner of the 100 acre Price tract, the Southeast corner of 640 acres described in a Warranty Deed, called "First Tract (4)" to Harold Lanier Price recorded in Volume 160, Page 68, Deed Records of McCulloch County, Texas, and being in the West line of 2554 acre Johnson tract and this herein described tract, from which, a Live Oak tree bears S85° 18' 38"W, 158.14 feet, and fence corner posts bear N73°16'39"E, 11.07 feet, and N81°13'14"W, 15.00 feet;

THENCE with the East line of Survey 16 and the West line of Survey 1253, N0°37'58"W (Call South), converging on a fence on the West side of survey line, 2784.60 feet, to a 4 way fence corner post, being the Northwest corner of Survey 1253, the Southwest corner of J. A. Scherfius Survey 1254, Abstract 1980, in the East line of Survey 16, and the Southwest corner of 617.7 acres described in a Warranty Deed, called the "Fourth Tract (1)", to Harold Lanier Price

recorded in Volume 160, Page 68, Deed Records of McCulloch County, Texas, being the Western most Northwest corner of the 2554 acre Johnson tract and this herein described tract;

THENCE with the South line of Survey 1254 and the North line of Survey 1253, with a fence, N89°52'54"E (Call West), passing at 2745.49 feet, the calculated Southeast corner of Survey 1254, Northeast corner of Survey 1253, Southwest corner of C. Schmidt Survey 1255, Abstract 1235, the Northwest corner of C. Schmidt Survey 1252, Abstract 1234, continuing with the South line of Survey 1255 and the North line of Survey 1252, for a total distance of 4841.70 feet, to a 3 way fence corner post, in a North line of 2554 acre Johnson tract and being the Northern most Northeast of this tract;

THENCE upon and across Survey 1252 and 2554 acre Johnson tract, with a fence, S0°19'28"E, 2689.66 feet, to a 2 ½" pipe, 3 way fence corner post, for an exterior corner of this tract;

THENCE with a fence, N86°18'56"W, 1460.23 feet, to a 2 ½" pipe fence corner post, for an interior corner of this tract;

THENCE with a fence, S3°27'15"W, passing at 166.53 feet the South line of Survey 1252 and the North line of Survey 37, continuing with a fence, a total distance of 3039.74 feet, to a ½" iron rod with cap marked "SKG Engineers", set at a fence intersection, for an exterior corner of this tract;

THENCE with a fence, N82°09'20"W, 2168.10 feet to a ½" iron rod with cap marked "SKG Engineers", set in a fence, for an interior corner of this tract;

THENCE S0°33'04"E, passing at 2656.00 feet the South line of Survey 37 and the North line of Survey 1247, continuing a total distance of 2701.55 feet, to a ½" iron rod with cap marked "SKG Engineers", set in a fence, for an interior corner of this tract;

THENCE with a fence, N89°51'58"E, 214.44 feet, to a fence corner post, S7°42'40"E, 641.69 feet, to a fence corner post, N55°51'06"E, 691.71 feet, to a fence corner post, S33°11'58"E, 180.74 feet, to a fence corner post, S40°29'16"W, 684.45 feet, to a fence corner post, S29°43'28"W, 630.13 feet, to a fence corner post, S4°56'26"W, 851.02 feet, to a fence corner post, S83°14'12"W, 292.89 feet, to a fence corner post, S1°46'06"E, 243.58, to a fence corner post;

THENCE with a fence, S87°58'23"W, 913.69 feet, to a 4X4 concrete monument found, being the Southwest corner of Survey 1247 and the Northwest corner of H. W. A. Bothmer Survey 1246, Abstract 76, in the East line of Survey M-2, and in the East line of County Rd. 148, being the Southwest corner 2554 acre Johnson tract, and the Southwest corner of this tract, from which a fence corner post bears N86°23'22"W, 0.94 feet;

THENCE with the East line of Survey M-2 and the West line of Survey 1247 and the West line of 2554 acre Johnson tract, generally along a fence, N0°05'29"W, 2645.79 feet, to the PLACE OF BEGINNING containing an area of 649.172 acres of land.

EXHIBIT A

LEGAL DESCRIPTION OF EASEMENT PROPERTY

Approximately 295.369 acres of land situated in McCulloch County, Texas, and more particularly described as follows:

320 acres of land, more or less, being all of Bronaugh Bros. Survey No. 54, Abstract No. 1621, Certificate No. 33/3224, patented to The Concho Cattle Company of Texas by Patent No. 344, Volume 14; called "Tract One" in that certain Warranty Deed dated April 7, 1980, and recorded in Volume 207, Page 513, Official Public Records of McCulloch County, Texas;

SAVE AND EXCEPT: Approximately 24.631 acres of land, conveyed to Rattlesnake Power, LLC in that certain Special Warranty Deed dated December 18, 2008, and recorded in Volume 384, Page 424, Official Public Records of McCulloch County, Texas, and more particularly described as follows:

BEGINNING at a 1/2 inch iron rod set at the centerline of a 345 KV transmission line in a 160 foot wide electric easement recorded in Volume 321, Page 606 of the Official Public Records of McCulloch County, Texas, for the most northerly northeast corner hereof and from which a 1/2 inch iron rod found in the west line of the Ludwig Erkhart Survey No. 1293, Abstract 246 for the common east corner of the Johann Leyendecker Survey No. 1296, Abstract No. 962 and said Survey No. 54 bear North 72° 13' 58" East a distance of 283.46 feet;

THENCE South 00° 08' 21" East a distance of 411.39 feet to a 1/2 inch iron rod set for an interior corner hereof;

THENCE North 89° 51' 39" East a distance of 254.12 feet to a 1/2 inch iron rod set in a fence line for the west line of said County Road No. 368 (CR 368) and the east line of said 320 acre tract for the most easterly northeast corner hereof;

THENCE South 00° 32' 14" East a distance of 1200.03 feet along the general meanders of said fence line for the west line of said CR 368 and the east line of said 320 acre tract to a 1/2 inch iron rod set for the southeast corner hereof;

THENCE South 89° 51' 39" West a distance of 450.00 feet to a 1/2 inch iron rod set for the most southerly southwest corner hereof;

THENCE North 00° 08' 21" West a distance of 400.00 feet to a 1/2 inch iron rod set for an interior corner hereof;

THENCE South 89° 51' 39" West a distance of 450.00 feet to a 1/2 inch iron rod set for the most westerly southwest corner hereof;

THENCE North 00° 44' 10" West a distance of 800.04 feet to a 1/2 inch iron rod set for the most westerly northwest corner hereof;

THENCE North 89° 51' 39" East a distance of 220.88 feet to a 1/2 inch iron rod set for an interior corner hereof;

THENCE North 00° 06' 21" West a distance of 410.30 feet to a 1/2 inch iron rod set at the centerline of said 345 KV transmission line for the most northerly northwest corner hereof and from which a 1/2 inch iron rod in the north line of said Survey No. 54, the south line of said Survey No. 1296, the north boundary line of said 320 acre tract (V207, P513) and the south boundary line of a called 320 acre tract described in a deed recorded in Volume 258, Page 241 of said Deed Records bears North 87° 57' 52" West a distance of 2323.74 feet;

THENCE North 89° 42' 47" East a distance of 425.00 feet along the said 345 KV transmission line to the **POINT OF BEGINNING**, containing 24.631 acres, more or less.

SCHEDULE I

LAND

640 acres, more or less, all of H & TC Ry Co Survey No. 51, Abstract No. 627, McCulloch County, Texas.

640 acres, more or less, all of the Bronaugh Bros. Survey No. 50, Abstract 1622, McCulloch County, Texas.

Said tracts of land being described as Tract 3 and Tract 4, in that certain Executor's Distribution Deed, dated February 6, 2002 and recorded in volume 323, page 134, Official Public Records of McCulloch County, Texas

EXHIBIT A TO WIND ENERGY GROUND LEASE: LEGAL DESCRIPTION OF PREMISES

All of that certain land situated in McCulloch County, Texas, described as follows:

TRACT ONE: BEING 377.402 acres, more or less, consisting of the following approximate acreages out of these various surveys:

40.708 acres, more or less, out of the J. Buhlmann Survey No. 1124, Abstract No. 134,
40.805 acres, more or less, out of the J. Buhlmann Survey No. 1127, Abstract No. 135,
295.872 acres, more or less, out of the H. & T.C. Railroad Company Survey No. 107, Abstract
No. 657, and
0.017 acres, more or less, out of the S.W. Colton Survey No. 108, Abstract No. 2168, all in
McCulloch County, Texas and being out of and a part of that certain parent tract described as
1299.853 acres in a Deed to Byron E. McCollum, et ux, et al, recorded in Vol. 291, Pg. 3 of the
McCulloch County Official Public Records.

BEGINNING at a ½" steel stake found for the common corner of said surveys 1127, 107, 108
and the H. & T.C. Railroad Company Survey No. 133, Abstract No. 670, being the N.E. corner
of a 550.523 acre tract described in a Partition Deed to Tom J. Sammons, Jr., et ux, recorded July
29, 1996 in Vol. 280, Pg. 198 of said Public Records, being the N.W. corner of that certain tract
described as 419.5 acres in a Deed to Gardner S. Broad, recorded November 3, 1960 in Vol. 158,
Pg. 221 of the McCulloch County Deed Records, from which point a L.O. stump with young
L.O. springing therefrom for an original witness tree, (see Vol. E, Pg. 339 of the McCulloch
County Deed of Trust Records) bears, N 02 E 83.3 feet;

THENCE along a fence and north line of said 550.523 acres and south line of said parent tract,
south line hereof and along a boundary line agreement between LaRue G. Swenning and
Manuelita Shelton, recorded December 1, 1953 in Vol. 141, Pg. 137 and referred to in a Deed to
Lori L. Noonan, recorded in Vol. 248, Pg. 141 of said Deed Records;

S 89 50 00 W 29.25 feet, a ½" steel stake found by a "T" fence corner post, fence bears
S.E.,

N 52 36 25 W 600.08 feet, a 3" pipe post,

N 52 38 16 W 607.43 feet, a 3" pipe post,

N 52 28 25 W 625.01 feet, a 3" pipe post,

N 53 13 39 W 908.90 feet, a 3" pipe post,

N 53 15 26 W 1190.39 feet, a 3" pipe post, being the most easterly corner of that certain
tract described as "Tract Nine", 7.65 acres in said Deed recorded in Vol. 248, Pg. 141 of said
Deed Records;

THENCE continuing with said fence and boundary line agreement for south line hereof and
south line of said parent tract,

N 84 55 06 W 588.56 feet, a 3" pipe post,

N 67 37 13 W 367.85 feet, a 3" pipe post, and

N 16 00 51 W 642.40 feet, a ½" steel stake found at the S.E. end of a 40 foot wide
easement described in a Deed to Gordon R. Youngblood, et ux (Linda J.), recorded in Vol. 327,
Pg. 852 of said Public Records;

THENCE with the east end of said easement and west line hereof,

N 24 54 28 E 64.64 feet, a ½" steel stake found on the north side of a gate and N.E. end of said easement for the most southerly corner of that certain tract described as 191.664 acres in Deed to Scott Arbuckle, et ux, recorded in Vol. 297, Pg. 296 of said Public Records;

THENCE with a fence and south line of said 191.664 acres and north line hereof,

N. 24 47 43 E 371.85 feet, a 3" pipe angle post for the N.W. corner hereof, and continuing with said fence and south line of 191.664 acres,

N 65 42 15 E 872.57 feet, a ½" steel stake found,

N 65 44 01 E 1184.98 feet, a ½" steel stake found,

N 65 44 50 E 938.94 feet a calculated point,

N 65 46 04 E 1583.92 feet, a ½" steel stake found, and

N 00 22 26 E 25.08 feet to a ½" steel stake found in the north line of said parent tract, being the most N.N.E. corner of said 191.664 acres for a northerly corner hereof and being in the south line of that certain tract described as 1536.047 acres in a Deed to Donald Kiesling, recorded in Vol. 289, Pg. 550 of said public records;

THENCE with said north line of parent tract and south line of said "Kiesling" tract,

S 89 49 28 E 54.94 feet to a ½" steel stake found for the S.E. corner of said "Kiesling" tract and S.W. corner of that certain tract described in a Deed to Ronnie D. Moore, et al, recorded in Vol. 217, Pg. 491 of said Deed Records (also see Vol. 126, Pg. 73 of said Deed Records) for an angle point hereof and being the common corner of said surveys 107, 1124, the S.W. Colton Survey No. 63½ Abstract No. 2259 and the J.B. Roberts Survey No. 106, Abstract 2266;

THENCE with a fence, being on or near the north line of Survey No. 1124 for the south line of said "Moore" tract and north line of said parent tract,

N 59 54 20 E 764.17 feet to a 3½" pipe corner post for the N.E. corner of said parent tract and N.E. corner hereof, same being the N.W. corner of that certain tract described as "Tract 2" in a Deed to Jack Bob Smith, recorded in Vol. 168, Pg. 138 of said Deed Records;

THENCE with a fence for the east line hereof and west line of said "Jack Bob Smith" tract,

S 01 35 43 W 1825.25 feet, a ½" steel stake found,

S 01 34 30 W 718.07 feet, a ½" steel stake found,

S 01 30 56 W 1524.52 feet, a ½" steel stake found, and

S 01 30 37 W 1410.90 feet to a ½" steel stake found by a "T" fence corner post in the north line of said Survey No.133 for the E.S.E. corner of said parent tract and hereof and S.W. corner of said "Jack Bob Smith" tract in the north line of said "Broad" tract;

THENCE with a fence and approximate north line of Survey No. 133 and south line of Survey No. 1127 for the south line hereof and north line of said "Broad" tract,

S 59 23 26 W 763.77 feet to the PLACE OF BEGINNING and containing 377.402 acres, more or less.

TRACT TWO: A 30' wide nonexclusive access and utility easement on, over and along an existing road the beginning point being on the East line of County Road 152. Said beginning point being the Northwest corner of the 1299.853 acres tract in McCulloch County, Texas,

surveyed by Kenneth H. Ross, R.P.L.S. No. 2012, dated October 23, 1997. The said tract transferred from Lori L. Noonan, dba Texas Ranching Company and husband, T.A. Noonan, Jr. to Byron E. McCollum and wife, Vera Ellen McCollum and Charles R. McCollum and wife, Deborah Lynn McCollum, as recorded in Volume 291, Page 3 of the McCulloch County Deed records. Said beginning point also being in the Northwest corner of the Carl Froehlich Survey No. 1148, Abstract No. 343 of the McCulloch County Deed Records; from beginning point said easement to be the 30 feet South of and parallel to a line, being the North boundary line of the above described tract, bearing South 89 deg. 49' 24" East 2,405.05; The east most 130' of said easement to be 60' wide to allow meandering through gates of existing cattle pens; The east end being or extended to the west boundary line, also a gate, of that certain 377.402 acres according to a plat and survey dated June 30, 2005, prepared by Kenneth H. Ross, R.P.L.S. No. 2012 conveyed by Warranty Deed from Byron E. McCollum and Vera Ellen McCollum and Charles R. McCollum and Deborah Lynn McCollum to Gene Moore, Randy Moore and Stevie Moore dated July 22, 2005 and recorded in Volume 353, Page 112, Official Public records, McCulloch County, Texas.

EXHIBIT A TO WIND ENERGY GROUND LEASE: LEGAL DESCRIPTION OF PREMISES

All of the following land described situated in McCulloch County, Texas, to-wit:

TRACT ONE: 209.5 acres, being all of J. B. Roberts Survey No. 106, Certificate No. 33/3257, Abstract No. 2266, patented to G. R. White by Patent No. 322, Volume 12A.

SAVE AND EXCEPT 6.755 acres, more or less, out of the North part of the J. B. Roberts Survey No. 106, Abstract No. 2266, being out of and a part of that certain land described in Deed from Emmett and Ada V. Damron to Ronnie D. Moore, et al, recorded January 4, 1983 in Volume 217, Page 491, Deed Records, McCulloch County, Texas, described by metes and bounds as follows:

Beginning at a 3 1/2" pipe angle post in a new fence for the West end hereof, being on or near the common line of the J. B. Roberts Survey No. 106 and the W. M. Myers Survey No. 106, Abstract No. 2199, from which point a 1/2" steel stake found by a "T" fence corner post in the West line of Roberts Survey No. 106 for the Southeast corner of the G. H. & S. A. Railroad Co. Survey No. 63, Abstract No. 430 bears South 50° 30' 40" West 1063.66 feet, said beginning point being on a southerly line of that certain tract described as 1536.047 acres in a Deed from Lori L. Noonan and husband, T. A. Noonan, Jr. to Donald Kiesling and wife, Tracey Kiesling, recorded November 4, 1997 in Volume 289, Page 550, Official Public Records, McCulloch County, Texas;

Thence with said common line of Survey No. 106 and a southerly line of said 1536.047 acres for the North line hereof, North 88° 58' 11" East 1418.42 feet to a 3 1/2" pipe angle post for the Northeast corner hereof, from which point a "T" fence corner post, fences bear East, West and North for a southeasterly corner of said 1536.047 acres bears, East 2.30 feet;

Thence with a new fence for the South line hereof, South 58° 57' 44" West 829.54 feet, a 3 1/2" pipe angle post and North 60° 22' 45" West 813.77 feet to the place of beginning.

TRACT TWO: 168.52 acres, more or less, being all of Michael Bay Survey No. 1044, Abstract No. 145, Certificate No. 838, patented October 19, 1855, by Patent No. 377, Vol. 12, to F. Brichta, Assignee of Michael Bay.

TRACT THREE: 171.06 acres, more or less, being all of Michael Bay Survey No. 1045, Abstract No. 146, Certificate No. 378, Vol. 12, to F. Brichta, Assignee of Michael Bay.

TRACT FOUR: 306.162 acres of land being a portion of the W.R. Herren Survey No. 158, Abstract No. 2143, Block No. 60, located in McCulloch County, Texas and being a portion of a called 627.16 acre tract described in a deed recorded in Volume 331, Page 211 of the Official Public Records of McCulloch County, Texas; Said 306.162 acre tract being more particularly described as follows:

BEGINNING at a 6 inch pine fence corner post found for the common corner of the A. Dumzlaief Survey No. 1043, Abstract No. 225, the S.T. Ward Survey No. 134, Abstract No. 2084, the Michael Bay Survey No. 1044, Abstract No. 145, the said Survey 158, the called

163.7 acre tract described in a deed recorded in Volume 168, Page 138 of the Deed Records of McCulloch County, Texas, the called 555.3 acre tract described in a deed recorded in said Volume 168, Page 138, the called 168.52 acre tract described in Volume 331, Page 211, said Deed Records and the southwest corner hereof;

THENCE with the east line of said Survey 1044, the Michael Bay Survey No. 1047, Abstract No. 147, said 168.52 acre tract and the called 160 acre tract described in a deed recorded in Volume 363, Page 1 of said Official Public Records and the west line of said Survey 158, the following two courses: North 00° 00' 11" West, a distance of 2672.87 feet to a 5 inch cedar post; North 00° 03' 07" West a distance of 2671.44 feet to a 6 inch cedar post for the common corner of said Survey 1047, the H. & T. C. R.R. Co. Survey 135, Abstract 671, Block 60, the J. Helfrich Survey No. 1048, Abstract No. 493, said Survey No. 158, said 160 acre tract, the called 186 acre tract described in a deed recorded in Volume 271, Page 99 of said Deed Records, the called 24.6 acre tract described in a deed recorded in Volume 331, Page 211 of said Official Public Records for the northwest corner hereof;

THENCE North 88° 48' 07" East a distance of 881.33 feet along the common line of said Survey No. 1048 and said Survey 158, said 24.6 acre tract to a calculated point in the south right-of-way line of County Road 304;

THENCE along the general meanders of a fence for the south right-of-way line of County Road 304, the following 8 courses: South 36° 26' 22" East a distance of 38.84 feet to an 18 inch oak fence corner post found; South 52° 18' 47" East a distance of 63.21 feet to a 4 inch cedar post found; South 60° 20' 06" East a distance of 185.54 feet to a 6 inch cedar post found; South 87° 23' 10" East a distance of 374.67 feet to an 8 inch cedar post found; South 89° 26' 29" East a distance of 55.40 feet to an 8 inch cedar post found; North 84° 20' 53" East a distance of 58.94 feet to a 4 inch cedar post found; North 71° 21' 29" East a distance of 490.77 feet to a 13 inch cedar post found; North 88° 48' 49" East a distance of 194.59 feet to a 4 inch cedar post found;

THENCE South 05° 44' 59" East a distance of 5325.65 feet across said 627.16 acre tract to a 4 inch cedar post found in the south line of said Survey No. 158 and the said 627.16 acre tract for the northwest corner of the A. Dumzlaief Survey No. 1042, Abstract No. 226, the northeast corner of said Survey No. 1043, the northwest corner of the called 169.34 acre tract described in a deed recorded in Volume 331, Page 211 of the Official Public Records, the northeast corner of said 163.7 acre tract, and the southeast corner hereof;

THENCE South 88° 56' 58" West a distance of 2794.79 feet with the north line of said Survey 1043 and the north line of said 163.7 acre tract of land to the POINT OF BEGINNING, containing 306.162 acres, more or less.

Note: Bearings and distances are grid, NAD 83 US TX Central Zone.

EXHIBIT A TO WIND ENERGY GROUND LEASE: LEGAL DESCRIPTION OF PREMISES

All of that certain land situated in McCulloch County, Texas, described as follows:

212.69 acres, more or less, out of the East part of the H.Z. Berge Survey No. 1245, Abstract No. 144, McCulloch County, Texas, and being the same land referred to as (5) in a Deed to Noble M. Johnson recorded in Volume 144, Page 529 of the McCulloch County Deed Records, which said land is described by metes and bounds as follows:

BEGINNING at a ½" steel stake set in the South line of County Road No. 128, for the Northeast corner hereof and the Northwest corner of that certain tract described as 218.234 acres in a Deed to Tony Wilson, recorded in Volume 313, Page 328 of the McCulloch County Official Public Records, and being in the East line of said Survey No. 1245;

THENCE with the East line of Survey No. 1245 and West line of the G. & B.N. Company Survey No. 32 and West line of said 218.234 acre tract, South 01° 10' 32" West 1009.54 feet, a 120d nail found; South 01° 04' 22" West 1069.17 feet a 120d nail found by a T fence corner post, fence bears East; and South 01° 23' 44" West 542.48 feet to a ½" steel stake found by a T fence corner post, fence bears South for the Southeast corner hereof and the Northeast corner of that certain tract described as 210 acres in a Deed from Noble M. Johnson, et ux, to A. F. Schwertner, recorded in Volume 215, Page 658 of said Deed Records, being the occupational common easterly corner of said Survey No. 1245 and the H. Z. Berge Survey No. 1244, Abstract No. 143;

THENCE with the South line hereof, being on or near the common lines of said Surveys No. 1245 and 1244 and North line of said 210 acre tract, North 87° 42' 45" West 244.59 feet, a 3/8" steel stake set, North 87° 40' 17" West 1331.80 feet, a 3/8" steel stake set by a T fence corner post, fence bears South, and North 87° 40' 11" West 2020.08 feet to a ½" steel stake found by a T fence corner post, fence bears South for the Northwest corner of said 210 acre tract, Southwest corner hereof and being in the East line of that certain land described in a Deed to John H. Edwards, et ux, (Dorothy) recorded in Volume 299, Page 648 of said Official Public Records;

THENCE with the West line hereof and the East line of said Edwards tract, North 01° 12' 20" East 1021.43 feet, a 3/8" steel stake set; North 01° 16' 18" East 928.66 feet, a 3/8" steel stake set, and North 01° 19' 09" East 581.93 feet to a ½" steel stake found in said South line of County Road No. 128 for the Northwest corner hereof and Northeast corner of said Edwards tract;

THENCE with said South line of County Road No. 128 for the North line hereof, South 89° 05' 21" East 1115.69 feet, a 3/8" steel stake set; South 89° 07' 31" East 1661.5 feet, a 3/8" steel stake set, and South 89° 02' 15" East 815.20 feet to the PLACE OF BEGINNING.

EXHIBIT A TO WIND ENERGY GROUND LEASE: LEGAL DESCRIPTION OF PREMISES

All of that certain land situated in McCulloch County, Texas, described as follows:

TRACT ONE: 258.33 acres, more or less, part of H. & T. C. R. R. Co. School Section No. 16, Certificate 33/3207, Abstract 2236, originally purchased from the State by, and patented to S. E. McKnight by Patent No. 487, Volume 21, said land being originally patented for 640 acres, but upon a resurvey it was found to contain 718.38 acres, and being all of said survey, excepting therefrom, two tracts described as follows:

(a). 409.80 acres out of said survey conveyed by G. S. Johnson and wife, Kate Johnson to J. A. Henton by deed dated July 1, 1909, and recorded in Vol.14, Page 395, Deed Records of McCulloch County, Texas, described by metes and bounds as follows:

BEGINNING at a rock mound in the East line of said Survey No. 16, set for the S.W. Corner of the H. Balmert Survey 1349, for the S.E. Corner of said tract, from which a L.O. 8' brs N. 80 Deg. E. 18 varas (old bearings).

THENCE North 86 Deg. W. 2110 varas to a rock mound on top of Brady Mountain for the S.W. Corner of this tract from which a L.O.16' brs. S. 2-3/4 Deg. W. 38-3/4 varas; do. 4' brs S. 53-3/4 E. 26-1/2 varas;

THENCE North 1050 varas with the West line of said Survey 16, to a rock mound for the N.W. Corner of this tract from which a Mes. 6' brs. S. 33-1/2 Deg. W. 77 vrs; do. 3' brs North 43 Deg 10' W. 12 varas;

THENCE East 2043-1/2 varas to a rock mound from which a Mes. 6' brs. S. 49-1/2 Deg. E. 17-1/4 varas; do. 4' brs. N. 52 Deg. E. 22-1/4 varas;

THENCE South 3 Deg. E. 1181 varas to the place of beginning; and

(b). 50-1/4 acres, conveyed by G. S. Johnson and wife Kate Johnson to J. A. Henton by deed dated December 18, 1913, and recorded in Vol. 29, Page 394, Deed Records of McCulloch County, Texas, and described by metes and bounds as follows:

BEGINNING at the S.E. Corner of Carl Usener Survey 1352, the N.E. Corner of H. & T. C. R. R. Co. one half section 17-1/2, the N.W. Corner of Anton Nauendorf Sur. 1353, for the S.W. Corner of this tract from which a S.O. 3' dia. brs. S. 62 E. 6-1/4 varas; do. 3' brs. S. 43 W. 4-9/10 varas;

THENCE with the East line of said Survey No. 1352, North 860 varas to a stake and mound for the N.W. Corner of this tract.

THENCE South 86 East 330 varas to a stake from which a L.O.12' brs. N. 39-1/2 Deg. E. 29-3/5 varas; do. 10' brs. 40-1/4 East 30 varas;

THENCE South 860 varas to a stake and mound on South line of said Sec. No. 16, for the S.E. Corner of this tract.

THENCE with the South line of said Sec. 16, North 86 West 330 varas to the place of beginning.

TRACT TWO: 677.75 acres, more or less, and being all of:

(a). Anton Nauendorf Survey 1353, Abstract 1067, Certificate No. 720, patented to Jacob De Cordova by Patent 276, Vol. 15;

(b). Anton Nauendorf Survey 1354, Abstract 1068, Certificate No. 720, patented to Jacob De Cordova by Patent 286, Vol. 15;

(c). Anton Nauendorf Survey 1356, Abstract 1069, Certificate No. 720, patented to Jacob De Cordova by Patent 285, Vol. 15;

(d). Anton Nauendorf Survey 1355, Abstract 1070, Certificate No. 720, patented to Jacob De Cordova by Patent 290, Vol. 15.

TRACT THREE: 162.1 acres described in two tracts as follows:

(a). 159.7 acres, all of J. C. Peter dec'd. Survey 1357, Abstract 1103, Certificate 187, patented to the Heirs of Johann C. Peter by Patent No. 1077, Vol. 13;

(b). 2.4 acres, out of the North part of S.E. McKnight Survey M-1, Abstract 2304, patented to S.E. McKnight by Patent 286, Vol. 29.

Said two tracts of land are contiguous and form a solid body of land described by metes and bounds as follows:

BEGINNING at a rock mound set for the N.W. Corner of Survey 1357, and the North end of said McKnight Sur. No. M-1 from which a L.O. 6' brs. N. 67 West 51 varas; do. 12' brs. S. 85 W. 61 varas (old bearings);

THENCE N. 88-1/2 Deg. East 955 varas to a stake and mound set for the N.E. Corner of said Survey 1357, and the N.W. Corner of Survey 1358, from which a Mes. 4' brs. S. 2-1/2 Deg. W. 10 varas;

THENCE South 944 varas to a stake and mound set for the S.W. Corner of Sur. 1358, the N.W. Corner of Survey 1359.

THENCE South 88 West 978 varas (at 949-1/2 varas passing the South West corner of said Survey 1357, and the E. line of said McKnight Survey M-1) to a stake in the West line of said McKnight Survey No. M-1 from which a L.O. 12' brs. N. 61-1/2 W. 38 varas;

THENCE N. 2 E. 951 varas to the place of beginning.

TRACT FOUR: 640 acres, all of W. H. R. & O. T. Melvin Survey 16, Abstract 1569, Certificate 16/115, patented to S. E. McKnight by Patent 16, Vol. 30, which patent is here referred to and

made part hereof for all purposes.

Tracts One through Four above are the same tracts described as Tracts Nos. One, Two, Three and Five in a deed from G. S. Johnson to Kate Irene Johnson et al, dated May 29,1936, recorded in Vol. 96, page 126, Deed Records of McCulloch County, Texas, and said deed and record are here referred to and made part hereof for all purposes.

TRACT FIVE: 320 acres, more or less, described in two tracts as follows:

(a). All of Heinrich Brandis Survey 1361, Abstract 52, Certificate 1069, patented to Heinrich Brandis by Patent 355, Vol. 30.

(b). All of Heinrich Brandis Survey 1362, Abstract 53, Certificate 1069, patented to Heinrich Brandis by Patent 356, Vol. 30.

Being the same land described in deed from G. S. Johnson to Kate Irene Johnson et al, dated May 29,1936, recorded in Vol. 96, page 125, Deed Records of McCulloch County, Texas, and said Deed and record are here referred to and made part hereof for all purposes.

TRACT SIX: 332.6 acres, all of W. H. & O. T. Melvin Survey 18, Certificate 33/3208, Abstract 1571, patented to O. T. Melvin and W. H. Melvin by Patent 389, Vol. 16, which patent is here referred to and made part hereof for all purposes. The said survey here conveyed is described by metes and bounds as follows:

BEGINNING at a rock mound set for N.E. Corner of State Survey 18, the S.E. Corner of F. Mueller Sur. 1674, the N.W. Comer of H. Brandis Survey 1362, and S.W. Corner of this survey from which a L.O.10' brs. N. 69-1/2 W. 44 varas (old bearings);

THENCE with the East line of said Survey 1674, North 964 varas to a stake and mound set for the N.E. Corner of said Survey 1674 and the S.E. Corner of Survey 1675, the S.W. Corner of H. & T. C. R. R. Co. one half section 17, and the N.W. Corner of this survey from which a L.O.12' brs. S. 3-1/2 W. 54-3/4 varas; do. 12' brs. S. 8-1/2 Deg. E. 51-1/4 varas;

THENCE with the South line of said Survey 17, S. 88-1/4 E. 1951 varas to a stake and mound set for the S.W. Corner of Survey 1353, the N.W. Corner of Survey 1355, and S.E. Corner of said Survey 17, and N.E. Corner of this Survey from which a S.O. 4' brs. N. 54-1/2 Deg. W. 1-3/5 varas; do. 3' brs. S. 30-1/2 varas;

THENCE with the West line of said Survey 1355, South 968 varas to a rock mound set for the S.E. Corner of said Survey 1355, the N.W. Corner of I.R.R. Co. Survey 15, and the N.E. Corner of survey 1361, and the S,E, Corner of this survey from which a L.O. 14' brs. N, 12-1/2 E. 33-2/5 ; do. 10' brs. S. 58-20' W. 10 varas;

THENCE with North line of said Surveys Nos. 1361 and 1362 North 88-1/4 W 1951 varas to the place of beginning.

Said land is the same land described in deed from G. S. Johnson to Kate Irene Johnson et al, dated May 19th, 1944, recorded in Vol. 1 13, page 373, Deed Records of McCulloch County, Texas, and said deed and record are here referred to and made part hereof for all purposes.

TRACT SEVEN: All that certain land situated in McCulloch County, Texas, and being 320 acres, all of Carl Schmiedeke Survey No. 1350, Certificate No. 737, Abstract No. 1195, patented to F. Berkemeyer by Patent No. 625, Vol. 44, patented June 23, 1879 and which patent and record thereof in Volume 54, Page 210 of the Deed Records of McCulloch County, Texas, being here referred to and made part hereof for description.

TRACT EIGHT: 301 acres, more or less, the North one half (N. 1/2) of Indianola R. R. Co. Survey 15, Certificate 16/115, Abstract 760, patented to G. W. & W. F. Norton by Patent 70, Volume 22, and which patent is here referred to and made part hereof for description. Said tract is described by metes and bounds as follows:

BEGINNING at a stake set for the NE. Corner of said Survey 15, from which a L.O. 6 in brs. N. 67 Deg. W. 51 varas; do. 12 in brs. S. 85 deg. W. 61 varas (old bearings);

THENCE S. 2 Deg. W. 826-1/2 varas to a stake set in the middle of the East line of said Survey No. 15, from which stake a L.O. 10 in. dia. brs. N. 43 Deg. W. 54-1/2 varas; a mesq. 4' brs. S. 50 Deg. W. 2-3/4 varas;

THENCE in a westerly direction across said Survey 15, to a stake in the West boundary line of said Survey No. 15, which stake is set 906 varas North of the S.W. Corner of said Survey No. 15.

THENCE North 1004 varas to the Northwest corner of said Survey No. 15, the Northeast corner of Survey 1361, the S.W. Corner of Survey No. 1356, from which a L.O. 14 brs. N. 12-1/2 Deg. East 33-3/5 varas do. 10 in brs. S. 58 Deg. and 10 minutes W. 10 varas.

THENCE S. 82 Deg. and 45 minutes East 2030 varas to the place of beginning, and being the same land conveyed by J. E. Shopshire et al, to L. A. Patton, by deed dated September 2, 1937, recorded in Vol. 96, page 578, Deed Records of McCulloch County, Texas, and said deed and record are here referred to and made part hereof for description.

TRACT NINE: 617.7 acres, more or less, described in three tracts as follows:

(a). 160 acres, more or less, all of J. A. Scherfius Survey 1254, Abstract 1980, Certificate 1073, Patent No. 237, Vol. 46;

(b). 160 acres, more or less, all of C. Schmidt Survey No. 1255, Abstract 1235, Certificate 1094, Patent No. 91, Vol. 19;

(c). 297.7 acres, more or less, out of the South part of Survey 39, Block 60, H. & T. C. R. R. Co. Abstract 621, Certificate 33/3219, Patent 533, Vol. 18, described by metes and bounds as follows:

BEGINNING at the Southeast corner of Survey 39.

THENCE with the East line of said Survey, North to the S.E. Corner of a 37.8 acre tract described in deed from J. A. Johnson to E. W. Harris, dated January 15, 1911, recorded in Vol 28, page 465, Deed Records of McCulloch County, Texas.

THENCE in a Northwesterly direction with the South line of said 37.8 acre tract, to a point in the West line of Survey 39 and the Southwest corner of said 37.8 acre tract.

THENCE with the West line of said Survey 39, south to its Southwest corner.

THENCE with the South line of said Survey 39, East to the place of beginning.

Said land is the same land described in deed from Ollie M. Johnson et al to W. C. Johnson, dated July 12, 1952, recorded in Vol. 136, Page 346, Deed Records of McCulloch County, Texas, and said deed and the record thereof are here referred to and made part hereof for all purposes.

TRACT TEN: 105.81 acres, more or less, the east part of H. & T. C. R. R. Co. Survey No. 17, Abstract No. 609, Certificate No. 33/3208, patented to H. & T. C. R. R. Co. by Patent No. 147, Vol. 44, which patent is here referred to and made part hereof for description.

The land here conveyed begins at a stone mound in the North line of said Survey 17, and the South line of Survey 1352, at a point of Brady Mountain, and which stone mound is set North 87 degrees West 650 varas from the N.E. Corner of said Survey No. 17.

THENCE with the South line of said Survey 1352, and the North line of said Survey 17, South 87 degrees E. 650 varas to planted stone marked "X" for the S.E. Corner of Survey 1352, the S.W. Corner of S. E. McKnight Survey No. 16, and the Northwest corner of Survey 1353, and the Northeast corner of said Survey 17.

THENCE with the West line of said Survey 1353, and the East line of said Survey 17, South 3-1/2 Deg. East 915 varas to planted stone marked "X" for southwest corner of said Survey 1353, the Northeast corner of W. H. & O. T. Melvin Survey 18, the Northwest corner of Survey 1355, and Southeast corner of Survey 17, from which stone mound a Spanish Oak 6' bears North 77-1/2 degrees East 4 varas; a spotted oak 6' bears South 51-1/2 degrees West 7 varas.

THENCE with the North line of said Survey No. 18, and the South line of said Survey 17, North 88-1/4 degrees West 650 varas to a stone mound from which a Live Oak 24' bears North 29-1/2 degrees East 70 varas; a Live Oak 30' bears South 32 degrees West 104-1/2 varas;

THENCE parallel with the East line of said Survey 17, and 650 varas West therefrom, North 3-1/2 degrees West 923 varas to the place of beginning.

Said land is the same land described in deed from Jess Sherman et ux to W. C. Johnson et al, dated August 28, 1941, recorded in Vol. 107, Page 177, Deed Records of McCulloch County, Texas, and said deed and the record thereof are here referred to and made part hereof for all

purposes.

TRACT ELEVEN: 100 acres, more or less, lying about four miles Northeast of the town of Melvin, and described as follows, to-wit:

Being 100 acres off of the North side of J. C. Peter, dec'd Survey No. 1358, Certificate No. 187, Patent No. 1079, Vol. 13, Abstract No. 1105. The 100 acres here conveyed begins at a rock set for the N.W. Corner of H. & T. C. R. R. Co. Survey No. 37, the S.W. Corner of Survey No. 1253, the S.E. Corner of Survey No. 16, and the N.E. Corner of this tract, from which a L.O. 13' dia brs. S. 87 Deg. W. 56 varas;

THENCE S. 592 varas to a stake and mound in the East line of said Survey No. 1358, for the S.E. Corner of this tract from which a Mes. 6' brs. N. 23-3/4 Deg. W. 2-3/5 varas; a L.O. 14' brs. S. 81 Deg. E. 18-1/4 varas;

THENCE S. 88-1/2 Deg. W. 952-1/2 varas to a stake in West line of said Survey No. 1358, for the S.W. Corner of this tract.

THENCE N. 592 varas to a stake and mound set for the N.E. Corner of Survey No. 1357, and N.W. Corner of said Survey No. 1358, from which a Mes. 4' brs. S. 2-1/2 Deg. W. 10 varas;

THENCE N. 88-1/4 Deg. E. 955 varas with N. line of said Survey No. 1358, to the place of beginning.

TRACT TWELVE: 150.5 acres, out of and a part of I.R.R. Co. Survey No. 15, Certificate No. 16/115, Abstract No. 760 patented to G.W. and W.F. Norton by Patent No. 70, Volume 22, and described by metes and bounds as follows:

BEGINNING at a stake set on West line of said Survey No. 15, which stake is 451 1/4 varas North of the S.W. Corner of said Survey No. 15, and from which stake a L.O. 12 in. in dia. bears North 17° East 16 varas, a L.O. 9 in. dia. bears North 34° West 20 varas;

THENCE North 454-3/4 varas to a stake set for the SW corner of a portion of said Survey formerly owned by Mrs. Sallie Willis;

THENCE South 88° East along South side of said Willis tract, 1965 varas to stake set in the East line of said Survey No. 15, and from which a L.O. 10 in. dia. bears North 43° West 54 1/2 varas to a stake, a Mesquite 4 in. dia. bears 50° East 2-3/4 varas;

THENCE South 413-1/4 varas with East line of said Survey No. 15, to stake in said East line which stake is set for the NE corner of a portion of said Survey formerly owned by J.B. Nichols;

THENCE North 89° West with North line of said Nichols tract, 1965 varas to the place of BEGINNING.

EXHIBIT A TO OPTION AGREEMENT: LEGAL DESCRIPTION OF PROPERTY

All of that certain land situated in McCulloch County, Texas, described as follows:

TRACT I: All that certain lot, tract, or parcel of land more particularly described as 160.55 acres, more or less, of land in McCulloch County, Texas, being out of G. & B. N. Co. Survey No. 34, Certificate No. 83, Abstract No. 443, also being the East 160.55 acres of that certain tract of land conveyed to CHAS. YOST by O.P. BEVERS, ET UX by deed of record in Volume 40, Page 380, Deed Records of McCulloch County, Texas, said tract of land is said to contain 238.9 acres, but on resurvey found to contain only 227.22 acres of land and said 160.55 acre tract of land being described by metes and bounds as follows:
BEGINNING at a fence corner in the East line of said Survey No. 34 for the Southwest corner of H. Eilers Survey No. 1224, and Northwest corner of Survey No. 1227, for the Northeast corner of said 238.9 acre tract of land and for the Northeast corner hereof;
THENCE with a fence and East line of said Survey No. 34, S 01 deg. 42 min. W 626 varas to a fence corner for the recognized Southeast corner of said 238.9 acre tract of land and for the Southeast corner hereof;
THENCE with a fence and recognized South line of said 238.9 acre tract of land, S 63 deg. 04 min. W 1659.4 varas to a stake and iron pin set for the Southeast corner of the West 66.67 acres of said 227.22 acre tract of land and for the Southwest corner hereof;
THENCE with the East line of said 66.67 acre tract of land, North 601.4 varas to a stake and iron pin set in a fence and North line of said 238.9 acre tract of land for the Northeast corner of said 66.67 acre tract of land for the Northwest corner hereof;
THENCE with a fence, N 62 deg., 37 min. E 1687 varas to the place of beginning; containing 160.55 acres of land.

Said land being the same land described in deed from ROY L. MOOS AND WIFE, MARGARET MOOS to WILBUR L. BROWN AND WIFE, DOROTHY NELL BROWN, dated May 12, 1979, and recorded in Volume 204, Page 312, of the Deed Records of McCulloch County, Texas, and said deed and record are here referred to and made part hereof for all purposes.

TRACT II: All that certain lot, tract, or parcel of land more particularly described as 66.67 acres, more or less, of land in McCulloch County, Texas, being out of G. & B. N. Co. Survey No. 34, Certificate No. 83, Abstract No. 443, McCulloch County, Texas, also being the west 66.67 acres of that certain tract of land conveyed to CHAS. YOST by O.P. BEVERS, ET UX by deed of record in Volume 40, Page 380, Deed Records of McCulloch County, Texas, said tract of land is said to contain 238.9 acres, but on resurvey found to contain only 227.22 acres of land and said 66.67 acre tract of land being described by metes and bounds as follows:

BEGINNING at a stake and iron pin set in a fence corner located 334.8 varas North of the recognized Southwest corner of said Survey No. 34 for the Southwest corner of said 238.9 acre tract of land and for the Southwest corner hereof; from said fence corner an 18" L.O. bears S 68 deg. 45 min. W 93 varas;

THENCE on and along a fence and West line of said Survey No. 34, North 595.2 varas, to a stake and iron pin set in a fence corner for the recognized Northeast corner of J. Klock Survey No. 1249 and Southeast corner of Survey No. 1250, for the Northwest corner of said 238.9 acre tract of land and for the Northwest corner hereof;

THENCE with a fence and recognized North line of said 238.9 acre tract of land, N 62 deg. 37 min. E 708.4 varas to a stake and iron pin set in said fence for the Northwest corner of the East 160.55 acres of said 227.22 acre tract of land and for the Northeast corner hereof;

THENCE with the West line of said 160.55 acre tract of land, South 601.4 varas to a stake and iron pin set in a fence and recognized South line of said 238.9 acre tract of land for the Southwest corner of said 160.55 acre tract of land for the Southeast corner hereof;

THENCE with a fence, S 63 deg. 04 min. W 705.5 varas to the place of beginning.

Said land being the same land described in deed from ROY L. MOOS AND WIFE, MARGARET MOOS to WILBUR L. BROWN AND WIFE, DOROTHY NELL BROWN, dated May 12, 1979, and recorded in Volume 204, Page 312, of the Deed Records of McCulloch County, Texas, and said deed and record are here referred to and made part hereof for all purposes.

EXHIBIT A

LEGAL DESCRIPTION OF EASEMENT PROPERTY

The following lands situated in McCulloch County, Texas

(1) 640 acres, more or less, all of H. & T.C. R.R. Co. Survey No. 45, Abstract No. 624, Certificate No. 33/3222, patented to H. & T.C. R.R. Co. by Patent No. 534, Volume 18;

(2) An undivided one-fifth (1/5), being all of our right, title and interest in and to 100 acres, more or less, described as follows:

(A) Out of and a part of H. & T.C. R.R. Co. Survey No. 43, Abstract No. 623, Certificate No. 33/3221, patented to H. & T.C. R.R. Co. by Patent No. 535, Volume 18; and

(B) Out of H. Schneider Survey No. 1274, Abstract No. 1310, Certificate No. 298, patented to Evan Shelby by Patent No. 830, Volume 12; and

said 100 acre tract is described by metes and bounds as follows:

BEGINNING at a stake and mound on the West line of Survey No. 1274, set for the NW corner of a 260 acre tract conveyed to W.C. Sellers by G.V. Gansel by Deed dated November 25, 1905, recorded in Volume 7, Page 549, Deed Records of McCulloch County, Texas, from which stake and mound a Mes. 3" brs. S. 42-3/4 deg. East 9-1/4 varas; and which stake and mound is 115 varas North of the SW corner of said Survey No. 1274;

THENCE South 281-9/10 varas with the west line of said Survey No. 1274, and Survey No. 43, to a stake in the West line of said Survey No. 43;

THENCE South 87 deg. 27 min. East 2005 varas to a stake in the East line of Survey No. 43;

THENCE North with the East line of said Survey No. 43 and Survey No. 1274, 281-8/10 varas to a stake and mound in the East line of said Survey No. 1274, from which a Mes. 4' bears North 13-3/4 deg. East 20-1/5 varas; a Mes. 4' bears North 89-1/2 deg. West 38 varas, and which stake and mound is 115 varas North of the SE corner of said Survey No. 1274, and which stake and mound was set for the NE corner of said 260 acre tract conveyed to W.C. Sellers by G.V. Gansel;

THENCE with the North line of said tract so conveyed to W.C. Sellers, North 87 deg. 27 min. West 2005 varas to the place of BEGINNING.

(3) The North 295 acres of H. Schneider Survey No. 1274, Abstract No. 1310, Certificate No. 298, patented to Evan Shelby by Patent No. 830, Volume 12 (This land, together with all of the land out of said survey described in paragraph (b) above, is all of Survey No. 1274).

(4) The South 295 acres of H. Schneider Survey No. 1275, Abstract No. 1309, Certificate No. 298, Patented to Evan Shelby by Patent No. 829, Volume 12, being all of the land out of said Survey owned by Grantors.

EXHIBIT A

LEGAL DESCRIPTION OF EASEMENT PROPERTY

The following lands situated in McCulloch County, Texas

TRACT 1:

320 acres, more or less, all of J.C. Doebner Survey No. 1325, Abstract No. 199, Certificate No. 746, patented to James R. Sweet by Patent No. 661, Volume 13.

TRACT 2:

Being a 350.0 acre tract in and a part of J.C. Doebener Survey 1326, A-200, McCulloch County, Texas; said 350.0 acre tract also being part of a "320" acre tract described in Deed from Bryson to Gansel dated December 2, 1907 and recorded in Volume 13, Page 623 of the Deed Records of McCulloch County; said 350.0 acre tract being described by metes and bounds as follows:

Beginning at a 5/8" iron rod set near the center of a north-south lane for the apparent N.W. corner of Survey 1326 and S.W. corner of J.C. Doebener Survey 1325.

Thence with the apparent north line of Survey 1326 and south line of Survey 1325, N.89°45'49"E., at 22.5 feet set a 5/8" iron rod in the fenced east line of the lane, and continuing along or near a line of fence posts at 5465.47 feet set a 5/8" iron rod at a fence corner post in the fenced west line of a county road, and continuing in all 5478.03 feet to a point in said road for the N.W. corner of a 20 feet wide strip described in Deed from Gansel to McCulloch County dated May 10, 1910 and recorded in Volume 25, Page 163 of the Deed Records of McCulloch County from which a 5/8" iron rod set near the center of said road bears N.89°45'49"E. 20.00 feet.

Thence with the west line of the 20 feet wide strip, S.0°15'00"E. 2712.63 feet to a point in another county road for the S.W. corner of the 20 feet wide strip from which a 5/8" iron rod set at a fence corner post bears N.8°11'W. 14.5 feet and a 5/8" iron rod set in the intersection of said roads bears N.88°27'00"E. 20.01 feet.

Thence along and in the last mentioned county road and with the apparent south line of Survey 1326 and north line of A.M. Jamison Survey 44, S.88°27'00"W. 5510.00 feet to a 5/8" iron rod set in the intersection said county road with another road to the south for the apparent S.W. corner of Survey 1326, N.W. corner of Survey 44 and S.E. corner of H. & T.C. Ry. Co. Survey 9.

Thence with the apparent west line of Survey 1326 and east line of Survey 9, N.0°22'00"E., at 25.79 feet set a 5/8" iron rod from which a fence corner post bears N.88°28'40"E. 18.9 feet, and continuing along and in the aforementioned lane in all 2839.11 feet to the point of beginning and containing 350.0 acres of land and including 3.3 acres in said county roads as currently fenced.

Courses, distances and areas are of the Texas Coordinate System of 1983 - Central Zone per GPS observations.

EXHIBIT A TO WIND ENERGY GROUND LEASE: LEGAL DESCRIPTION OF PREMISES

All of that certain land situated in McCulloch County, Texas, described as follows:

Tract One:

164.7 acres, more or less, out of J.H. Lochmann Survey No. 1133, Abstract No. 940, Certificate No. 741, patented to Johann H. Lochmann by Patent No. 545, Volume 17, McCulloch County, Texas, described by metes and bounds as follows:

BEGINNING at a stake and mound set 30 ft. North of the South line of said Survey No. 1133, and set 44.7 feet North 63° 23' West from the East line of said Survey;

THENCE North 955.2 varas parallel with East line of said Survey No. 1133 to stake and mound in North line said Survey; set 44.7 ft. North 63° 23' West from the Northeast corner of said Survey;

THENCE with North line of said Survey No. 1133, North 63° 23' West, 1087.60 varas to stake and mound from which a L.O. 8" bears South 18 ¼° West 16 varas; a L.O. 12" bears South 41 ½° West 44 ½ varas;

THENCE South 956 varas to stake and mound set 30 ft. North of South line of said Survey and set on North side of Brady-Eden Public Road from which stake and mound a Mesquite 10" bears North 73° West 86 ½ varas;

THENCE South 63° 23' East with North line of said Road, and parallel with South line of said Survey No. 1133, 1085.40 varas to the PLACE OF BEGINNING, and being the same land conveyed by O.F. Linstrum and wife, to John Hanson by Deed dated December 26, 1907, recorded in Volume 17, Page 43, Deed Records of McCulloch County, Texas, being the same land noted in Correction Deed from J.H. White to O.F. Linstrum dated January 12, 1924, recorded in Volume 65, Page 464, Deed Records, McCulloch County, Texas.

Tract Two:

2.42 acres, more or less, off the East end of J.H. Lockmann Survey No. 1133, Abstract No. 940, Certificate 741, patented to John H. Lochmann by Patent 545, Volume 17, McCulloch County, Texas, described by metes and bounds as follows:

BEGINNING at the Southeast corner of said Survey;

THENCE with East line of said Survey, North 950 varas to the Northeast corner of said Survey;

THENCE with the North line of said Survey North 63° 23' West 44.7 feet;

THENCE parallel with and 40 ft. West from the East line of said Survey, South 950 varas to South line of said Survey;

THENCE with South line of said Survey, South 63° 23' East 44.7 feet to the PLACE OF BEGINNING.

Tract Three:

4.4 acres, more or less, out of and a part of J. H. Lockmann Survey No. 1133, Abstract No. 940, and being the portion of said Survey that was formerly used as right of way and road bed for Eden and Brady Road, conveyed by W.M. Deans, Commissioner, to H. John Hanson by Deed dated June 17, 1942, recorded in Volume 109, Page 125, Deed Records of McCulloch County, Texas.

EXHIBIT A TO WIND ENERGY GROUND LEASE: LEGAL DESCRIPTION OF PREMISES

All of that certain land situated in McCulloch County, Texas, described as follows:

PARCEL 1:

(1) 158.8 acres, more or less, all of J.C. Peters Survey No. 1360, Abstract No. 1104, Certificate No. 187, Patent No. 1078, Volume 13, which Patent is here referred to and made part hereof, said Patent calls for 160 acres, but by actual survey, the same is found to contain 158.8 acres of land.

(2) 7.2 acres, more or less, the South part of the S.E. McKnight Survey No. M-1, Abstract No. 2304, patented to S.E. McKnight by Patent No. 268, Volume 29, which patent is here referred to and made a part hereof.

Said land lies contiguous forming a solid body of land described by metes and bounds as follows:

BEGINNING at a stake and mound set for the SW corner of Survey No. 1359, and SE corner of said Survey No. 1360;

THENCE North 944 varas to a stake and mound set for the SW corner of Survey No. 1358;

THENCE West 978 varas to a stake and mound in West line of the McKnight Survey No. M-1, from which a L.O. 12' brs. N. 61-1/2° W. 38 varas;

THENCE South 2° West 951 varas, with the West line of the said McKnight Survey to a stake and mound;

THENCE East 57 varas to the SW corner of said Survey No. 1360;

THENCE North 87-1/2° East 944 varas to the place of BEGINNING.

Said land is the same land described in deed from A.P. Waldrep, et ux, to W.L. Satterfield and Quita Satterfield, dated July 17, 1967, recorded in Volume 170, Page 424, Deed Records of McCulloch County, Texas, and said deed and record are here referred to and made part hereof for all pertinent purposes.

PARCEL 2:

Tract I: Being 132.61 acres, more or less, consisting of two (2) parcels described as follows:

A. The North 72.93 acres, more or less, out of J. C. Peter Survey No. 1359, Abstract No. 1106, Certificate No. 187, patented to Heirs of J. C. Peter by Patent No. 1080, Volume 12, McCulloch County, Texas; and

B. The South 59.68 acres, more or less, out of J. C. Peter Survey No. 1358, Abstract No. 1105, Certificate No. 187, patented to Heirs of J. C. Peter by Patent No. 1079, Volume 13, McCulloch County, Texas;

And which tracts lie contiguous and form a solid body surveyed by Abner G. Trigg, registered public surveyor on October 8, 1963, and described by metes and bounds as follows:

Beginning at a 1" iron pipe set for the Northwest corner of the South 83.99 acres of Survey No. 1359 and set for the Southwest corner of this 132.61 acres, from which the Southwest corner of Survey No. 1359 hrs. South 00° 17' East 506.36 varas;

Thence North 00° 17' West at 433 varas the Northwest corner of Survey No. 1359 the Southwest corner of Survey No. 1358, continuing to 789 varas in all to a 1" iron pipe set at a fence corner post for the Northwest corner of this tract;

Thence with fence along the North line of this tract, North 88° 29' 25" East 957.63 varas to a 1" iron pipe set at a fence corner post for the Northeast corner of this tract;

Thence with fence along the East line of Survey No. 1358 South 00° 22' West at 349.5 varas the Southeast corner of Survey No. 1358, the Northeast corner of Survey No. 1359, continuing along the East line of Survey No. 1359 to 782.5 varas in all to a 1" iron pipe set for the Southeast corner of this tract, and set in the fence along the East line of Survey No. 1359 and set for the Northeast corner of a 30 foot road;

Thence parallel with the South line of Survey No. 1359 South 88° 05' West at 10.8 varas to a 1" iron pipe set for the Northwest corner of the 30 foot road and set for the Northeast corner of the 83.99 acre tract out of the South part of Survey No. 1359, continuing 948.9 varas in all to the place of beginning.

EXHIBIT A TO WIND ENERGY GROUND LEASE: LEGAL DESCRIPTION OF PREMISES

BEING an area of 649.172 acres of land, in McCulloch County, Texas, more or less, comprised of 239.624 acres out of H. W. A. Bothmer Survey 1247, Abstract 77, 177.999 acres out of H. W. A. Bothmer Survey 1246, Abstract 76, 231.159 acres out of H. & T. C. Survey 37, Abstract 620, 0.160 acres out of Jacob Klock Survey 1248, Abstract 821, 0.230 acres out of Fisher And Miller Survey 2591, Abstract 268, McCulloch County, Texas, and said 649.172 acre tract being out of 2554 acres conveyed by deed from Ollie M. Johnson, a widow, and Noble M. Johnson to Joe Dale Johnson, described and recorded May 15th, 1953, in Volume 144, Page 526, Deed Records of McCulloch County, Texas, and out of 317.10 acres described in Volume 227, Page 81, Deed Records of McCulloch County, Texas, and said 649.172 acre tract being more particularly described by metes and bounds as follows;

BEGINNING at a 4x4 concrete monument found, being the Southwest corner of 317.10 acre tract, in the East line of S. E. McKnight Survey M-2, Abstract 2305, in the West line of Survey 1246, and at the Northeast corner of an intersection of County Rd. 148 and County Rd. 128, and being the Southwest corner of this herein described tract of land;

THENCE with the East line of Survey M-2 and West line of Survey 1246, with a fence, N0°09'15"E, 2444.95 feet (Call S 00° 26' W 880 varas), to a 4X4 concrete monument found, being the Southwest corner of Survey 1247 and the Northwest corner of Survey 1246, Abstract 76, in the East line of Survey M-2, and in the East line of County Rd. 148, and being the Southwest corner of 2554 acre Johnson tract, being the Western most Northwest corner of this tract, from which a fence corner post bears N86°23'22"W, 0.94 feet;

THENCE upon and across Survey 1247, with a fence, N87°58'23"E, 913.69 feet, to a fence corner post, N1°46'06"W, 243.58 feet, to a fence corner post, N83°14'12"E, 292.89 feet, to a fence corner post, N4°56'26"E, 851.02 feet, to a fence corner post, N29°43'28"E, 630.13 feet, to a fence corner post, N40°29'16"E, 684.45 feet, to a fence corner post, N33°11'58"W, 180.74 feet, to a fence corner post, S55°51'06"W, 691.71 feet, to a fence corner post, N7°42'40"W, 641.69 feet, to a fence corner post, S89°51'58"W, 214.44 feet, to a to a ½" iron rod with cap marked "SKG Engineers", set in a fence, for an exterior corner of this tract;

THENCE N0°33'04"W, passing at 45.54 feet the South line of H. & T. C. Survey 37, Abstract 620, and the North line of Survey 1247, continuing a total distance of 2701.55 feet, to a ½" iron rod with cap marked "SKG Engineers", set in a fence, for an exterior corner of this tract;

THENCE with a fence, S82°09'20"E, 2168.10 feet to a ½" iron rod with cap marked "SKG Engineers", set at a fence intersection, for an exterior angle of this tract;

THENCE with a fence, S82° 03' 31"E, passing at 2257.92 feet the West line of Jacob Klock Survey 1248, Abstract 821, and the East line of Survey 37, continuing for a total distance 2265.15 feet to a ½" iron rod set with cap marked "SKG ENGINEERS" at a fence corner for an exterior angle of this tract;

THENCE with a fence, S0° 06' 43"W, 1948.15 feet, to a cedar fence corner post, being the Northeast corner of Survey 1247, the Northwest corner of Fisher and Miller Survey 2591,

Abstract 268, the Southwest corner of Jacob Klock Survey 1248, Abstract 821, the Southeast corner of H. & T. C. Survey 37, Abstract 620, from which a large Oak tree bears N2° 14' 49"E, 43.62 feet;

THENCE with a fence, S0° 00' 43"W, 1997.47 feet, to a 2 ½" pipe fence corner post for an exterior corner of this tract;

THENCE with a fence, N88° 14' 04"W, at 10.04 feet crossing the East line of Survey 1247 and the West line of Survey 2591, continuing for a total distance 294.31 feet to a 2 ½" pipe fence corner post for an interior corner of this tract;

THENCE with a fence, S5° 06' 00"E, 612.16 feet to a 2 ½" pipe fence corner post, in the North line of 139.534 acres described in a Warranty Deed from Leslie M. Sellers and wife, Mary Patricia Sellers, to Glen R. Kent III and wife, Donna S. Kent, recorded in Volume 354, Page 949, Deed Records McCulloch County, Texas, and the South line of 2554 acre Johnson tract, for an exterior corner of this tract;

THENCE generally, with the North line of Survey 1246, and the South line of Survey 1247, with the North line of 139.534 acre Kent tract, the South line of 2554 acre Johnson tract, and the South line of this tract, with a fence, S88° 11' 12"W (Call N 88° 35' 24" E), 1528.54 feet to a 4x4 concrete monument found in the South line of Survey 1247, being an exterior angle for this tract;

THENCE generally, with the North line of Survey 1246, and the South line of Survey 1247, with the North line of 139.534 acre Kent tract, the South line of 2554 acre Johnson tract, and the South line of this tract, S88° 08' 43"W, 400.97 feet (Call N 88° 33' 13" E 400.98 feet) to a ½" iron rod found with cap marked "ROSS", being the Northeast corner of the remainder of 317.10 acre tract, the Northwest corner of 139.534 acre Kent tract, being an interior corner of this tract, from which a fence corner post bears N25°41'13"E, 0.87 feet;

THENCE with the West line of 139.534 acre Kent tract, and the East line of this tract with a fence, S6°58'17"W (Call N 07° 22' 56" E), crossing at 2.40 feet, the South line of Survey 1247 and the North line of Survey 1246, continuing a total distance of 2594.60 feet (Call 2595.21 feet) to a ½" iron rod found with cap marked "ROSS", in the North line of County Rd. 128, in the South line of 317.10 acre tract, being the Southwest corner of 139.534 acre Kent tract, and the Southeast corner of this tract, from which a fence corner post bears S8°54'49"W, 5.11 Feet;

THENCE with the North line of County Rd. 128 and the South line of 317.10 acre tract, generally North of a fence, N89°35'06"W, 2939.13 feet (Call S 89° 20' E, 668.0 varas and S 89° 20' E 651.8 varas) to the PLACE OF BEGINNING containing an area of 649.172 acres of land.

EXHIBIT A

LEGAL DESCRIPTION OF EASEMENT PROPERTY

The following lands situated in McCulloch County, Texas:

TRACT ONE:

509.223 acres of land out of the Fisher & Miller Survey No. 2596, Abstract No. 287, in McCulloch County, Texas and also being a portion of that certain 2947.884 acre tract as described in Volume 366, Page 252 of the Official Public Records of McCulloch County, Texas and a portion of a called 160 acre tract described in a deed recorded in Volume 228, Page 811 of the Deed Records of McCulloch County, Texas; Said 509.223 acre tract being more particularly described as follows and as surveyed under the supervision of Watson Professional Group Inc;

BEGINNING at a 4 inch pipe post found in the record common line of said Survey No. 2596, and the H. Buescher Survey No. 1343, Abstract No. 33 and the east line of that certain 319.79 acre tract as described in Volume 335, Page 218 of said Official Public Records and the west line of said 2947.884 acre tract for the northwest corner of that certain 1000.000 acre tract described in Volume 382, Page 764 of said Official Public Records and the southwest corner hereof and from which the record southeast corner of said Abstract No. 33 bears South 00°05'43" West a distance of 122.23 feet;

THENCE North 00° 27' 41" West a distance of 2632.56 feet along the record common line of said Survey No. 2596, said Survey No. 1443 and the east line of said 319.79 acre tract to a point in the south line of F. M. Highway No. 504 for the northeast corner of said 319.79 acre tract, the northwest corner of said 2947.884 acre tract and the northwest corner hereof, and from which a pipe fence corner post found bears South 00° 27' 48" East a distance of 1.10 feet

THENCE along the south line of said F. M. Highway No. 504 and the north line of said 2947.884 acre tract, the following seven (7) courses:

1. South 85° 48' 04" East a distance of 539.49 feet to a point;
2. South 86° 02' 28" East a distance of 1035.38 feet to a point;
3. South 85° 58' 21" East a distance of 1584.10 feet to a point;
4. South 85° 58' 12" East a distance of 579.99 feet to a point;
5. South 85° 53' 50" East a distance of 758.72 feet to a point at the beginning of a curve to the left;
6. Along said curve to the left with a radius of 20135.86 feet, central angle of 2° 54' 26" and an arc length of 1021.68 feet to a point;
7. South 88° 47' 55" East a distance of 57.72 feet to a point for the northwest corner of that certain 12.872 acre tract as surveyed this same day by Watson Professional Group Inc for a portion of said 2947.884 acre tract and the northeast corner hereof;

THENCE crossing said Survey No. 2596 and said 2947.884 acre tract along the west line of said 12.872 acre tract, the following two (2) courses:

1. South 00° 19' 57" East a distance of 2743.90 feet to a point;
2. South 00° 13' 33" East a distance of 2872.44 feet to a point in the record common line of said Survey No. 2596 and the Heinrich Herder Survey No. 1259, Abstract No. 511 and the most easterly northeast corner of said 1000.000 acre tract for the southeast corner hereof;

THENCE North 83° 04' 38" West a distance of 2548.29 feet along the record common line of said Survey No. 1259 and said Survey No. 2596 and a north line of said 1000.000 acre tract to a 6 inch cedar fence corner post found for an ell corner of said 1000.000 acre tract and the most southerly southwest corner hereof;

THENCE crossing said Survey No. 2596 and said 2947.884 acre tract along the north line of said 1000.000 acre tract, the following three (3) courses:

1. North 00° 32' 37" West a distance of 2727.08 feet to a point from which a 6 inch cedar post fence corner found bears South 00° 32' 37" East a distance of 1.99 feet and a concrete monument found bears South 86° 21' 50" East a distance of 312.34 feet;
2. North 86° 21' 50" West a distance of 780.70 feet to a concrete monument found;
3. North 83° 09' 38" West a distance of 2251.91 feet to the POINT OF BEGINNING, containing 509.223 acres, more or less, as shown on certified plat prepared herewith.

Note: Bearings and distances are grid, NAD 83 US TX Central Zone.

Iron rods set are 1/2 inch rebar with plastic caps marker "WATSON 1989" or

"WATSON 5740"

Being the same land as described in a Deed from Beakley Cattle Company, LLC to Michael Mund and Elaine Mund dated June 30, 2009, recorded in Volume 388, page 988, Official Public Records, McCulloch County, Texas.

TRACT TWO:

1000.000 acres of land, more or less, out of the Fisher & Miller Survey No. 2596, Abstract No. 287, the Heinrich Herder Survey No. 1259, Abstract No. 511, the Heinrich Herder Survey No. 1258, Abstract No. 510, the H & T. C. RR Co. Survey No. 39, Abstract No. 621, in McCulloch County, Texas, and being a portion of a called 4369.319 acre tract described in a deed recorded in Volume 366, Page 252 of the Official Public Records of McCulloch County, Texas; Said 1000.000 acre tract being more particularly described as follows and shown on the attached survey plat:

BEGINNING at a 1/2 inch iron rod set in the common line of said Survey No. 1258 and Survey No. 39, for the southeast corner hereof, from which a 8-inch cedar fence corner post found for the southeast corner of said Survey No. 1258, the southwest corner of the H. & T. C. RR Co. Survey No. 61, Abstract No. 633, the northwest corner of the Thomas Kreiker Survey No. 1257, Abstract No. 813, the northeast corner of said Survey No. 39, also being the southeast corner of a 1212.285 acre tract described in Volume 338, Page 285 of the Official Public Records of McCulloch County, Texas and an interior corner of said 4369.319 acre tract, bears South 83° 32' 31" West a distance of 50.39 feet;

THENCE North 83° 32' 31" West, along the common line of said Survey No. 1258 and Survey No. 39, a distance of 814.68 feet to a 1/2 inch iron rod set, for a corner hereof;

THENCE leaving the north line, and crossing through said Survey No. 39, the following two (2) courses:

1. South 59° 25' 24" West a distance of 1509.73 feet to a 1/2 inch iron rod set for a corner hereof;
2. South 88° 50' 06" West a distance of 3429.40 feet to a 6-inch cedar fence post found in the common line of said Survey No. 39 and the S. Balmert Survey No. 1349, Abstract No. 63, being also the west boundary line of said 4369.319 acre tract, being also the east boundary line of a called 1324.75 acre tract described in a deed recorded in Volume 262, Page 540 of the Deed Records of McCulloch County, Texas, for the southwest corner hereof;

THENCE North 00° 33' 06" West, along the general meanders of a fence for the common line of said Survey No. 39 and Survey No. 1349, being also the west boundary line of said 4369.319 acre tract and the east boundary line of said 1324.75 acre tract, passing at a distance of 22.67 feet a 12-inch pine gate post at the south end of a 12-foot gate, and continuing a total distance of 1374.58 feet to a 12-inch pine gate post at the south end of a 14-foot gate at the northwest corner of said Survey No. 39, the northeast corner of said Survey No. 1349, the southeast corner of the H. & T. C. R.R.

Survey No. 40, Abstract No. 1671, and said Survey No. 1259, also being the northeast corner of said 1324.75 acre tract and the southeast corner of a 677.78 acre tract described in a deed recorded in Volume 47, Page 508 of the Deed of Trust of McCulloch County, Texas;

THENCE along the general meanders of a fence for the common line of said Survey No. 40, said Survey No. 1259, and said Survey No. 1258, being also the west boundary line of said 4369.319 acre tract, and the east boundary line of said 677.78 acre tract, the following two (2) courses:

1. North 00° 31' 20" West a distance of 2791.97 feet to a 3-inch cedar fence corner post found, for a corner hereof;
2. North 00° 07' 33" West a distance of 2776.64 feet to a 10-inch cedar fence corner post found for the northwest corner of said Survey No. 1259, the northeast corner of said Survey No. 40, the southeast corner of the H. Buescher Survey No. 1344, Abstract No. 34, the southwest corner of said Survey No. 2596, being also the northeast corner of said 677.78 acre tract and the southeast corner of a 320 acre tract described in a deed recorded in Volume 156, Page 132 of the Deed Records of McCulloch County, Texas;

THENCE North 00° 05' 43" West, along the general meanders of a fence for the common line of said Survey No. 2596, said Survey No. 1344, and the H. Buescher Survey No. 1343, Abstract No. 33, being also the west boundary line of said 4369.319 acre tract, the east boundary line of said 320 acre tract and the east line of a 319.79 acre tract described in a deed recorded in Volume 335, Page 218 of the Official Public Records of McCulloch County, Texas, a distance of 2689.99 feet to a 4-inch pipe fence corner post, for the northwest corner hereof;

THENCE leaving the west line and crossing through said Survey No. 2596, being also said 4369.319 acre tract, the following 2 courses:

1. South 83° 09' 46" East, a distance of 2251.91 feet to a concrete monument found for a corner hereof;
2. South 86° 21' 50" East, a distance of 780.70 feet to a 1/2 inch iron rod set, for an interior corner of said 4369.319 acre tract, being also the northwest corner of a 166.256 acre tract described in a deed recorded in Volume 367, Page 641 of said Official Records, for the most northerly northeast corner hereof, from which a concrete monument found bears South 86° 21' 50" East, a distance of 314.38 feet;

THENCE South 00° 32' 37' East a distance of 2727.08 feet along the easterly boundary line of said 4369.319 acre tract, being also the west boundary line of said 166.256 acre tract to a 6 -inch cedar fence corner post found on the common line of said Survey No. 2596 and said Survey No. 1259, at an interior corner of said 4369.319 acre tract, being also the southwest corner of said 166.256 acre tract, for an interior corner hereof;

THENCE South 83° 04' 38" East a distance of 2548.28 feet along the common line of said Survey No. 2596 and said Survey No. 1259, being also the easterly boundary line of said 4369.319 acre tract, being also the south boundary of said 166.256 acre tract, to a 1/2 inch iron rod set, for the most easterly northeast corner hereof, from which a 14- inch cedar fence corner post found at the northeast corner of said Survey No. 1259, the southeast corner of said Survey No. 2596, the southwest corner

of the A. Hoelscher Survey No. 1260, Abstract No. 500, and the northwest corner of said Survey No. 61, being also in the west boundary line of said 1212.285 acre tract at a corner in the easterly boundary of said 4369.319 acre tract, the southeast corner of said 166.256 acre tract, bears South 83° 04' 38" East a distance of 50.38 feet;

THENCE South 00° 11' 03" East, parallel and 50 foot perpendicular to the common line of said Survey No. 1258, said Survey No. 1259, and said Survey No. 61, being also the easterly boundary line of said 4369.319 acre tract and the west boundary line of said 1212.285 acre tract, a distance of 5535.14 feet to the POINT OF BEGINNING, containing 1000.000 acres, more or less.

Being the same land as described in a Deed from Beakley Cattle Company, LLC to Michael Mund and Elaine Mund dated October 15, 2008, recorded in Volume 382, page 764, Official Public Records, McCulloch County, Texas.

TRACT THREE: Being a 50 foot wide easement on, over and across Grantor's property which is more particularly described as follows:

Being out of the H. & T. C. RR Co. Survey No. 39, Abstract No. 621, out of the Heinrich Herder Survey No. 1258, Abstract No. 510, out of the Heinrich Herder Survey No. 1259, Abstract No. 511 and out of the Fisher & Miller Survey No. 2596, Abstract No. 287, also being a portion of a called 4369.319 acre tract of land described in a deed recorded in Volume 366, Page 252 and a portion of a called 166.256 acre tract described in a deed recorded in Volume 367, Page 641 of the Official Public Records of McCulloch County, Texas; Said tract more particularly described as follows:

BEGINNING at a 8 inch cedar fence corner post found for the southeast corner of said Survey No. 1258, the southwest corner of the H. & T. C. RR Co. Survey No. 61, Abstract No. 633, the northwest corner of the Thomas Kreiker Survey No. 1257, Abstract No. 813, the northeast corner of said Survey No. 39, being also the southwest corner of a called 1212.285 acre tract described in Volume 338, Page 329 of the Official Public Records of McCulloch County, Texas, and an interior corner of said 4369.319 acre tract, for an corner hereof;

THENCE crossing through said 4369.319 acre tract, the following two (2) courses;

3. North 00° 20' 14" West a distance of 55.96 feet to a 1/2 inch iron rod set on the common line of said Survey No. 39 and said Survey No. 1258, for a corner hereof;
4. North 00° 11' 03" West leaving the south line and crossing through said Survey No. 1258 and said Survey 1259, a distance of 5535.14 feet to a 1/2 inch iron rod set in the common line of said Survey 1259 and said Survey 2596, being also in the easterly line of said 4369.319 acre tract, being also the south boundary line of said 166.256 acre tract, for a corner hereof;

THENCE North 00° 13' 32" West leaving the south line and crossing through said 166.256 acre tract, a distance of 2872.45 feet to a 1/2 inch iron rod set in the north boundary line of said 166.256 acre tract, being also the easterly boundary line of said 4369.319 acre tract, for a corner hereof;

THENCE North 00° 19' 57" West leaving the easterly boundary line and crossing through said 4369.319 acre tract, a distance of 2743.04 feet to a 1/2 inch iron rod set in south right-of-way line of Farm-to-Market Road 504 (70' ROW width) (FM 504), being also the north boundary line of said 4369.319 acre tract, for the northwest corner hereof;

THENCE South 89° 38' 59" East along the north boundary line of said 4369.319 acre tract, being also the south right-of-way line of said FM 504, a distance of 50.00 feet to a 1/2 inch iron rod set in the common line of said Survey No. 2596 and the A. Hoelscher Survey No. 1261, Abstract No. 501, at the most northerly northeast corner of said 4369.319 acre tract, being also the northwest corner of said 1212.285 acre tract, for the northeast corner hereof;

THENCE South 00° 19' 57" East, along the common line of said Survey No. 2596 and said Survey No. 1261, being also the easterly boundary line of said 4369.319 acre tract and the west boundary line of said 1212.285 acre tract, a distance of 2745.96 feet 1/2 inch iron rod found with a plastic cap marked "WATSON 5740" at the southwest corner of said Survey No. 1261 and the northwest corner of A. Hoelscher Survey No. 1260, Abstract No. 500. Being also at the northeast corner of said 166.256 acre tract and a corner in the easterly line of said 4369.319 acre tract, for a corner hereof;

THENCE South 00° 13' 32" East with the common line of said Survey No. 2596 and said Survey No. 1260, being also the east boundary line of said 166.256 acre tract and the west boundary line of said 1212.285 acre tract, a distance of 2875.34 feet to a 14 inch cedar fence corner post found for the southeast corner of said Survey No. 2596, the southwest corner of said Survey No. 1260, the northwest corner of said Survey No. 61, and the northeast corner of said Survey No. 1259, also being the southeast corner of said 166.256 acre tract, and a corner in the easterly line of said 4369.319 acre tract, for a corner hereof;

THENCE South 00° 11' 03" East with the common line of said Survey No. 61, said Survey No. 1259 and said Survey No. 1258, also being the easterly line of said 4369.319 acre tract and the west line of said 1212.285 acre tract a distance of 5484.73 feet to the POINT OF BEGINNING.

Being the same easement as described in an Access and Utility Easement from Beakley Cattle Company, LLC to Michael Mund and Elaine Mund dated October 15, 2008, recorded in Volume 382, page 762, Official Public Records, McCulloch County, Texas.

EXHIBIT A TO WIND ENERGY GROUND LEASE: LEGAL DESCRIPTION OF PREMISES

All of that certain land situated in McCulloch County, Texas, described as follows

Tract One:

215.41 acres, more or less, in McCulloch County, Texas and being:

109.52 acres, more or less, in the H. Z. Berge Survey No. 1244, Abstract No. 143; and

105.89 acres, more or less, in the H. Z. Berge Survey No. 1245, Abstract No. 144;

Said tract is that land that W. N. Townsend, et ux, deeded to Sam A. Blumentritt by Deed dated February 3, 1958, recorded in Volume 149, Page 636, Deed Records, McCulloch County, Texas, described by metas and bounds as follows:

Beginning at a set iron stake and corner post located on the North line of U. S. Highway 87 and on the West line of said Survey No. 1244, said point is located 7 varas North 3° 00' East of the Southwest corner of Survey No. 1244;

Thence North 3° 00' 00" East 4964.2 ft. (4967 ft. - Deed call) along a fence line located on the West line of said Surveys No. 1244 and No. 1245 to a found iron stake and corner post, said point is also located approximately 12 varas South 3° 00' West of the Northwest corner of said Survey No. 1245;

Thence South 89° 45' 32" East 1772.8 ft. (South 89° 44' East 1773.1 ft. - Deed call) along the general course of a fence line located on the South line of County Road 128 to a corner post with a set iron stake;

Thence South 00° 42' 57" West 5062.6 ft. (South 0° 42' West 5064.5 ft. - Deed call) along a fence line to a set iron stake and corner post located on the North line of said U. S. Highway 87;

Thence North 86° 44' 13" West 1972.5 ft. (North 86° 45' West 1973.9 ft. - Deed call) along a fence line located on the North line of said U. S. Highway 87 to the place of beginning.

Tract Two:

Situated in McCulloch County, Texas, and being 146.951 acres out of the W. H. & O. T. Melvin Survey No. 14, Abstract No. 1570, Cert. No. 16/114, out of the N. E. corner of said Survey 14, and being the same land as described in deeds from W. R. Yates to E. A. Gossett dated December 19, 1929, recorded in Vol. 60, Pg. 258 of the McCulloch County Deed Records, and from E. A. Gossett to Carl Lundquist dated April 18, 1936, recorded in Vol. 96, Pg. 248 of said Deed Records.

BEGINNING at a ½-inch steel stake set at the intersection of the south line of a public road with the east line of said Survey No. 14, set by a "T" corner post being South 03 W 33.3 feet from the N.E. Corner of said Survey No. 14, and being the N.W. corner of a 215.61-acre tract described in a deed from W.N. Townsend to Sam A. Blumentritt, recorded in Vol. 149, Pg 636 of said Deed Records, for the N.E. corner hereof;

THENCE with the south line of said road, N 89 34 51 W 2712.4 feet to a ½-inch steel stake set by a "T" corner post for the N.W. corner hereof;

THENCE with a fence and the west line hereof, S 01 59 08 W 1571.42 feet, a ½ -inch steel stake, S 02 02 W 870.37 feet to a ½- inch steel stake set by a "T" corner post for the S.W. corner hereof;

THENCE with a fence and the south line hereof, N 87 37 E 747.84 feet, a ½ inch steel stake, N 87 46 E 1600.65 feet, a ½- inch steel stake, and N 87 34 14 E 330.08 feet to a ½-inch steel stake set in the east line of said Survey No. 14, the west line of said 215.61-acre tract, for the S.E. corner hereof and being the approximate N.W. corner of the H.Z. Berge Survey No. 1244;

THENCE with a fence and the east line hereof, the east line of Survey No. 14, N 03 08 34 E 1159.41 feet, a ½-inch steel stake, and N 02 51 34 E 1156.77 feet to the place of beginning.

EXHIBIT A

LEGAL DESCRIPTION OF EASEMENT PROPERTY

The following lands situated in McCulloch County, Texas:

320 acres, more or less, being all of H & TC RR Co Survey No. 53, Block 60, Abstract No. 628, McCulloch County, Texas.

Said tract of land being described in that certain Warranty Deed, dated March 24, 1986, by and between Bill J. Mikeska and wife, Candice K. Mikeska and Karl and Charolette Weishunn, recorded in volume 230, page 228, Deed Records of McCulloch County, Texas.

EXHIBIT "A"

LEGAL DESCRIPTION: 24.631 acres of land, more or less, being portion of the Bronaugh Brothers Survey No. 54, Abstract No. 1621, located in McCulloch County, Texas, being a portion of a called 320 acre tract described in a deed recorded in Volume 207, Page 513 of the Deed Records of McCulloch County, Texas; said 24.631 acre tract being more particularly described as follows;

BEGINNING at a 1/2 inch iron rod set at the centerline of a 345 KV transmission line in a 160 foot wide electric easement recorded in Volume 321, Page 606 of the Official Public Records of McCulloch County, Texas, for the most northerly northeast corner hereof and from which a 1/2 inch iron rod found in the west line of the Ludwig Erkhart Survey No. 1293, Abstract 246 for the common east corner of the Johann Leyendecker Survey No. 1296, Abstract No. 962 and said Survey No. 54 bear North 72° 13' 58" East a distance of 283.46 feet;

THENCE South 00° 08' 21" East a distance of 411.39 feet to a 1/2 inch iron rod set for an interior corner hereof;

THENCE North 89° 51' 39" East a distance of 254.12 feet to a 1/2 inch iron rod set in a fence line for the west line of said County Road No. 368 (CR 368) and the east line of said 320 acre tract for the most easterly northeast corner hereof;

THENCE South 00° 32' 14" East a distance of 1200.03 feet along the general meanders of said fence line for the west line of said CR 368 and the east line of said 320 acre tract to a 1/2 inch iron rod set for the southeast corner hereof;

THENCE South 89° 51' 39" West a distance of 450.00 feet to a 1/2 inch iron rod set for the most southerly southwest corner hereof;

THENCE North 00° 08' 21" West a distance of 400.00 feet to a 1/2 inch iron rod set for an interior corner hereof;

THENCE South 89° 51' 39" West a distance of 450.00 feet to a 1/2 inch iron rod set for the most westerly southwest corner hereof;

THENCE North 00° 44' 10" West a distance of 800.04 feet to a 1/2 inch iron rod set for the most westerly northwest corner hereof;

THENCE North 89° 51' 39" East a distance of 220.88 feet to a 1/2 inch iron rod set for an interior corner hereof;

THENCE North 00° 06' 21" West a distance of 410.30 feet to a 1/2 inch iron rod set at the centerline of said 345 KV transmission line for the most northerly northwest corner hereof and from which a 1/2 inch iron rod in the north line of said Survey No. 54, the south line of said Survey No. 1296, the north boundary line of said 320 acre tract (V207, P513) and the south boundary line of a called 320 acre tract described in a deed recorded in Volume 258, Page 241 of said Deed Records bears North 87° 57' 52" West a distance of 2323.74 feet;

THENCE North 89° 42' 47" East a distance of 425.00 feet along the said 345 KV transmission line to the **POINT OF BEGINNING**, containing 24.631 acres, more or less.

000426

PROPERTY SIXTEEN - J.A. JONES, ET AL

All of that land situate in McCulloch County, Texas, being 109.252 acres of land, more or less out of the Jacob Klock Survey No. 1249, Abstract No. 819, more fully described on the legal description attached hereto, being the same land as described and defined in that certain deed dated November 19, 1993, from Noble M. Johnson and Modenia Johnson to J.A. Jones and J.S. Anderson, recorded in Volume 262, Page 560, Deed Records, McCulloch County, Texas.

LEGAL DESCRIPTION
(CK Haverlah Ranch, LP – Brady ISD)

All of the following described real property situated in McCulloch County, Texas that is located within Thomas Krieker Survey 1256, Abstract 814 and Thomas Krieker Survey 1257, Abstract 813:

1301.146 acres, more or less, situated in McCulloch County, Texas, and being two tracts out of Thomas Krieker Survey 1256, Abstract 814, Thomas Krieker Survey 1257, Abstract 813, H. & T.C. RR Co. Survey 63, Abstract 634, E.W. Harris Survey No. 64, Abstract 2006, H. & T. C. RR Co. Survey No. 39, Abstract No. 621, Heinrich Herder Survey No. 1258, Abstract No. 510, Heinrich Herder Survey No. 1259, Abstract No. 511 and Fisher & Miller Survey No. 2596, Abstract No. 287, described by metes and bounds as follows:

TRACT ONE: 1288.274 acres of land out of the Thomas Krieker Survey No. 1256, Abstract No. 814, the Thomas Krieker Survey No. 1257, Abstract No. 813, the H. & T. C. RR Co. Survey No. 63, Abstract No. 634 and the E.W. Harris Survey No. 64, Abstract No. 2006 in McCulloch County, Texas and also being a portion of that certain 2947.884 acre tract as described in Volume 366, Page 352 of the Official Public Records of McCulloch County, Texas; Said 1288.274 acre tract being more particularly described as follows and as surveyed under the supervision of Watson Professional Group, Inc.;

BEGINNING at a 8 inch cedar fence corner post found in the east line of that certain 12.872 acre tract, being a portion of said 2947.884 acre tract, as surveyed this same day by Watson Professional Group, Inc. for the southeast corner of the Heinrich Herder Survey No. 1258, Abstract No. 510, the southwest corner of the H. & T. C. RR Co. Survey No. 61, Abstract No. 633, the northwest corner of said Survey No. 1257, the northeast corner of the H. & T. C. RR Co. Survey No. 39, Abstract No. 621, the southwest corner of that certain 1212.285 acre tract as described in Volume 338, Page 529 of said Official Public Records, an ell corner of said 2947.884 acre tract and the northwest corner hereof;

THENCE along the general meanders of a fence for the record common line of said Survey No. 61, said Survey No. 1257, said Survey No. 64 and the E. H. Damken Survey No. 1217, Abstract No. 195 and a north line of said 2947.884 acre tract, the following six (6) courses:

1. South 89° 49' 02" East a distance of 2688.20 feet along the south line of said 1212.285 acre tract to a 4 inch cedar fence corner post found at the southeast corner of said 1212.285 acre tract also being the southwest corner of that certain 92.7 acre tract described in Volume 335, Page 490 of said Official Public Records;
2. South 89° 44' 38" East a distance of 2675.83 feet along the south line of said 92.7 acre tract to a 10 inch cedar fence corner post found at the southeast corner of said Survey No. 61, the southwest corner of said Survey No. 1217, the northwest corner of said Survey No. 64, the northeast corner of said Survey No. 1257, the southeast corner of said 92.7 acre tract and the southwest corner of that certain 150 acre tract as described in Volume 93, Page 288 of the Deed Records of McCulloch County, Texas;
3. North 55° 27' 58" East a distance of 2003.36 feet along the south line of said 150 acre tract to a 5 inch cedar fence corner post found for the southeast corner of said 150 acre tract and the southwest corner of that certain 100 acre tract as described in Volume 47, Page 508 of the Deed of Trust Records of McCulloch County, Texas;
4. North 55° 24' 26" East a distance of 1351.33 feet along the south line of said 100 acre tract to a wood fence corner post found for the southeast corner of said 100 acre tract and the southwest corner of that certain 50 acre tract as described in Volume 213, Page 461 of said Deed Records;

5. North 55° 28' 32" East a distance of 1355.97 feet along the south line of said 50 acre tract to a 3/8 inch iron rod found for the southeast corner of said 50 acre tract;

6. North 55° 27' 22" East a distance of 2148.85 feet to a 3 inch pipe fence corner post found for the southeast corner of said Survey No. 1217, the southwest corner of the Fisher & Miller Survey No. 2578, Abstract No. 275, the northwest corner of the Friedrich Frerichs Survey No. 1218, Abstract No. 313, the northeast corner of said Survey No. 64, the most easterly northeast corner of said 2947.884 acre tract, the northwest corner of that certain 81.8 acre tract as described in Volume 47, Page 508 of said Deed of Trust Records, and the most easterly northeast corner hereof;

THENCE along the general meanders of a fence for the record common line of said Survey No. 64, said Survey No. 1218, said Survey No. 63 and the Friedrich Frerichs Survey No. 1219, Abstract No. 314 and the east line of said 2947.884 acre tract, the following two (2) courses:

1. South 00° 06' 42" East a distance of 1515.40 feet along the west line of said 81.8 acre tract to a 6 inch cedar fence corner post found at the southwest corner of said 81.8 acre tract and the northwest corner of that certain 663.5 acre tract described in Volume 52, Page 239 of said Deed of Trust Records:

2. South 00° 09' 05" West a distance of 3882.38 feet along the west line of said 663.5 acre tract to a 6 inch cedar fence corner post found in the north line of that certain 4324.878 acre tract described in Volume 213, Page 859 of said Deed Records for the southwest corner of said Survey No. 1219, the northwest corner of E.W. Harris Survey No. 33, Abstract No. 2232, the northeast corner of Hans Christian Schaefer Survey No. 1220, Abstract No. 1217, the southeast corner of Survey No. 63, the southwest corner of said 663.5 acre tract, the southeast corner of said 2947.884 acre tract and the southeast corner hereof;

THENCE South 57° 29' 43" West a distance of 3330.89 feet along the record common line of said Survey No. 63 and said Survey No. 1220, the south line of said 2947.884 acre tract to a 3/8 inch iron rod found for the northwest corner of said Survey No. 1220, the northeast corner of Hans Christian Schaefer Survey No. 1221, Abstract 1215, and the northeast corner of a called 349.952 acre tract of land described in Volume 328, page 6 of said Official Public Records;

THENCE along the general meanders of a fence for the record common line of said Survey No. 1221 and said Survey No. 63 and the northwest line of said 349.952 acre tract and the south line of said 2947.884 acre tract the following three (3) courses:

1. South 57° 41' 18" West a distance of 1219.38 feet to a ½ inch iron rod found;

2. South 57° 44' 11" West a distance of 1183.82 feet to a ½ inch iron rod found;

3. South 57° 44' 24" West a distance of 913.66 feet to a ½ inch iron rod found for the northwest corner of said Survey No. 1221, the northeast corner of the C.R. Tisdale Survey No. 38, Abstract No. 2211, the southeast corner of said Survey No. 1256, the southwest corner of said Survey No. 63, the northwest corner of said 349.952 acre tract, the northeast corner of that certain 640 acre tract described in Volume 144, Page 526 of said Deed Records and a corner hereof;

THENCE North 87° 40' 45" West a distance of 5254.35 feet along the general meanders of a fence crossing said Survey No. 1256 for the south line of said 2947.884 acre tract and the north line of said 640 acre tract to a 12 inch cedar fence corner post found at an ell corner of said 2947.884 acre tract for an ell corner hereof;

THENCE North 04° 06' 45" West a distance of 1739.75 feet along the general meanders of a fence crossing said Survey No. 1256 along the west line of said 2947.884 acre tract to a 10 inch cedar gate fence corner post found in the record common line of said Survey No. 39 and said Survey No. 1256 for the northeast corner of that certain 160 acre tract as described in Volume 206, Page 506 of said Official Public Records and an interior corner of said 2947.884 acre tract;

THENCE North 00° 20' 14" West a distance of 3091.74 feet along the record common line of said Survey No. 1256, said Survey No. 1257 and said Survey No. 39 and crossing said 2947.884 acre tract, to the POINT OF BEGINNING, containing 1288.274 acres, more or less.

Note: Bearings and distances are grid, NAD 83 US TX Central Zone. Iron rods set are ½ inch rebar with plastic caps marked "WATSON 1989" or "Watson 5740".

TRACT TWO: BEING 12.872 acres of land, more or less, out of the H. & T. C. RR Co. Survey No. 39, Abstract No. 621, the Heinrich Herder Survey No. 1258, Abstract No. 510, the Heinrich Herder Survey No. 1259, Abstract No. 511 and the Fisher & Miller Survey No. 2596, Abstract No. 287 and also being a portion of that certain 2947.884 acre tract of land as described in Volume 366, Page 352 of the Official Public Records of McCulloch County, Texas and a portion of a called 160 acre tract described in a deed recorded in Volume 228, Page 811 of the Deed Records of McCulloch County, Texas; Said 12.872 acre tract being more particularly described as follows and as surveyed under the supervision of Watson Professional Group, Inc;

BEGINNING at a 8 inch cedar fence corner post found for the southeast corner of said Survey No. 1258, the southwest corner of the H. & T. C. RR Co. Survey No. 61, Abstract No. 633, the northwest corner of the Thomas Kreiker Survey No. 1257, Abstract No. 813, the northeast corner of said Survey No. 39 for an interior corner of said 2947.884 acre tract, the southwest corner of that certain 1212.285 acre tract as described in Volume 338, Page 529 of said Official Public Records and the northwest corner of that certain 1288.274 acre tract as surveyed this same day by Watson Professional Group, Inc. as a portion of said 2947.884 acre tract;

THENCE South 00° 20' 14" East a distance of 50.00 feet along the record common line of said Survey No. 1257 and said Survey No. 39, the west line of a right of way easement as described in Volume 167, Page 207 of the Deed Records of McCulloch County, Texas and the west line of said 1288.274 acre tract to a ½ inch iron rod set for a corner of that certain 303.591 acre tract as surveyed this same day by Watson Professional Group, Inc. being a portion of said 2947.884 acre tract and the southeast corner hereof;

THENCE crossing said Survey No. 39, said Survey No. 1258, said Survey No. 1259 and said Survey No. 2596 along the north line of said 303.591 acre tract, the east line of that certain 1000.011 acre tract as surveyed this same day by Watson Professional Group, Inc. being a portion of said 2947.884 acre tract, the east line of that certain 509.223 acre tract as surveyed this same day by Watson Professional Group, Inc. being a portion of said 2947.884 acre tract and crossing said 2947.884 acre tract the following five (5) courses;

1. South 89° 49' 02" West a distance of 50.28 feet to a ½ inch iron rod set for the southwest corner hereof;

2. North 00° 10' 00" West a distance of 55.52 feet to a ½ inch iron rod set in the record common line of said Survey No. 39 and said Survey No. 1258 for a corner hereof;

3. North 00° 10' 58" West a distance of 5535.13 feet to a ½ inch iron rod set in the common line of said Survey 1259 and said Survey 2596;

4. North 00° 13' 32" West a distance of 2872.44 feet to a ½ inch iron rod set;

5. North 00° 19' 57" West a distance of 2743.90 feet to a ½ inch iron rod set in south right-of-way line of Farm-to-Market Road 504 and the north line of said 2947.884 acre tract for the northeast corner of said 509.223 acre tract and the northwest corner hereof;

THENCE South 89° 38' 59" East a distance of 50.02 feet along the north line of said 2947.884 acre tract and the south line of said FM 504 to a ½ inch iron rod set in the common line of said Survey No. 2596 and the A. Hoelscher Survey No. 1261, Abstract No. 501 for the most northerly northeast corner of said 2947.884 acre tract, the northwest corner of said 1212.285 acre tract and the northeast corner hereof and from which a 6 inch cedar post fence corner found bears South 25° 31' 31" East a distance of 1.77 feet and a 4 inch post fence corner found bears South 84° 32' 19" East a distance of 43.01 feet;

THENCE along the record common line of said Survey No. 1261, said Survey No. 2596, said Survey No. 1259, said Survey No. 1258, said Survey No. 39, said Survey No. 61 and the A. Hoelscher Survey No. 1260, Abstract No. 500 for the west line of said 1212.285 acre tract and the east line of said 2947.884 acre tract the following three (3) courses:

1. South 00° 19' 57" East a distance of 2746.03 feet ½ inch iron rod found with a plastic cap marked "WATSON 5740" at the southwest corner of said Survey No. 1261 and the northwest corner of said Survey No. 1260;

2. South 00° 13' 32" East a distance of 2875.34 feet to a 14 inch cedar fence corner post found for the southeast corner of said Survey No. 2596, the southwest corner of said Survey No. 1260, the northwest corner of said Survey No. 61 and the northeast corner of said Survey No. 1259;

3. South 00° 11' 03" East a distance of 5534.73 feet to the POINT OF BEGINNING, containing 12.872 acres, more or less.

Note: Bearings and distances are grid, NAD 83 US TX Central Zone. Iron rods set are 1/2 inch rebar with plastic caps marked "WATSON 1989".

LEGAL DESCRIPTION
(Salt Gap, LP – Brady ISD)

All of the following described real property situated in McCulloch County, Texas:

Being all of a certain tract or parcel of land out of H. & T.C. R.R. Co. Survey No. 44, Abstract No. 1765, in McCulloch County, Texas; the same land conveyed as 368 acres, 4th Tract, to Rilla Jean Roots, et al, from Josephine Mostella White by a Correction Gift Deed executed the 22nd day of September, 1999 and recorded in Volume 306 at Page 777 of the Deed Records of McCulloch County, Texas; and being more particularly described by metes and bounds as follows (record calls shown in parentheses):

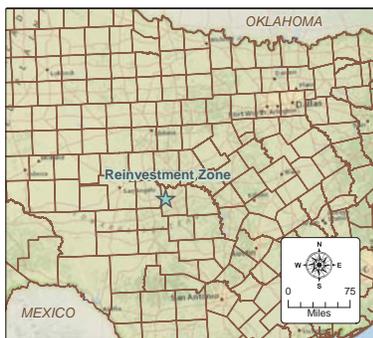
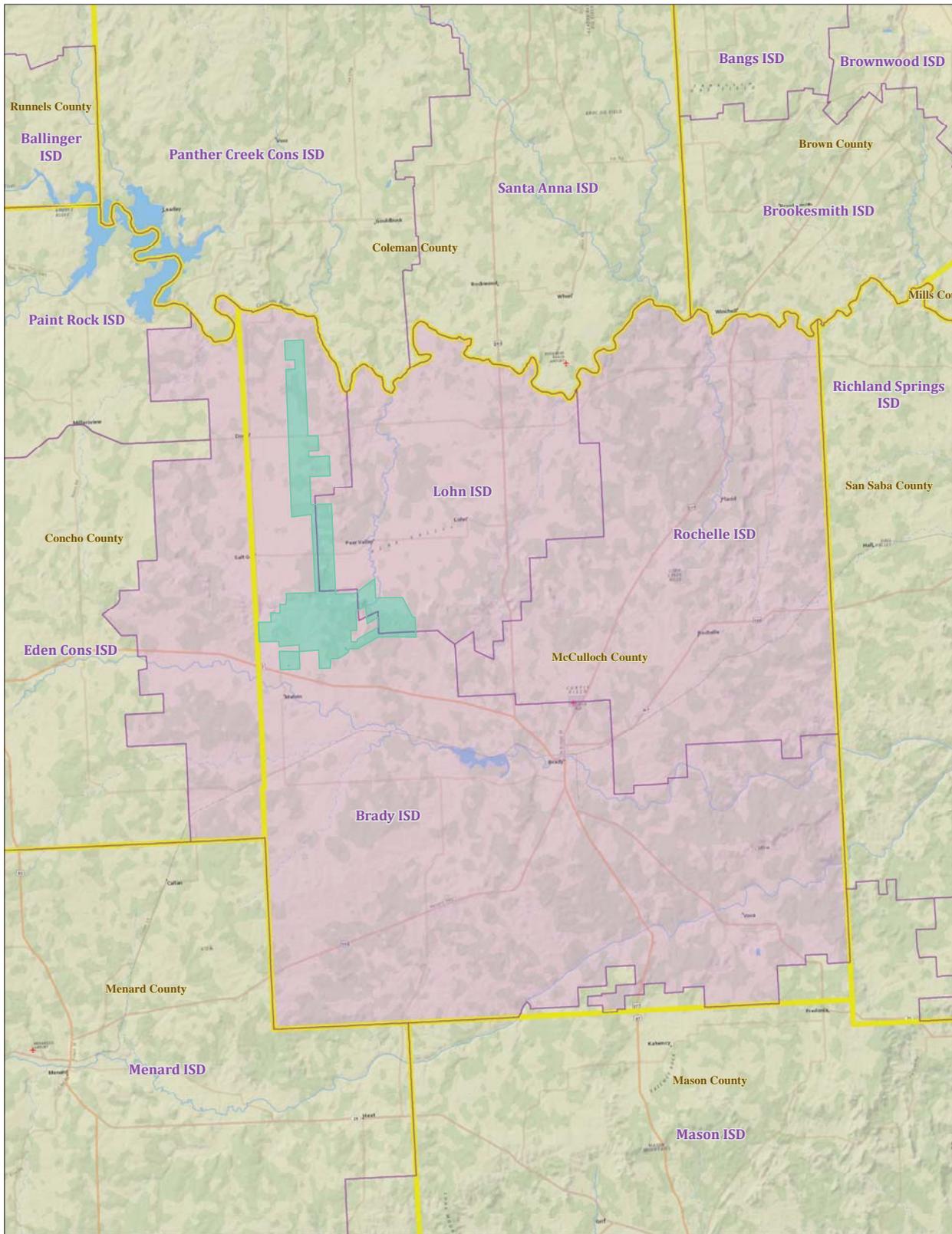
Beginning at a three-way fence cornerpost in the occupied east right-of-way line of a public road designated as C.R. 350 for the southwest corner of the herein described tract in the common line between said 368 acres and 335 acres conveyed to Larry Donop, et ux, from U.S. Title Company, Inc. by a Special Warranty Deed recorded in Volume 263 at Page 789 of the Deed Records of McCulloch County, Texas; which point bears, approximately, 21.3 ft. N.85°31'46"E. from a point in the approximate center of said C.R. 350 believed to be at or near the southwest corner of said Survey No. 44;

THENCE, along a fence and the occupied east right-of-way line of said C.R. 350, N.00°24'04"E., at 3122.29 ft. passing an anglepost for reference, then continuing not along a fence for a total distance of 3138.32 ft. to an unmarked point for the northwest corner of the herein described tract in the common line between said 368 acres and 335.5 acres conveyed to Albert R. Crumley, et ux, from J. L. Parker, et ux, by a deed executed the 15th day of June, 1943 and recorded in Volume 111 at Page 83 of the Deed Records of McCulloch County, Texas;

THENCE, with the common line between said 368 acres and said 335.5 acres, N.88°56'19"E. (N.88°E.), at 8.67 ft. passing an anglepost for reference, then along a fence for a total distance of 5469.71 ft. to a three-way cornerpost for the northeast corner of the herein described tract in the west right-of-way line of a public road designated as C.R. 330, the northwest corner of a forty (40) ft. wide strip of land conveyed to McCulloch County from Lattie Ridinger, et al, for road purposes, by a deed executed the 5th day of May, 1910 and recorded in Volume 25 at Page 166 of the Deed Records of McCulloch County, Texas;

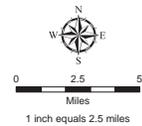
THENCE, with the west right-of-way line of said C.R. 330, east of and diverging from a fence, S.00°00'06"W. 2810.28 ft. to a ½" iron stake for the southeast corner of the herein described tract in the south line of said 368 acres, in the north line of said 335 acres [Volume 263 Page 789];

THENCE, with the common line between said 368 acres and said 335 acres, S.85°31'46"W. (S.84°50'W.), at 6.98 ft. passing a three-way fence cornerpost, then along a fence for a total distance of 5507.42 ft. to the PLACE OF BEGINNING containing 374.09 acres of land, more or less, within these metes and bounds.



Rattlesnake Wind Project McCulloch County, Texas

- Reinvestment Zone
- Independent School District Boundary
- County Boundary

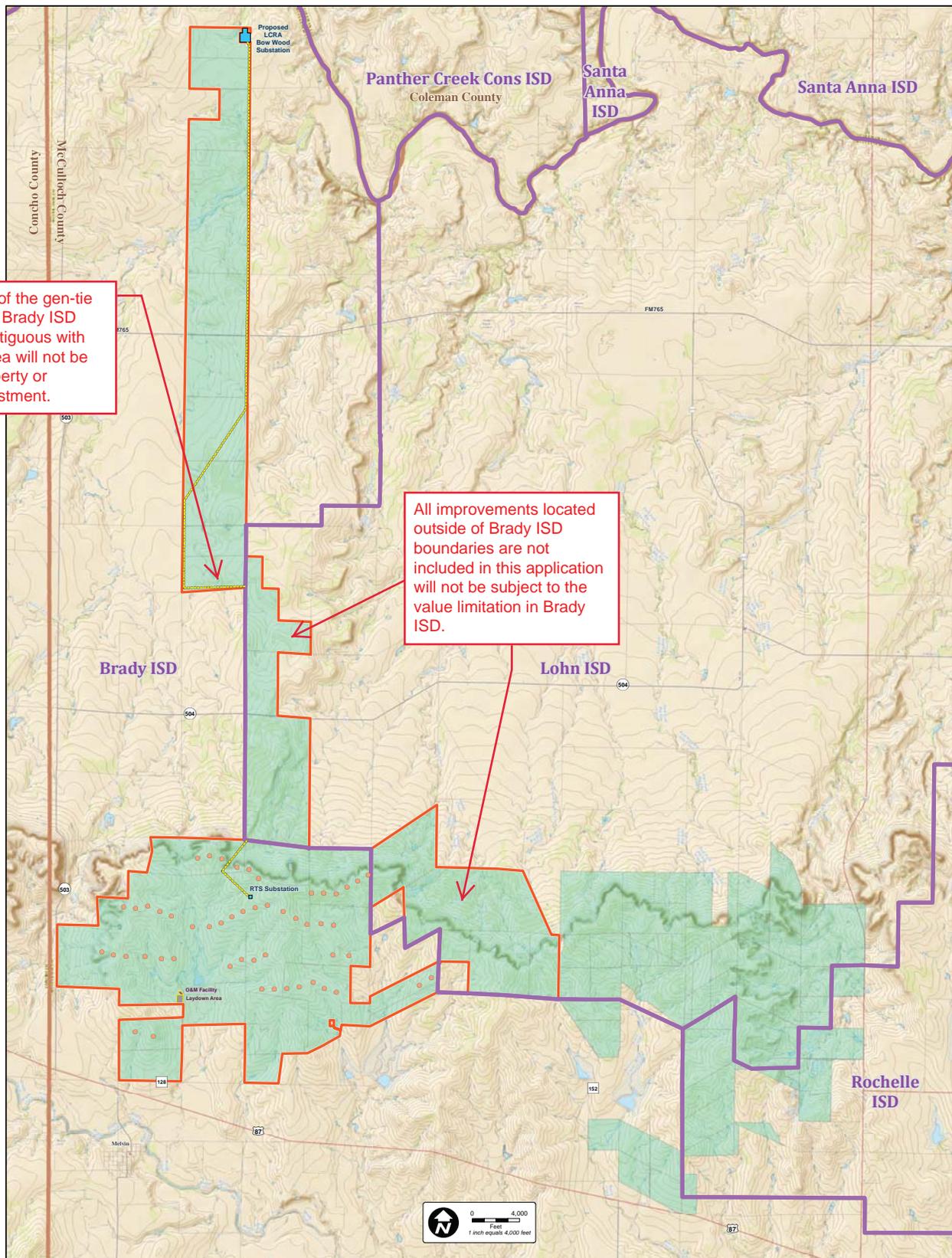


**Confidential, Preliminary
and Subject to Change**

Renewable Energy Systems
RES AMERICAS
 11101 W. 120th Ave., Suite 400
 Broomfield, CO, 80021
 Phone: (303) 429-4200
 Fax: (303) 429-4299

This drawing is the property of RES America Developments, Inc. and no reproduction may be made in whole or in part without permission.
 COORDINATE SYSTEM: UTM Zone 14N NAD83
 DRAWN BY: AP Date: 8/5/2015

11 b & c) Map of Qualified Investment & Property



Any segment of the gen-tie line located in Brady ISD that is not contiguous with the project area will not be Qualified Property or Qualified Investment.

All improvements located outside of Brady ISD boundaries are not included in this application will not be subject to the value limitation in Brady ISD.



Rattlesnake Wind Project Brady ISD McCulloch County, Texas

| | |
|---|--|
| <ul style="list-style-type: none"> Rattlesnake Project Boundary Current McCulloch County Wind Project Reinvestment Zone Independent School District Boundary County Boundary | <ul style="list-style-type: none"> • Turbine ■ Substation ■ O&M Facility Laydown Area Proposed Overhead Transmission |
|---|--|

Confidential, Preliminary and Subject to Change

Renewable Energy Systems
res AMERICAS

11101 W. 120th Ave., Suite 400
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COORDINATE SYSTEM: UTM Zone 14N NAD83
 LAYOUT NUMBER: PUB00022
 DRAWN BY: AP Date: 8/18/2016



EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the map attached to **Exhibit 1**.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

All Qualified Investment owned or leased by the Applicant, as more fully described in Tab 7 of the Application, located within the boundaries of both the Brady Independent School District and the reinvestment zone first placed in service after December 15, 2016 will be included in and subject to this Agreement. Specifically, all Qualified Investment of the Applicant located in the sections of land identified in **EXHIBIT 2** and within the boundaries indicated on the map attached as the last page of **EXHIBIT 4**.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property within Brady ISD necessary for the commercial operations of the wind energy generation facility described in Tab 4 of the Application. Furthermore, all Qualified Property will be located within the boundaries indicated on the map attached on the last page of this **EXHIBIT 4**.

The Rattlesnake Wind Project ("Rattlesnake" or the "Project") is a proposed wind energy generation project located in McCulloch County Texas. The Project is anticipated to consist of 64 wind turbines which when operational will be capable of generating 160 MW. Additional Project facilities will include a Project Operations and Maintenance Facility, a main project substation, and a 16 mile transmission line to connect the project to the existing electrical grid. The Project is situated on an uprising known as the Brady Mountains. The ridgeline runs predominantly east- west which runs perpendicular to the prevailing wind direction. The Project area is comprised almost entirely of rangeland (>90 %), utilized for grazing, hunting and off-road recreation and is well suited for a wind farm. The project will be located on approximately 12,000 acres of private land which has been leased under a 30 year wind lease. The project is planned to be interconnected to LCRA's 345kV system located approximately 15 miles north of the Project. Private easements have been obtained for the transmission line connecting the project to LCRA's existing system.

The proposed project will include, but is not limited to, the following:

- 64 turbines, 52 of which will be located in Brady ISD.
- There will be underground and potentially overhead medium voltage electric cabling connecting the turbines to the project substation.
- The project will be connected by a series of private gravel roads.
- The project will require a 345kV substation, this substation will be located in Brady ISD.
- The project will have a 345kV high-voltage transmission line which will be approximately 16 miles long, this transmission line will be located in Brady ISD.
- The project will have a single Operations & Maintenance Building which will house spare parts, have mechanics bays and about 2000 sq. ft of office space. This O&M building will be located in Brady ISD.
- The project will have meteorological equipment to measure weather conditions and wind speeds final location of measurement tower(s) will depend on the final turbine selection and project finance requirements.

Findings and Order of the Brady Independent School District Board of Trustees under the Texas
Economic Development Act on the Application Submitted by Rattlesnake Power, LLC
(Tax ID 12608649864) (Application # 1101)

ATTACHMENT H
Letter from the Texas Commissioner of
Education Regarding Impact on
Enrollment



Texas Education Agency

Commissioner Mike Morath

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

November 23, 2015

Jane Pearce, President
Board of Trustees
Brady Independent School District
1003 West 11th Street
Brady, TX 76825-4527

Dear Ms. Pearce:

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

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", is written over a horizontal line.

Al McKenzie, Manager
Foundation School Program Support

AM/rk
Cc: Johnny Clawson