

FINDINGS

of the
Skidmore-Tynan Independent School
District
Board of Trustees

under Chapter 313 of the
Texas Tax Code
the Texas Economic Development Act
on the Application for Appraised Value
Limitation on Qualified Property

submitted by

Pacific Wind Development, LLC

Comptroller Application #1177

October 16, 2017

6. A second Application amendment was submitted to the Comptroller on April 4, 2017.
7. The Application (as amended) was reviewed by the Comptroller pursuant to Texas Tax Code Sections 313.025 and 313.026. After review, the Comptroller's Office, by letter dated May 1, 2017, recommended that the Board approve the Application. A copy of the Comptroller's letter is attached to these findings as Exhibit B.
8. The Texas Comptroller's Office performed an economic impact evaluation pursuant to Texas Tax Code Section 313.025(b). The Board has considered such evaluation. A copy of the economic impact evaluation is attached to these findings as Exhibit C.
9. After receipt of the Application, the District entered into negotiations with Applicant over the specific language to be included in an Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes ("Agreement"), pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these findings as Exhibit D.
10. The Agreement was reviewed by the Comptroller. After review, the Comptroller's office, in a letter dated October 6, 2017, approved the Agreement.

FINDINGS

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

1. That the Comptroller recommends approval of the Application.
2. That there is a strong and positive relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plans of the State.
3. That, based on the representations in the Application, the Applicant could locate or relocate the Project to another state or another region of this state.
4. That the Project will result in revenue gains by the school district and that the economic effects on the local and regional tax base are that the tax base will increase as a result of the Project and additional employment.
5. That there exists a small but undetermined possibility that the Project could have an impact on enrollment from families that might temporarily relocate during the construction phase, but that any impact during the operation phase can be absorbed by current facilities.
6. That the projected market value of the qualified property of the Applicant as determined by the Comptroller is \$108,500,000.

7. That the proposed limitation on appraised value for the qualified property of the Applicant is \$20,000,000.
8. That the projected dollar amount of District maintenance and operation taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does not receive a limitation on appraised value is \$13,025,025 as shown on Exhibit C, Attachment B, Table 3.
9. That the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the Agreement, if the property receives a limitation on appraised value is \$5,526,788 as shown on Exhibit C, Attachment B, Table 4.
10. That the total amount of taxes projected to be lost or gained by the District over the life of the Agreement computed by subtracting the projected taxes if the property receives a tax limitation from the projected taxes if the property does not receive a tax limitation is 7,498,238, as shown on Exhibit C, Attachment A, Table 4.
11. The Applicant is eligible for the limitation on the appraised value of the Applicant's qualified property. Applicant's qualified property is eligible for a limitation on appraised value under Texas Tax Code § 313.024 as a renewable energy electric generation project.
12. The Project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period.
13. The limitation of appraised value is a determining factor in the Applicant's decision to invest capital and construct the Project in this state.
14. The job creation requirement of ten (10) new jobs exceeds the industry standard for the number of employees reasonably necessary for the operation of the Project described in the Application. Pursuant to Texas Tax Code Section 313.025(f-1), the Board waives the new job creation requirement in Tax Code Section 313.051(b).
15. Applicant will create 4 new qualifying jobs, and Applicant has confirmed that such jobs will meet all of the requirements of Texas Tax Code § 313.021(3).
16. That the Project will be located within an area designated as a reinvestment zone pursuant to Texas Tax Code Chapter 312.
17. The information in the Application submitted by Applicant is true and correct.
18. The proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes ("Agreement"), attached hereto as Exhibit D, meets all of the requirements set out in Texas Tax Code § 313.027, including adequate and appropriate revenue protection provisions for the District.

19. The proposed Agreement is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller as of January 24, 2016, and the Comptroller has verified that the agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 Texas Administrative Code Chapter 9, Subchapter F.

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

21. The Applicant, Pacific Wind Development, LLC (Tex. Taxpayer ID # 32050830580) is an entity subject to Chapter 171, Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts. A copy of the Comptroller's Franchise Tax Account Status is attached as Exhibit E.

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

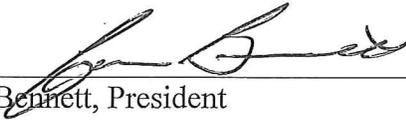
23. It is hereby found, determined and declared that sufficient written notice of the date, time, place and subject of the meeting of the Board of Trustees at which these Findings were made was posted at a place convenient and readily accessible at all times to the general public for the time required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

It is therefore **ORDERED** that:

1. The Findings above, including the recitals set out in the Preamble, are adopted and approved by the Board of Trustees.
2. The Application of Pacific Wind Development, LLC for a limitation on the appraised value for school district maintenance and operations ad valorem tax purposes of qualified property is approved.
3. The Agreement attached hereto as Exhibit D is approved and the Board President is designated and directed to sign the Agreement on behalf of the District.
4. The new job requirement of Tax Code Section 313.051(b) is waived pursuant to Tax Code Section 313.025(f-1).
5. These findings and the Exhibits referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the District.

Dated the 16th day of October, 2017.

**BOARD OF TRUSTEES OF THE
SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT**

By: 
James Bennett, President

ATTEST:

By: 
Troy Hughes, Vice President

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between SKIDMORE-TYNAN INDEPENDENT
SCHOOL DISTRICT and PACIFIC WIND DEVELOPMENT, LLC

EXHIBIT A

Application for Appraised Value Limitation on Qualified Property



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

Economic Development
and Analysis
Form 50-296-A

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

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

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

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

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

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

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

Please visit the Comptroller's website to find out more about the program at www.texasahead.org/tax_programs/chapter313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

02/13/17

Date Application Received by District

Dr. Randy

First Name

Hoyer

Last Name

Superintendent

Title

Skidmore-Tynan Independent School District

School District Name

224 W. Main ST.

Street Address

P.O Box 409

Mailing Address

Skidmore

City

Texas

State

78389

ZIP

(361) 287-3426

Phone Number

(361) 287-3442

Fax Number

Randy.Hoyer@stbobcats.net

Email Address

Mobile Number (optional)

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

Yes

No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

George E. _____ Grimes _____
 First Name Last Name
 Attorney _____
 Title _____
 Walsh, Gallegos, Trevino, Russo & Kyle P.C. _____
 Firm Name _____
 210-979-6633 _____ (210) 979-7024 _____
 Phone Number Fax Number
 _____ ggrimes@wabsa.com _____
 Mobile Number (optional) _____ Email Address _____

4. On what date did the district determine this application complete? February 16, 2017
 5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Jesse _____ Gronner _____
 First Name Last Name
 Vice President _____ Avangrid Renewables, LLC _____
 Title Organization
 1125 NW Couch St., Suite 700 _____
 Street Address _____

 Mailing Address _____
 Portland _____ Oregon _____ 97209 _____
 City State ZIP
 (503) 796-7045 _____
 Phone Number Fax Number
 _____ jesse.gronner@avangrid.com _____
 Mobile Number (optional) _____ Business Email Address _____

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

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

Thomas _____ Russell _____
 First Name Last Name
 Tax Consultant _____ Avangrid Renewables, LLC _____
 Title Organization
 1125 NW Couch St., Suite 700 _____
 Street Address _____

 Mailing Address _____
 Portland _____ Oregon _____ 97209 _____
 City State ZIP
 (503) 796-6955 _____
 Phone Number Fax Number
 _____ thomas.russell@avangrid.com _____
 Mobile Number (optional) _____ Business Email Address _____

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Bucky Brannen
 First Name Last Name
 Attorney
 Title
 Baker Botts L.L.P.
 Firm Name
 (214) 953-6619 (214) 661-4619
 Phone Number Fax Number
 Bucky.Brannen@bakerbotts.com
 Business Email Address

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? Yes No
 The total fee shall be paid at 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? Pacific Wind Development, LLC
 2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32050830580
 3. List the NAICS code 221115
 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
1071 Happy Independent School District 2016

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 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input type="checkbox"/> Land has no existing improvements	<input checked="" type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

Application for Appraised Value Limitation on Qualified Property

SECTION 9: Projected Timeline

- 1. Application approval by school board July 2017
- 2. Commencement of construction 3Q 2018
- 3. Beginning of qualifying time period January 1, 2018
- 4. First year of limitation 2020
- 5. Begin hiring new employees 1Q 2019
- 6. Commencement of commercial operations 4Q 2019
- 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? Yes No
 Note: Improvements made before that time may not be considered qualified property.
- 8. When do you anticipate the new buildings or improvements will be placed in service? 4Q 2019

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located San Patricio County; Bee County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property San Patricio CAD; Bee CAD
- 3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes No
- 4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: San Pat, 51%, .49192; Bee, 49%, .51792 City: n/a
(Name, tax rate and percent of project)
 Hospital District: n/a Water District: Bee Water Cons. Dist., 49%, 0.005
(Name, tax rate and percent of project)
 Other (describe): Coastal Bend College, 49%, .18524 Other (describe): San. Pat Drainage; 51%, .05789
(Name, tax rate and percent of project)
- 5. Is the project located entirely within the ISD listed in Section 1? Yes No
 5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.
- 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 No
 6a. If yes, attach in Tab 6 supporting documentation from the Office of the Governor.

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? 10,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
 Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
- 3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
- 4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. 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? Yes No

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? Yes No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (Tab 9);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - c. owner (Tab 9);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
 - e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? Yes No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
 - b. legal description of reinvestment zone (Tab 16);
 - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - d. guidelines and criteria for creating the zone (Tab 16); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? July 31, 2017

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

1. In Tab 10, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in Tab 10:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 45,000.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): \$ 0.00

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

Application for Appraised Value Limitation on Qualified Property

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2016
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 2
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 a. Average weekly wage for all jobs (all industries) in the county is 887.75
 b. 110% of the average weekly wage for manufacturing jobs in the county is 1,825.45
 c. 110% of the average weekly wage for manufacturing jobs in the region is 1,142.48
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 59,408.80
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 59,408.80
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

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 ▶ Dr. Randy Hoyer
Print Name (Authorized School District Representative)

sign here ▶ [Signature]
Signature (Authorized School District Representative)

Superintendent, Skidmore-Tynan ISD
Title

2-13-17
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here ▶ Mr. Jesse Gronner / Jeremy R. Aird
Print Name / Print Name (Authorized Company Representative (Applicant))

sign here ▶ [Signatures]
Signature / Signature (Authorized Company Representative (Applicant))

Vice President / Authorized Representative
Title / Title

02/08/2017 / 02/08/2017
Date / Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

8th day of February, 2017
[Signature]
 Notary Public in and for the State of ~~Texas~~ Oregon
 My Commission expires: 01/19/2019

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.

Application for Appraised Value Limitation on Qualified Property

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

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

Tab 2

Proof of Application Filing Fee Payment

See attached

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

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

Tab 3

Documentation of Combined Group Membership

See attached

PricewaterhouseCoopers LLP
1420 Fifth Avenue, Suite 2800
Seattle, WA 98101

AVANGRID RENEWABLES HOLDINGS, INC. & SUBS
INSTRUCTIONS FOR FILING
FORM 05-165
TEXAS FRANCHISE TAX EXTENSION REQUEST
- AFFILIATE LIST FOR
THE YEAR ENDED DECEMBER 31, 2015

PLEASE REVIEW THE AFFILIATE LIST AND VERIFY THAT THE
INFORMATION IS COMPLETE AND ACCURATE. THE ORIGINAL LISTING
SHOULD BE FILED ON OR BEFORE
MAY 15, 2016 WITH THE FOLLOWING:

COMPTROLLER OF PUBLIC ACCOUNTS
P.O. BOX 149348
AUSTIN, TX 78714-9348

TO DOCUMENT THE TIMELY FILING OF YOUR TAX RETURN(S), WE SUGGEST
THAT YOU OBTAIN AND RETAIN PROOF OF MAILING. PROOF OF MAILING
CAN BE ACCOMPLISHED BY SENDING THE TAX RETURN(S) BY REGISTERED
OR CERTIFIED MAIL (METERED BY THE U.S. POSTAL SERVICE) OR
THROUGH THE USE OF AN IRS APPROVED DELIVERY METHOD PROVIDED BY
AN IRS DESIGNATED PRIVATE DELIVERY SERVICE.

Texas Franchise Tax Extension Affiliate List

Tcode 13298

Reporting entity taxpayer number	Report year	Reporting entity taxpayer name
19313111601	2016	Avangrid Renewables Holdings Inc & Subs

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER <small>(If none, enter FEI number)</small>	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Avangrid Renewables Holdings, Inc.	19313111601	<input checked="" type="checkbox"/>
2. Enstor Gas LLC (fka Iberdrola Energy	32045813501	<input type="checkbox"/>
3. Avangrid Renewables, LLC (fka Iberdro	19311779334	<input type="checkbox"/>
4. Manzana Power Services, Inc.	931224155	<input checked="" type="checkbox"/>
5. PPM Technical Services, Inc.	32039126993	<input type="checkbox"/>
6. Atlantic Renewable Energy Corporation	522137594	<input checked="" type="checkbox"/>
7. Enstor, Inc.	010678570	<input checked="" type="checkbox"/>
8. Freebird Assets, Inc.	204243115	<input checked="" type="checkbox"/>
9. Pacific Harbor Capital, Inc.	930881619	<input checked="" type="checkbox"/>
10. Pacific Solar Investments, Inc.	320121929	<input checked="" type="checkbox"/>
11. PPM Colorado Wind Ventures, Inc.	680566989	<input checked="" type="checkbox"/>
12. ScottishPower Financial Services, Inc.	930369681	<input checked="" type="checkbox"/>
13. ScottishPower Group Holdings Company	930866672	<input checked="" type="checkbox"/>
14. ScottishPower Intl Group Holdings	931243620	<input checked="" type="checkbox"/>
15. Scottish Power Finance US, Inc.	113729412	<input checked="" type="checkbox"/>
16. Aeolus Wind Power II, LLC	205534154	<input checked="" type="checkbox"/>
17. Aeolus Wind Power III, LLC	208218861	<input checked="" type="checkbox"/>
18. Aeolus Wind Power IV, LLC	211126647	<input checked="" type="checkbox"/>
19. Atlantic Renewable Projects, LLC	205344804	<input checked="" type="checkbox"/>
20. Atlantic Renewable Projects II, LLC	270043791	<input checked="" type="checkbox"/>
21. Atlantic Wind, LLC	760801145	<input checked="" type="checkbox"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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Texas Franchise Tax Extension Affiliate List

■ Tcode 13298

■ Reporting entity taxpayer number 19313111601	■ Report year 2016	Reporting entity taxpayer name Avangrid Renewables Holdings Inc & Subs
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LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Aurora Solar, LLC	260223173	<input checked="" type="checkbox"/>
2. Bakeoven Wind, LLC	452498471	<input checked="" type="checkbox"/>
3. Baffin Wind, LLC	14628530488	<input type="checkbox"/>
4. Barton Windpower, LLC	260119539	<input checked="" type="checkbox"/>
5. Big Horn Wind Project, LLC	841690279	<input checked="" type="checkbox"/>
6. Big Horn II Wind Project, LLC	270655061	<input checked="" type="checkbox"/>
7. Blue Creek Wind Farm, LLC	273188343	<input checked="" type="checkbox"/>
8. Buffalo Ridge I, LLC	260222768	<input checked="" type="checkbox"/>
9. Buffalo Ridge II, LLC	264280104	<input checked="" type="checkbox"/>
10. Buffalo Ridge III, LLC	204929921	<input checked="" type="checkbox"/>
11. Caledonia Energy Partners, LLC	752850190	<input checked="" type="checkbox"/>
12. Casselman Windpower, LLC	830384233	<input checked="" type="checkbox"/>
13. Deerfield Wind, LLC	320172689	<input checked="" type="checkbox"/>
14. Dillon Wind, LLC	364587437	<input checked="" type="checkbox"/>
15. Elk River Windfarm, LLC	050557326	<input checked="" type="checkbox"/>
16. Elm Creek Wind, LLC	383735206	<input checked="" type="checkbox"/>
17. Elm Creek Wind II, LLC	271257358	<input checked="" type="checkbox"/>
18. Enstor Grama Rige Storage and Transportat	830429093	<input checked="" type="checkbox"/>
19. Enstor Houston Hub Storage and Transporta	32035499253	<input type="checkbox"/>
20. Enstor Katy Storage and Transportation, LP	10304832735	<input type="checkbox"/>
21. Enstor Louisiana, LLC	030435695	<input checked="" type="checkbox"/>

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Texas Franchise Tax Extension Affiliate List

■ Tcode 13298

■ Reporting entity taxpayer number 19313111601	■ Report year 2016	Reporting entity taxpayer name Avangrid Renewables Holdings Inc & Subs
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LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Enstor Operating Company, LLC	10304832651	<input type="checkbox"/>
2. Enstor Sundance Storage and Transportation	260224449	<input checked="" type="checkbox"/>
3. Enstor WaHa Storage and Transportation, LP	14505377011	<input type="checkbox"/>
4. EO Resources, LLC	12054993394	<input type="checkbox"/>
5. Farmers City Wind, LLC	331186790	<input checked="" type="checkbox"/>
6. Flying Cloud Power Partners, LLC	383666157	<input checked="" type="checkbox"/>
7. Freebird Gas Storage, LLC	201275580	<input checked="" type="checkbox"/>
8. Gemini Capital, LLC	264284174	<input checked="" type="checkbox"/>
9. Goodland Wind, LLC	205267656	<input checked="" type="checkbox"/>
10. Groton Wind, LLC	091819660	<input checked="" type="checkbox"/>
11. Hardscrabble Wind Power, LLC	271361841	<input checked="" type="checkbox"/>
12. Hay Canyon Wind, LLC	262295422	<input checked="" type="checkbox"/>
13. Heartland Wind, LLC	14216147711	<input type="checkbox"/>
14. Helix Wind Power Facility, LLC	272359337	<input checked="" type="checkbox"/>
15. Avangrid Arizona Renewables, LLC (fka Iber	352269817	<input checked="" type="checkbox"/>
16. Enstor Energy Services, LLC (fka Iberdrola	32045813444	<input type="checkbox"/>
17. Avangrid Texas Renewables, LLC (fka Iberdr	12618532621	<input type="checkbox"/>
18. Juniper Canyon Wind Power, LLC	270662347	<input checked="" type="checkbox"/>
19. Juniper Canyon Wind Power II, LLC	270662605	<input checked="" type="checkbox"/>
20. Klamath Energy, LLC	010783017	<input checked="" type="checkbox"/>
21. Klamath Generation, LLC	412183749	<input checked="" type="checkbox"/>

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Texas Franchise Tax Extension Affiliate List

■ **Tcode** 13298

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
19313111601	2016	Avangrid Renewables Holdings Inc & Subs

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER <small>(If none, enter FEI number)</small>	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Klondike Wind Power II, LLC	743088870	■ <input checked="" type="checkbox"/>
2. Klondike Wind Power III, LLC	743151669	■ <input checked="" type="checkbox"/>
3. Klondike Wind Power, LLC	680533955	■ <input checked="" type="checkbox"/>
4. Lakeview Cogeneration, LLC	264281634	■ <input checked="" type="checkbox"/>
5. Leaning Juniper Wind Power II, LLC	300358016	■ <input checked="" type="checkbox"/>
6. Leipsic Wind, LLC	452253389	■ <input checked="" type="checkbox"/>
7. Lempster Wind, LLC	141939259	■ <input checked="" type="checkbox"/>
8. Locust Ridge II, LLC	450572567	■ <input checked="" type="checkbox"/>
9. Loma Vista, LLC	205267786	■ <input checked="" type="checkbox"/>
10. Manzana Wind, LLC	593818214	■ <input checked="" type="checkbox"/>
11. Midland Wind, LLC	203672198	■ <input checked="" type="checkbox"/>
12. Minndakota Wind, LLC	800089167	■ <input checked="" type="checkbox"/>
13. Montague Wind Power Facility, LLC	272359274	■ <input checked="" type="checkbox"/>
14. Moraine Wind, LLC	470853940	■ <input checked="" type="checkbox"/>
15. Moraine Wind II, LLC	753199661	■ <input checked="" type="checkbox"/>
16. Mount Pleasant Wind, LLC	208325951	■ <input checked="" type="checkbox"/>
17. Mountain View Power Partners III, LLC	030525578	■ <input checked="" type="checkbox"/>
18. New England Wind, LLC	330980623	■ <input checked="" type="checkbox"/>
19. New Harvest Wind Project, LLC	830457011	■ <input checked="" type="checkbox"/>
20. Northern Iowa Windpower II, LLC	141874004	■ <input checked="" type="checkbox"/>
21. Otter Creek Wind Farm, LLC	272389804	■ <input checked="" type="checkbox"/>

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Texas Franchise Tax Extension Affiliate List

■ Tcode 13298

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

19313111601

2016

Avangrid Renewables Holdings Inc & Subs

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Pacific Wind Development, LLC	32050830580	<input type="checkbox"/>
2. Pebble Springs Wind, LLC	260223478	<input checked="" type="checkbox"/>
3. Phoenix Wind Power, LLC	470853941	<input checked="" type="checkbox"/>
4. PPM Roaring Brook, LLC	320172690	<input checked="" type="checkbox"/>
5. PPM Wind Energy, LLC	830457009	<input checked="" type="checkbox"/>
6. Avangrid Logistic Services, LLC (fka PPM W	32057648852	<input type="checkbox"/>
7. Providence Heights Wind, LLC	202965533	<input checked="" type="checkbox"/>
8. Rugby Wind, LLC	371518971	<input checked="" type="checkbox"/>
9. San Luis Solar, LLC	272964865	<input checked="" type="checkbox"/>
10. Shiloh I Wind Project, LLC	550905763	<input checked="" type="checkbox"/>
11. South Chestnut, LLC	272805528	<input checked="" type="checkbox"/>
12. Star Point Wind Power, LLC	263533257	<input checked="" type="checkbox"/>
13. Streator Deer Run Wind Farm, LLC	272516170	<input checked="" type="checkbox"/>
14. Streator-Cayuga Ridge Wind Power, LLC	264247171	<input checked="" type="checkbox"/>
15. Trimont Wind I, LLC	900129377	<input checked="" type="checkbox"/>
16. Tule Wind, LLC	830457010	<input checked="" type="checkbox"/>
17. Twin Buttes Wind, LLC	352269814	<input checked="" type="checkbox"/>
18. West Valley Leasing Company, LLC	470853944	<input checked="" type="checkbox"/>
19. Winnebago Windpower, LLC	141927094	<input checked="" type="checkbox"/>
20. Winnebago Windpower II, LLC	522526424	<input checked="" type="checkbox"/>
21. Aeolus Wind Power I LLC	300358005	<input checked="" type="checkbox"/>

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Texas Franchise Tax Extension Affiliate List

■ **Tcode** 13298

■ Reporting entity taxpayer number 19313111601	■ Report year 2016	Reporting entity taxpayer name Avangrid Renewables Holdings Inc & Subs
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LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Aeolus Wind Power V LLC	262618927	<input checked="" type="checkbox"/>
2. Aeolus Wind Power VI LLC	274026004	<input checked="" type="checkbox"/>
3. Desert Wind, LLC	474195239	<input checked="" type="checkbox"/>
4. El Cabo Wind Holdings LLC	810845060	<input checked="" type="checkbox"/>
5. El Cabo Wind LLC	475596199	<input checked="" type="checkbox"/>
6. Avangrid Enterprises, Inc.	161554687	<input checked="" type="checkbox"/>
7. AVANGRID Inc.	141798693	<input checked="" type="checkbox"/>
8. Avangrid Management Company, LLC	455063049	<input checked="" type="checkbox"/>
9. Avangrid Networks New York TransCo, LLC	352521353	<input checked="" type="checkbox"/>
10. Avangrid Networks, Inc.	464150093	<input checked="" type="checkbox"/>
11. Avangrid Service Company	020706408	<input checked="" type="checkbox"/>
12. Avangrid Solutions, Inc.	161558162	<input checked="" type="checkbox"/>
13. Cayuga Energy, Inc.	161560008	<input checked="" type="checkbox"/>
14. Central Main Power Company	010042740	<input checked="" type="checkbox"/>
15. CMP Group, Inc.	010519429	<input checked="" type="checkbox"/>
16. CNE Energy Services Group, LLC	061441052	<input checked="" type="checkbox"/>
17. Maine Electric Power Company, Inc.	010278124	<input checked="" type="checkbox"/>
18. Maine Natural Gas Corporation	020532163	<input checked="" type="checkbox"/>
19. MaineCom Services	010500220	<input checked="" type="checkbox"/>
20. New York State Electric & Gas Corporation	150398550	<input checked="" type="checkbox"/>
21. NORVARCO	010459246	<input checked="" type="checkbox"/>

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VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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Texas Franchise Tax Extension Affiliate List

■ Tcode 13298

■ Reporting entity taxpayer number: 19313111601
 ■ Report year: 2016
 Reporting entity taxpayer name: Avangrid Renewables Holdings Inc & Subs

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. RGS Energy Group, Inc.	510437533	<input checked="" type="checkbox"/>
2. Rochester Gas and Electric Corporation	160612110	<input checked="" type="checkbox"/>
3. South Glen Falls Energy, LLC	161561536	<input checked="" type="checkbox"/>
4. TEN Transmission Company	061177931	<input checked="" type="checkbox"/>
5. The Union Water Power Company	010174750	<input checked="" type="checkbox"/>
6. Twin Buttes Wind II LLC	474210501	<input checked="" type="checkbox"/>
7.		<input type="checkbox"/>
8.		<input type="checkbox"/>
9.		<input type="checkbox"/>
10.		<input type="checkbox"/>
11.		<input type="checkbox"/>
12.		<input type="checkbox"/>
13.		<input type="checkbox"/>
14.		<input type="checkbox"/>
15.		<input type="checkbox"/>
16.		<input type="checkbox"/>
17.		<input type="checkbox"/>
18.		<input type="checkbox"/>
19.		<input type="checkbox"/>
20.		<input type="checkbox"/>
21.		<input type="checkbox"/>

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Texas Comptroller Official Use Only

VE/DE FM

Tab 4

Detailed Description of Scope of Proposed Project

Applicant proposes to construct a wind-powered electric generation facility with a nameplate capacity of approximately 200 megawatts. The proposed project would span San Patricio County and Bee County. The proposed project would be constructed in an area within the boundaries of both Skidmore-Tynan Independent School District and Mathis Independent School District, along with other local taxing units.

The exact number, size, and location of each wind turbine has not yet been determined. The proposed project entails the construction of an entire wind-powered electric generation facility, including, but not limited to, wind turbines, turbine transformers (nacelle or pad-mount), towers, foundations, underground collection systems, processing substation, tie lines, interconnects, met towers, roads, operations and maintenance building(s), spare parts and control stations. The estimated investment amount is \$108,500,000 for the portion of the project located in Skidmore-Tynan ISD, and approximately \$141,500,000 for the portion of the project located in Mathis ISD. The vast majority of this investment will be in tangible personal property or real property.

Construction on the proposed project would commence approximately in the third quarter of 2018. Construction on the proposed project would be complete around the fourth quarter of 2019.

Tab 5

Information Supporting Limitation as a Determining Factor and Explanation of Affirmative Answers in Section 8

Applicant's parent, Avangrid Renewables, LLC ("Avangrid"), is part of a network of diversified energy and utility companies affiliated with Iberdrola, S.A. with operations in 25 countries around the globe. Avangrid operates utility scale renewable energy facilities throughout the United States and actively pursues various development opportunities. The Karankawa Project is one of Avangrid's many alternative development opportunities.

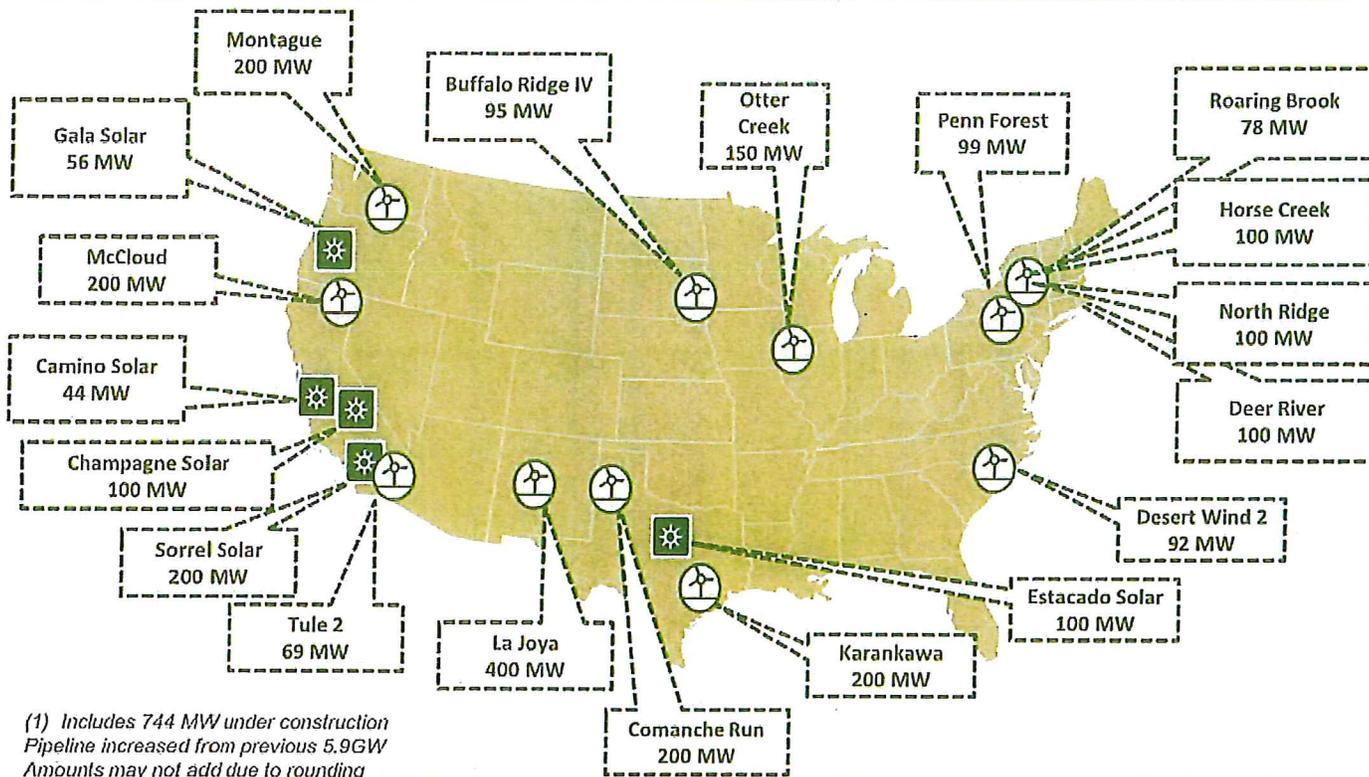
Avangrid has more than \$10 billion of operating assets and owns or controls 6,000 MW of wind and solar generation facilities in 19 states. As a publicly-traded company with operations in 19 states, Avangrid maintains a multitude of potential projects, comparing the potential economic return of projects across the United States. In determining which projects to construct, Avangrid considers a variety of factors, including wind patterns, local regulatory climates, and state and local tax effects. Using these factors, Avangrid projects the estimated costs and revenues associated with the project to compare it with other alternative projects that Avangrid contemplates contemporaneously. The first attached exhibit ("Avangrid Renewables: Pipeline") shows a variety of Avangrid's potential projects that are under consideration. The proposed project is in direct competition for internal capital expenditures with most of these other projects. The second attached exhibit ("Advancements in Wind Turbine Technology") shows the broad availability of appropriate sites for renewable energy electric generation throughout of the United States. These exhibits demonstrate that Avangrid has a variety of suitable locations for renewable energy electric generation facilities and that a Chapter 313 value limitation agreement will be a determining factor in Avangrid's investment decision.

Applicant has entered into various agreements that are typical during the evaluation of a potential wind-powered electric generation facility. These agreements include lease agreements with landowners, and an interconnection study request agreement, and professional services agreements for consulting services, environmental surveys, preliminary geotechnical studies, aeronautical studies, meteorological tower installation, and preliminary engineering services. None of these contracts obligate Applicant to construct the project or otherwise commit that the project will be constructed in the proposed location. Entering into these agreements does not mean that Avangrid will necessarily construct the project, but instead secures the opportunity to evaluate the projected costs and revenues in order to compare the project to other alternative projects.

Out of an abundance of caution, applicant has checked box 4 of Section 8 of this application. In investor presentations (including the enclosed exhibit to Avangrid's Form 8-K filed with the Securities and Exchange Commission on April 26, 2016), Avangrid has mentioned the Karankawa Project along with many other potential projects. This reference does not constitute an indication that Applicant intends to construct this project, or any of the other projects in the enclosed filing. Rather, Applicant views this project as one project under consideration (an "opportunity" as the enclosure shows) subject to a variety of contingencies including, but not limited to, securing a value limitation agreement.

AVANGRID Renewables: Pipeline

6.1GW pipeline⁽¹⁾, of which 1,700 MW of Wind & 550 MW of Solar projects provides opportunity in 2018-2020

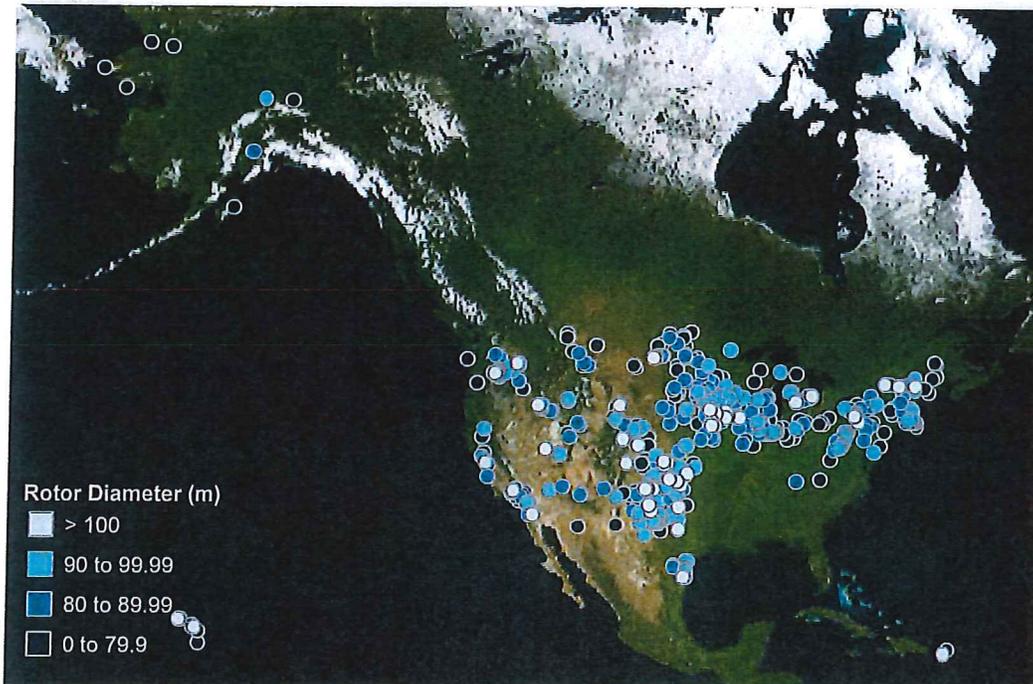
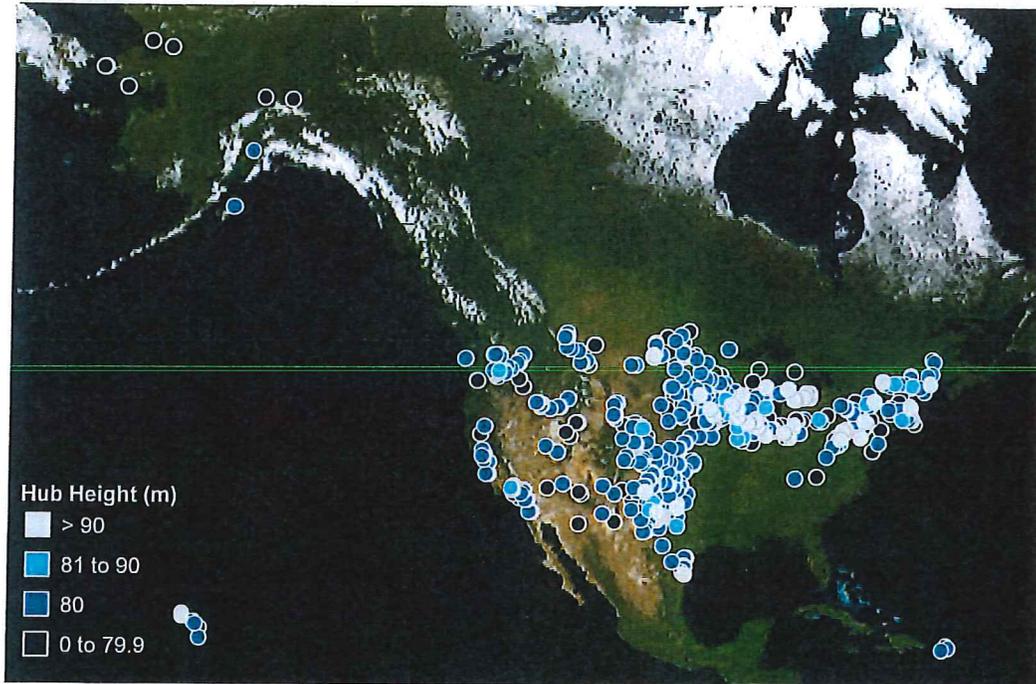


www.avangrid.com

Advancements in Wind Turbine Technology

Use the slider to see how wind projects installed over time have increased hub heights and rotor diameters

2014



Tab 6**Additional Information on Project Scope and Size to Assist in Economic Analysis**

The proposed project site consists of a total of 39,265.62 acres that would be used for the construction of a utility-scale renewable energy electricity generation facility. Of this total acreage, 12,178.48 acres are located within Skidmore-Tynan Independent School District's boundaries and 25,558.29 acres are located within Mathis Independent School District's boundaries. A relatively small portion consisting of 1,528.85 acres of the proposed project site is located in Sinton Independent School District's boundaries. Accordingly, from a strictly geographic standpoint, 31.02% of the project area would be located within Skidmore-Tynan ISD's boundaries, 65.09% of the project area would be located within Mathis ISD's boundaries, and 3.89% of the project area would be located within Sinton ISD's boundaries.

Because the density of potential turbine locations and other potential project improvements is different in each of the school districts, the proposed investment in each of the school district's boundaries would be \$108,500,000 (43.4%) in Skidmore-Tynan ISD's boundaries and \$141,500,000 (56.6%) in Mathis ISD's boundaries. Applicant does not intend to pursue a Chapter 313 value limitation agreement with Sinton ISD because only a small portion of the potential project would be within Sinton ISD's boundaries.

Applicant anticipates it would construct approximately 81 – 117 turbines for the entire project. Of these total turbines, approximately 40 – 53 turbines would be located in Skidmore-Tynan Independent School District, and approximately 41 – 64 turbines would be located in Mathis Independent School District.

Although Applicant has preliminarily analyzed the proposed project location and considered the factors that affect turbine placement, the exact number and placement of these turbines depend on wind and environmental factors still being considered, as well as other business decisions yet to be made.

Tab 7

Description of Qualified Investment

The proposed project entails the design and construction of a utility-scale renewable energy electricity generation facility including all associated project infrastructure. The entire project, spanning multiple counties and school districts, will have a total rated production capacity (*i.e.*, nameplate capacity) of 200 megawatts. The estimated total investment for the entire project is \$250 million, with an estimated \$108,500,000 of investment in Skidmore-Tynan Independent School District and an estimated \$141,500,000 of investment in Mathis Independent School District.

If approved by the Comptroller and school districts, the proposed facilities would be constructed in vacant, rural farm land located within San Patricio County and Bee County. The legal description of the land within the reinvestment zone is located below in **Tab 16**.

Potential new project improvements for which Applicant seeks the value limitation include, but are not limited to:

- turbines (including rotor blades, nacelles, gearbox generators, power cables, and towers);
- pad-mount or nacelle step-up transformers;
- brake systems;
- lighting and electrical infrastructure; and
- inverters.

The potential new project improvements include support infrastructure for which Applicant seeks the value limitation, including, but not limited to:

- concrete and gravel turbine foundations, pad-mount transformer foundations, and the processing substation foundation;
- underground collection systems;
- transmission lines;
- tie lines;
- interconnects;
- met towers;
- roads;
- a processing substation; and
- operations and maintenance building(s).

Applicant anticipates the proposed project would include the above improvements. Because of technological developments and engineering considerations, however, the exact nature of the improvements is subject to change. For example, Applicant could determine that the initial step-up transformers should be located within the nacelle at the top of each tower instead of on a separate foundation at the base of each tower.

Tab 8

Description of Qualified Property

Same as Tab 7. See above description.

Tab 9

Description of Land

Pacific Wind Development, LLC has leased private property that consists primarily of ranch and farmland, all located in the project area shown in the maps in Tab 11. Please see the attached survey including a legal description of the property.

Legal Description of the Land

The Land is comprised of the following parcels.

San Patricio County:

1. I.&G.N. RR Company Survey, Abstract No. 172, San Patricio County, Texas that lies north and east of Interstate 37.
2. I.&G.N. RR Company Survey, Abstract No. 173, San Patricio County, Texas.
3. I.&G.N. RR Company Survey, Abstract No. 174, San Patricio County, Texas that lies north and east of Interstate 37.
4. I.&G.N. RR Company Survey, Abstract No. 175, San Patricio County, Texas that lies north and east of Interstate 37.
5. W.R. Pay Survey, Abstract No. 337, San Patricio County, Texas.
6. M.G. Frazier Survey, Abstract No. 118, San Patricio County Texas.
7. The W. Allen Survey, Abstract No. 36 in San Patricio County.
8. M.G. Frazier Survey, Abstract No. 117, San Patricio County, Texas.
9. The portion of the V. Juarez Survey, Abstract No. 11, San Patricio County, Texas that lies north and east of Interstate 37.
10. The portion of the J. Delgado Survey, Abstract No. 4, San Patricio County, Texas that lies north and east of Interstate 37.
11. The J A Stockman Survey, Abstract No. 330, San Patricio County, Texas.
12. The J Stockman Survey, Abstract No. 410, San Patricio County, Texas.
13. The J W Moore Survey, Abstract No. 347, San Patricio County, Texas.
14. The portion of the San Patricio De Hibernia Survey, Abstract No. 30, San Patricio County, Texas that lies north and east of Interstate 37.
15. The W.G. Goosley Survey, Abstract No. 325, San Patricio County, Texas.
16. M.P.J. (aka Juan, Miguel, Pedro) and Nepomuceno Delgado Survey, Abstract No. 4, San Patricio County, Texas.
17. The portion of the J. De La Garza Survey, Abstract No. 7, San Patricio County, Texas that lies north and east of Interstate 37.
18. The AB&M Survey, No. 306, San Patricio County, Texas.
19. The AB&M Survey, No. 355, San Patricio County, Texas.
20. I.&G.N. RR Company Survey, Abstract No. 171, San Patricio County, Texas.
21. The AB&M Survey, Abstract No. 323, San Patricio County, Texas.
22. The J. Carlise Survey, Abstract No. 91, San Patricio County, Texas.
23. The J. Carlise Survey, Abstract No. 90, San Patricio County.
24. The A.B.&M. Survey, Abstract No. 350, San Patricio County, Texas.
25. The A.B.&M. Survey, Abstract No. 307, San Patricio County, Texas.
26. The portion of the A.B.&M. Survey, Abstract No. 356, San Patricio County.
27. The portion of the B.S.&F. Survey, Abstract No. 310, San Patricio County, Texas that lies within the Mathis Independent School District.
28. The A.B.&M. Survey, Abstract No. 305, San Patricio, County, Texas.
29. The D. Anderson Survey, Abstract No. 39, San Patricio County, Texas.
30. The D. Anderson Survey, Abstract No. 38, San Patricio County, Texas.
31. I.&G.N. RR Company Survey, Abstract No. 316, San Patricio County, Texas.

32. I.&G.N. RR Company Survey, Abstract No. 315, San Patricio County, Texas.
33. The J.J. Welder Survey, Abstract No. 385, San Patricio County, Texas.
34. The A.B.&M. Survey, Abstract No. 353, San Patricio County, Texas.
35. The R. Williams Survey, Abstract No. 342, San Patricio County, Texas.
36. The R. Gallardo Survey, Abstract No. 339, San Patricio County, Texas.
37. The C.S. De Gomez Survey, Abstract No. 340, San Patricio County, Texas.
38. The J. Conti Survey, Abstract No. 343, San Patricio County, Texas.
39. The J. Saunders Survey, Abstract No. 344, San Patricio County, Texas.
40. The portion of the F. Miranda Survey, Abstract No. 336, San Patricio County, Texas.
41. The W. Quinn Survey, Abstract No. 28, San Patricio County, Texas.
42. The J.B. Wilson Survey, Abstract No. 381, San Patricio County, Texas.
43. The State of Texas, Abstract No. ?1, San Patricio County, Texas.
44. The Cuadrillo Irrigation Company Survey, Abstract No. 335, San Patricio County, Texas.
45. The Cuadrillo Irrigation Company Survey, Abstract No. 418, San Patricio County, Texas.

Bee County:

1. The W. Allen Survey, Abstract No. 336, Bee County, Texas.
2. The G. Garcia Survey, Abstract No. 167, Bee County, Texas.
3. The H.H. Williams Survey, Abstract No. 403, Bee County, Texas.
4. The W. Quinn Survey, Bee County, Texas.
5. The J.B. Wilson Survey, Abstract No. 322, Bee County, Texas.
6. The Cuadrillo Irrigation Company Survey, Abstract No. 446, Bee County, Texas.
7. The B.S.&F. Survey, Abstract No. 471, Bee County, Texas.
8. The B.S.&F. Survey, Abstract No. 346, Bee County, Texas.
9. The S.K.&K. Survey, Abstract No. 526, Bee County, Texas.
10. The J. Zoaller Survey, Abstract No. 334, Bee County, Texas.
11. The Cuadrillo Irrigation Company Survey, Abstract No. 1228, Bee County, Texas.
12. The J. Chappell Survey, Abstract No. 140, Bee County, Texas.
13. The N. Ryons Survey, Abstract No. 283, Bee County, Texas.
14. The O. H. Delano Survey, Abstract No. 153, Bee County, Texas.

Tab 10

Description of Property Not Eligible to Become Qualified Property

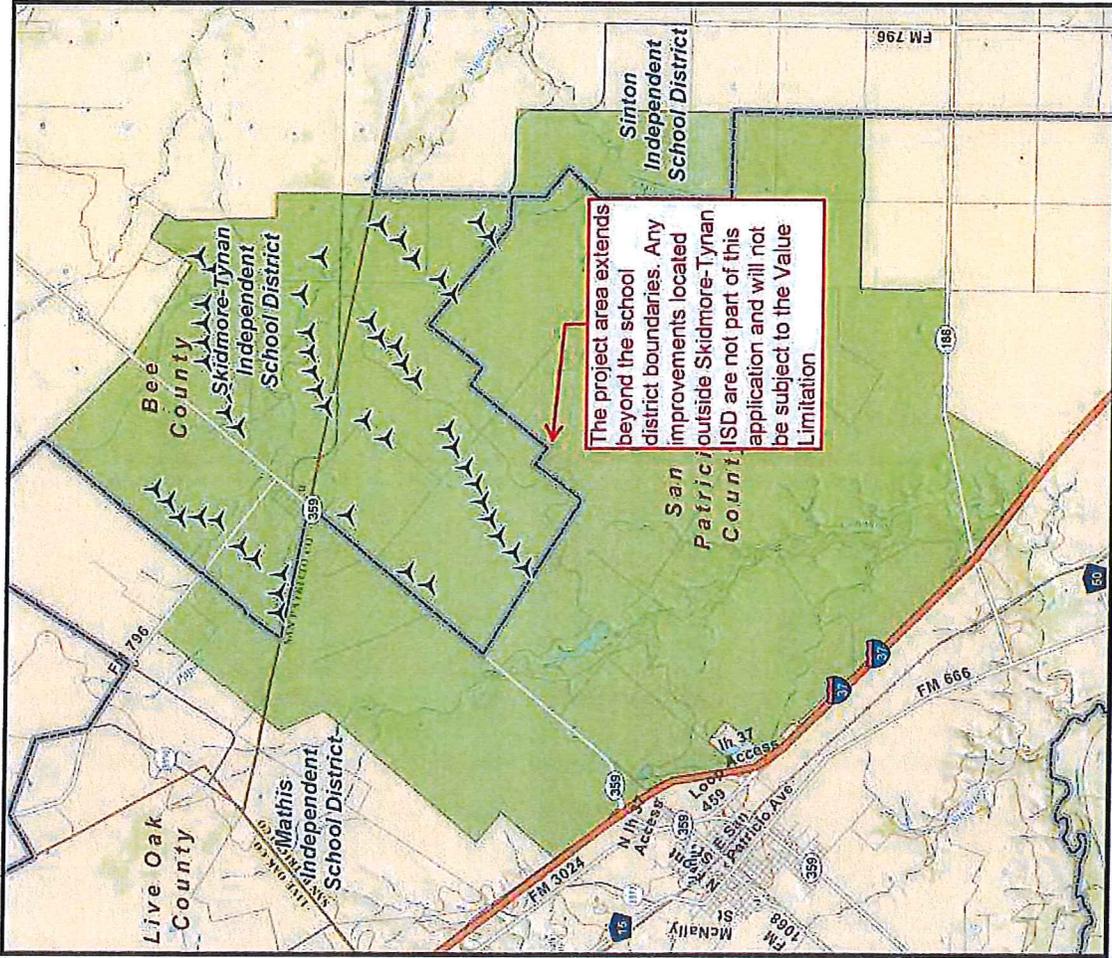
Applicant has installed three temporary meteorological monitoring towers on the Land in the locations noted in the reinvestment zone maps under Tab 11. All three will be removed once construction on the Project begins. The value of this temporary property is excluded from Schedule B.

Tab 11

Maps

See attached maps:

- Qualified investment with vicinity (same map for qualified property with vicinity)
- Location of land with vicinity
- Reinvestment zone boundaries with vicinity



The project area extends beyond the school district boundaries. Any improvements located outside Skidmore-Tynan ISD are not part of this application and will not be subject to the Value Limitation

Legend

- Preliminary Turbine Location
- School District Boundary
- Site Boundary

Karankawa Wind Farm
Bee & San Patricio Counties, TX

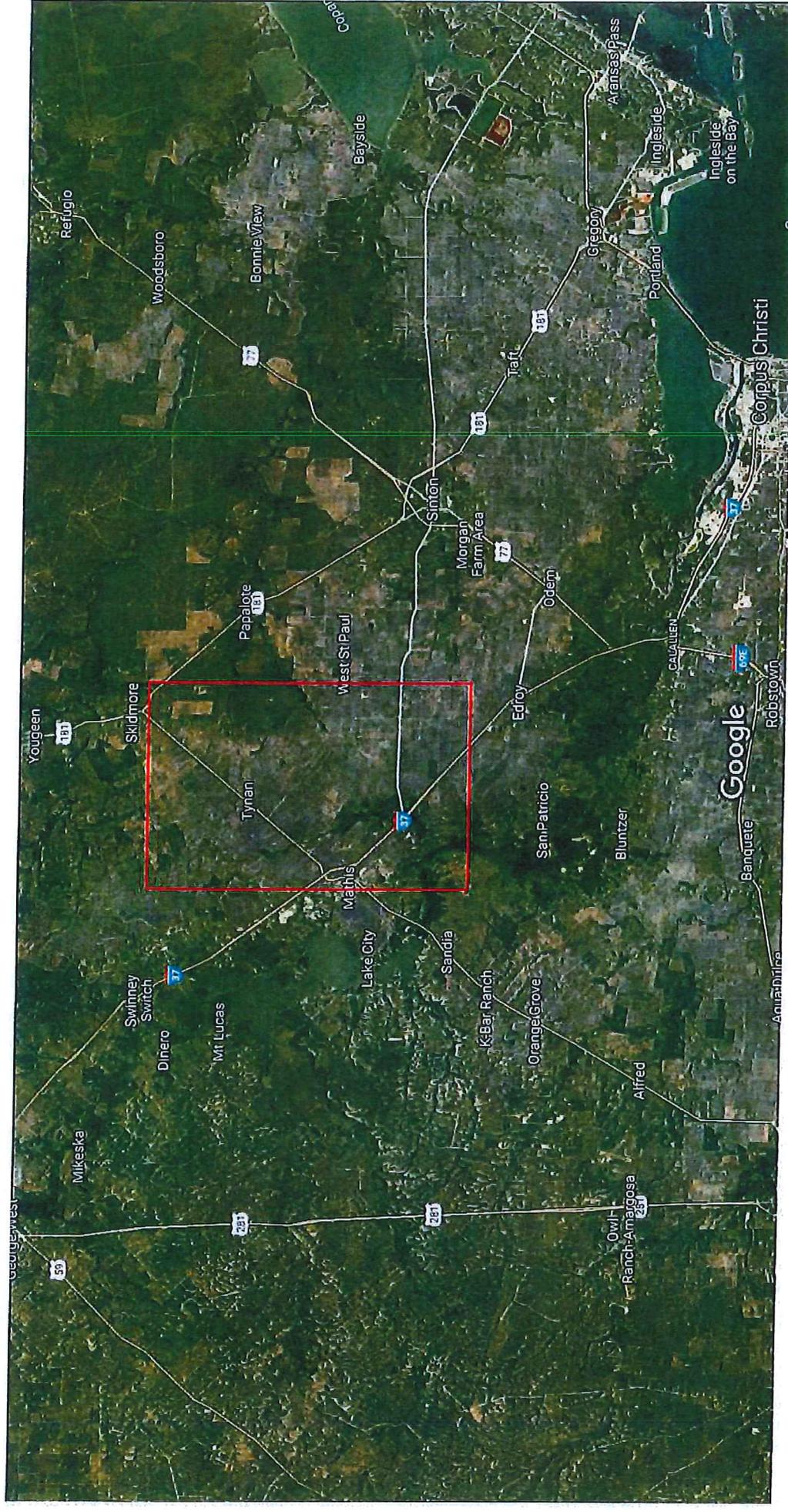
N

0 0.5 1 1.5 2 Miles

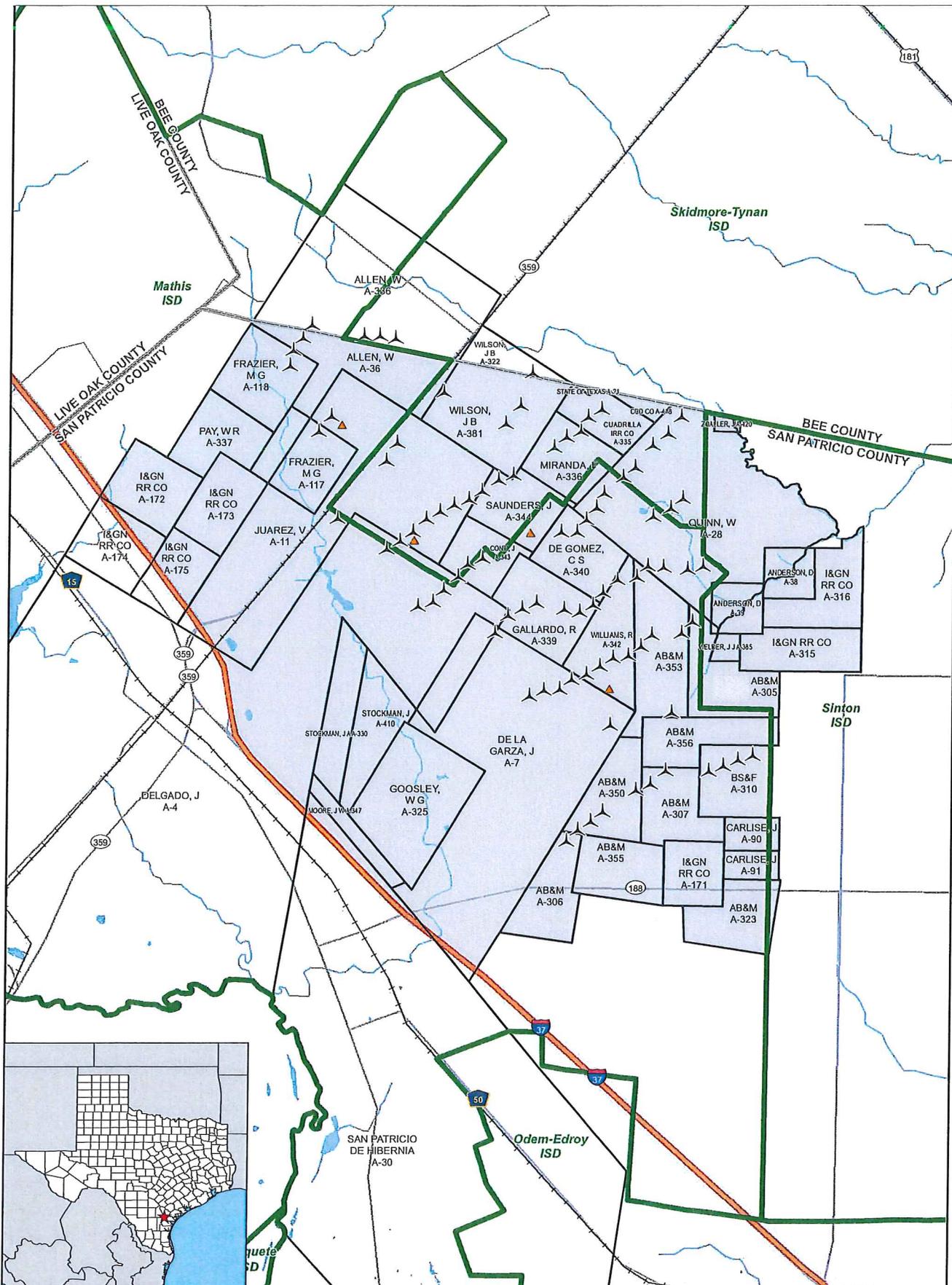
AVANGRID RENEWABLES

Path: \\p01grd01\gis_data\Projects\TX\Karankawa\MapDocuments\Report\Figures\SchoolDistrict\Karankawa_OverviewMap.mxd Modified Date: 1/27/2017

The red area shows the boundaries of the project map

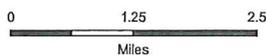


Imagery ©2017 Landsat / Copernicus, Map data ©2017 Google, INEGI 5 mi



Legend

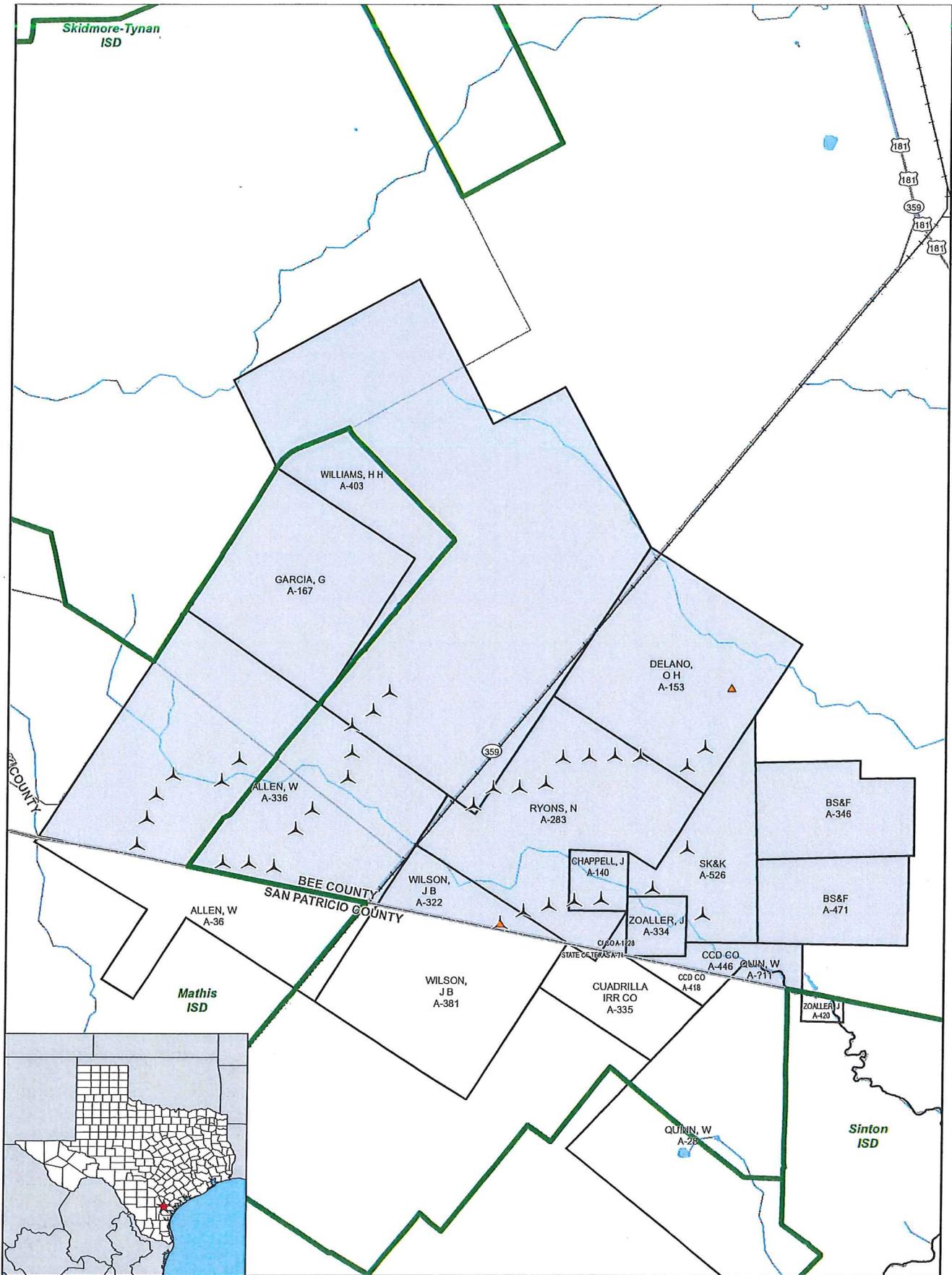
- ▲ Temporary Met Tower
- Temporary SODAR
- ▲ Potential Turbine Location
- ▭ School District Boundary
- ▭ County Boundary
- ▭ Original Texas Land Surveys
- ▭ Reinvestment Zone



Reinvestment Zone Map

San Patricio County, Texas
 Karankawa Wind Project





Skidmore-Tynan
ISD

WILLIAMS, H H
A-403

GARCIA, G
A-167

ALLEN, W
A-336

ALLEN, W
A-36

Mathis
ISD

WILSON, J B
A-322

WILSON, J B
A-381

CHAPPELL, J
A-140

ZOALLER, J
A-334

STATE CO TEXAS A-71

CUADRILLA
IRR CO
A-335

CCD CO
A-418

CCD CO
A-446

QUINN, W
A-211

QUINN, W
A-28

Sinton
ISD

DELANO,
O H
A-153

BS&F
A-346

BS&F
A-471

ZOALLER, J
A-420

181

181

359

181

181

359

CCD CO
A-128

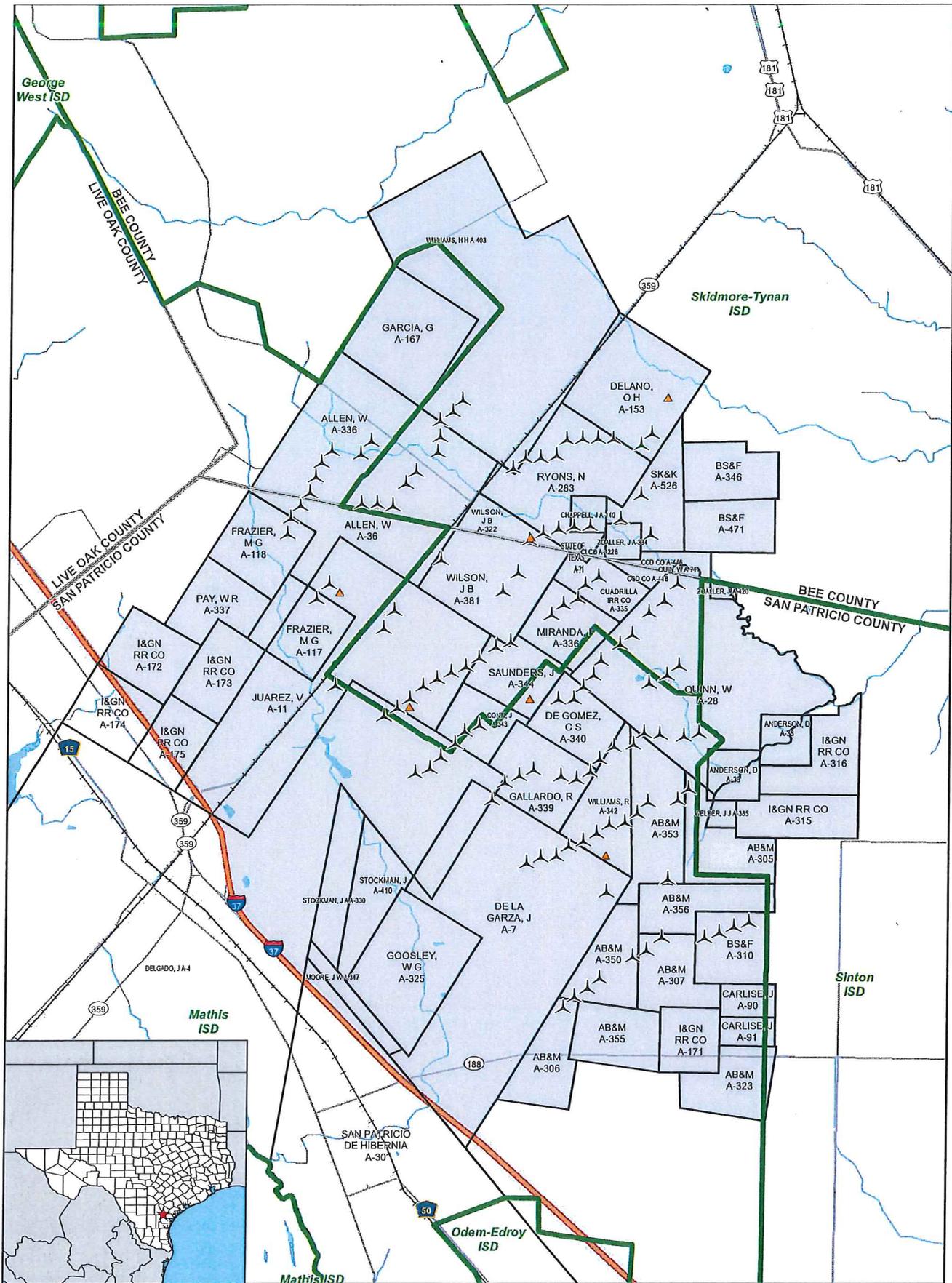
CCD CO
A-446

QUINN, W
A-211

ZOALLER, J
A-420

N

0 0.75 1.5
Miles



Legend

- ▲ Temporary Met Tower
- Temporary SODAR
- ▲ Potential Turbine Location
- ▭ School District Boundary
- ▭ County Boundary
- ▭ Original Texas Land Surveys
- ▭ Reinvestment Zone



Reinvestment Zone Map
 San Patricio & Bee Counties, Texas
 Karankawa Wind Project



Amended 3/29/2017

Tab 12

Request for Waiver of Job Creation Requirement and supporting information

See attached

March 29, 2017

Dr. Randy Hoyer
Superintendent
Skidmore-Tynan Independent School District
224 W. Main St.
Skidmore, TX 78389

Dear Dr. Hoyer:

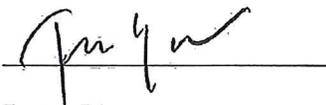
Pacific Wind Development, LLC ("PWD") requests that the Skidmore-Tynan Independent School District's Board of Trustees waive the job requirement as allowed by Tex. Tax Code § 313.025(f-1). Under this provision, a school district's governing body may waive the job creation requirement in Tex. Tax Code §§ 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if it makes a finding that the jobs-creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

While wind energy generation projects create a large number of jobs during the construction phase, the long-term operational phase requires a relatively small number of highly-skilled jobs. These jobs are filled by technicians who conduct scheduled and unscheduled maintenance and repair work on wind turbines, electrical collection systems, processing substations, and other infrastructure associated with utility scale wind electricity generation. These facilities often include additional jobs such as project managers who may work offsite.

The industry standard number of full-time jobs during the operational phase is approximately 1 job for every 15 to 20 wind turbines serviced. Based on this standard, PWD will employ approximately 5 technicians to service the entire 200 MW project, including 2 technicians for the portion of the project in Skidmore-Tynan ISD, and 3 technicians for the portion of the project in Mathis ISD.

Accordingly, Pacific Wind Development, LLC requests that the Skidmore-Tynan Independent School District's Board of Trustees find that the job creation requirement exceeds the industry standard and waive the requirement for the proposed project.

Sincerely,



Jesse Gronner
Vice President, Avangrid Renewables, LLC

Tab 13

Calculation of three possible wage requirements with TWC documentation

See attached

Tab 13

Calculation of Three Possible Wage Requirements with Texas Workforce Documentation

Chapter 313 Wage Calculation - San Patricio County - All Industries

Quarter	Year	Avg. Weekly Wages	Annualized
Fourth	2015	\$923	\$47,996
First	2016	\$882	\$45,864
Second	2016	\$868	\$45,136
Third	2016	<u>\$878</u>	<u>\$45,656</u>
	Average	\$887.75	\$46,163
	110%	\$976.53	\$50,779.30

Chapter 313 Wage Calculation - San Patricio County - Manufacturing Jobs

Quarter	Year	Avg. Weekly Wages	Annualized
Fourth	2015	\$1,601	\$83,252
First	2016	\$1,636	\$85,072
Second	2016	\$1,647	\$85,644
Third	2016	<u>\$1,754</u>	<u>\$91,208</u>
	Average	\$1,659.50	\$86,294
	110%	\$1,825.45	\$94,923.40

Chapter 313 Wage Calculation - Regional Wages - Manufacturing Jobs

Region	Year	Avg. Weekly Wages	Annualized
Coastal Bend	2015	\$1,038.62	\$54,008
	110%	\$1,142.48	\$59,408.80

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="2015"/>	<input type="text" value="4th Qtr"/>	<input type="text" value="San Patricio County"/>	<input type="text" value="Private"/>	<input type="text" value="00"/>	<input type="text" value="0"/>	<input type="text" value="10"/>	<input type="text" value="Total, All Industries"/>	<input type="text" value="\$923"/>
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Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2016	1st Qtr	San Patricio County	Private	00	0	10	Total, All Industries	\$882
2016	2nd Qtr	San Patricio County	Private	00	0	10	Total, All Industries	\$868
2016	3rd Qtr	San Patricio County	Private	00	0	10	Total, All Industries	\$878

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	4th Qtr	San Patricio County	Private	31	2	31-33	Manufacturing	\$1,601

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2016	1st Qtr	San Patricio County	Private	31	2	31-33	Manufacturing	\$1,636
2016	2nd Qtr	San Patricio County	Private	31	2	31-33	Manufacturing	\$1,647
2016	3rd Qtr	San Patricio County	Private	31	2	31-33	Manufacturing	\$1,754

**2015 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$24.41	\$50,778
<u>1. Panhandle Regional Planning Commission</u>	\$20.64	\$42,941
<u>2. South Plains Association of Governments</u>	\$17.50	\$36,408
<u>3. NORTEX Regional Planning Commission</u>	\$23.28	\$48,413
<u>4. North Central Texas Council of Governments</u>	\$25.03	\$52,068
<u>5. Ark-Tex Council of Governments</u>	\$18.46	\$38,398
<u>6. East Texas Council of Governments</u>	\$19.84	\$41,270
<u>7. West Central Texas Council of Governments</u>	\$19.84	\$41,257
<u>8. Rio Grande Council of Governments</u>	\$18.32	\$38,109
<u>9. Permian Basin Regional Planning Commission</u>	\$25.18	\$52,382
<u>10. Concho Valley Council of Governments</u>	\$18.80	\$39,106
<u>11. Heart of Texas Council of Governments</u>	\$21.41	\$44,526
<u>12. Capital Area Council of Governments</u>	\$29.98	\$62,363
<u>13. Brazos Valley Council of Governments</u>	\$18.78	\$39,057
<u>14. Deep East Texas Council of Governments</u>	\$17.30	\$35,993
<u>15. South East Texas Regional Planning Commission</u>	\$30.41	\$63,247
<u>16. Houston-Galveston Area Council</u>	\$26.44	\$54,985
<u>17. Golden Crescent Regional Planning Commission</u>	\$23.73	\$49,361
<u>18. Alamo Area Council of Governments</u>	\$19.96	\$41,516
<u>19. South Texas Development Council</u>	\$15.87	\$33,016
<u>20. Coastal Bend Council of Governments</u>	\$25.97	\$54,008
<u>21. Lower Rio Grande Valley Development Council</u>	\$16.17	\$33,634
<u>22. Texoma Council of Governments</u>	\$19.04	\$39,595
<u>23. Central Texas Council of Governments</u>	\$18.04	\$37,533
<u>24. Middle Rio Grande Development Council</u>	\$22.24	\$46,263

/ 52 =
\$1038.6

Source: Texas Occupational Employment and Wages

Data published: July 2016

Data published annually, next update will be July 31, 2017

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

Tab 14

Economic Impact Schedules

See attached schedules A – D

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

Date: 2/6/2017
 Applicant Name: Pacific Wind Development, LLC
 ISD Name: Skidmore-Tyran ISD

PROPERTY INVESTMENT AMOUNTS (Estimated investment in each year. Do not put cumulative totals.)									
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will not become Qualified Property (SEE NOTE)	Column D Other new investment made during this year that may become Qualified Property (SEE NOTE)	Column E Total Investment (Sum of Columns A+B+C+D)		
Investment made before filing complete application with district			Not eligible to become Qualified Property		\$45,000	\$0	\$45,000		
Investment made after filing complete application with district, but before final board approval of application	-	2017	\$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		
Complete tax years of qualifying time period	QTP1	2018	\$50,000,000	\$0	\$0	\$0	\$50,000,000		
	QTP2	2019	\$57,500,000	\$1,000,000	\$0	\$0	\$58,500,000		
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]			\$107,500,000	\$1,000,000	\$45,000	\$0	\$108,545,000		
Total Qualified Investment (sum of green cells)			\$108,500,000						

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

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

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

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other 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 TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

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

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

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

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

Date: 2/6/2017
Applicant Name: Pacific Wind Development, LLC
ISD Name: Skidmore-Tyman ISD

PROPERTY INVESTMENT AMOUNTS (Estimated Investment in each year. Do not put cumulative totals.)									
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other investment made during this year that will <u>not</u> become Qualified Property (SEE NOTE)	Column D Other investment made during this year that will become Qualified Property (SEE NOTE)	Column E Total Investment (A+B+C+D)		
TOTALS FROM SCHEDULE A1			\$107,500,000	\$1,000,000	\$45,000	\$0	\$108,545,000		
Total investment from Schedule A1*									
Each year prior to start of value limitation period									
0	N/A	N/A							
1	2020-2021	2020	\$0	\$0	\$0	\$0	\$0		
2	2021-2022	2021	\$0	\$0	\$0	\$0	\$0		
3	2022-2023	2022	\$0	\$0	\$0	\$0	\$0		
4	2023-2024	2023	\$0	\$0	\$0	\$0	\$0		
5	2024-2025	2024	\$0	\$0	\$0	\$0	\$0		
6	2025-2026	2025	\$0	\$0	\$0	\$0	\$0		
7	2026-2027	2026	\$0	\$0	\$0	\$0	\$0		
8	2027-2028	2027	\$0	\$0	\$0	\$0	\$0		
9	2028-2029	2028	\$0	\$0	\$0	\$0	\$0		
10	2029-2030	2029	\$0	\$0	\$0	\$0	\$0		
Total investment made through limitation			\$107,500,000	\$1,000,000	\$45,000	\$0	\$108,545,000		
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									

* All investments made through the qualifying time period are captured and totaled on Schedule A1 (blue box) and incorporated into this schedule in the first row.
 ** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.
 *** If your qualifying time period will overlap your value limitation period, do not also include investments in the remaining rows of Schedule A2 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.
 Column B: The total dollar amount of planned investment in buildings or nonremovable component of buildings.
 Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is added to existing property—described in SECTION 13, question #5 of the application.
 Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

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

Date
 Applicant Name
 ISD Name

2/6/2017
 Pacific Wind Development, LLC
 Skidmore-Tynan ISD

Form 50-296A
 Revised May 2014

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
0	2017-2018	2017	\$0	\$0	\$0	\$0	\$0	\$0
0	2018-2019	2018	\$0	\$0	\$0	\$0	\$0	\$0
0	2019-2020	2019	\$0	\$0	\$0	\$0	\$0	\$0
1	2020-2021	2020	\$0	\$1,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000
2	2021-2022	2021	\$0	\$950,000	\$107,500,000	\$108,500,000	\$108,500,000	\$20,000,000
3	2022-2023	2022	\$0	\$900,000	\$102,125,000	\$103,075,000	\$103,075,000	\$20,000,000
4	2023-2024	2023	\$0	\$850,000	\$96,750,000	\$97,650,000	\$97,650,000	\$20,000,000
5	2024-2025	2024	\$0	\$800,000	\$91,375,000	\$92,225,000	\$92,225,000	\$20,000,000
6	2025-2026	2025	\$0	\$750,000	\$86,000,000	\$86,800,000	\$86,800,000	\$20,000,000
7	2026-2027	2026	\$0	\$700,000	\$80,625,000	\$81,375,000	\$81,375,000	\$20,000,000
8	2027-2028	2027	\$0	\$650,000	\$75,250,000	\$75,950,000	\$75,950,000	\$20,000,000
9	2028-2029	2028	\$0	\$600,000	\$69,875,000	\$70,525,000	\$70,525,000	\$20,000,000
10	2029-2030	2029	\$0	\$550,000	\$64,500,000	\$65,100,000	\$65,100,000	\$20,000,000
11	2030-2031	2030	\$0	\$500,000	\$59,125,000	\$59,675,000	\$59,675,000	\$20,000,000
12	2031-2032	2031	\$0	\$450,000	\$53,750,000	\$54,250,000	\$54,250,000	\$54,250,000
13	2032-2033	2032	\$0	\$400,000	\$48,375,000	\$48,825,000	\$48,825,000	\$48,825,000
14	2033-2034	2033	\$0	\$350,000	\$43,000,000	\$43,400,000	\$43,400,000	\$43,400,000
15	2034-2035	2034	\$0	\$300,000	\$37,625,000	\$37,975,000	\$37,975,000	\$37,975,000
16	2035-2036	2035	\$0	\$300,000	\$37,625,000	\$37,925,000	\$37,925,000	\$37,925,000
17	2036-2037	2036	\$0	\$300,000	\$37,625,000	\$37,925,000	\$37,925,000	\$37,925,000
18	2037-2038	2037	\$0	\$300,000	\$37,625,000	\$37,925,000	\$37,925,000	\$37,925,000
19	2038-2039	2038	\$0	\$300,000	\$37,625,000	\$37,925,000	\$37,925,000	\$37,925,000
20	2039-2040	2039	\$0	\$300,000	\$37,625,000	\$37,925,000	\$37,925,000	\$37,925,000
21	2040-2041	2040	\$0	\$300,000	\$37,625,000	\$37,925,000	\$37,925,000	\$37,925,000
22	2041-2042	2041	\$0	\$300,000	\$37,625,000	\$37,925,000	\$37,925,000	\$37,925,000
23	2042-2043	2042	\$0	\$300,000	\$37,625,000	\$37,925,000	\$37,925,000	\$37,925,000
24	2043-2044	2043	\$0	\$300,000	\$37,625,000	\$37,925,000	\$37,925,000	\$37,925,000
25	2044-2045	2044	\$0	\$300,000	\$37,625,000	\$37,925,000	\$37,925,000	\$37,925,000

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: 2/6/2017
 Applicant Name: Pacific Wind Development, LLC
 ISD Name: Skidmore-Tynan ISD

	Construction			Non-Qualifying Jobs		Qualifying Jobs	
	Column A	Column B	Column C	Column D	Column E	Column F	Column G
Year	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs	Year	Tax Year (Actual tax year)
Each year prior to start of Value Limitation Period	0	\$0	0	0	0	0	2017
	50 FTEs	\$55,000	0	0	0	0	2018
	250 FTEs	\$55,000	0	0	0	0	2019
	0	0	0	2	\$59,408.80	2	2020
	0	0	0	2	\$59,408.80	2	2021
	0	0	0	2	\$59,408.80	2	2022
	0	0	0	2	\$59,408.80	2	2023
	0	0	0	2	\$59,408.80	2	2024
	0	0	0	2	\$59,408.80	2	2025
	0	0	0	2	\$59,408.80	2	2026
	0	0	0	2	\$59,408.80	2	2027
	0	0	0	2	\$59,408.80	2	2028
	0	0	0	2	\$59,408.80	2	2029
11 through 25 Years Following Value Limitation Period	0	0	0	2	\$59,408.80	2	2030

Value Limitation Period
 The qualifying time period could overlap the value limitation period.

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)

<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
--------------------------	-----	--------------------------	----
- C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)?

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
-------------------------------------	-----	--------------------------	----
- C1b. Will the applicant avail itself of the provision in 313.021(3)(F)?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
--------------------------	-----	-------------------------------------	----

Schedule D: Other Incentives (Estimated)

Date: 2/6/2017
 Applicant Name: Pacific Wind Development LLC
 ISD Name: Skidmore-Tynan ISD

Incentive Description	State and Local Incentives for which the Applicant intends to apply (Estimated)				Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive			
Tax Code Chapter 311	County: City: Other:						
Tax Code Chapter 312	County: San Patricio County	2020	5 years	\$873,281	\$533,672	\$339,609	
	County: Bee County	2020	5 years	\$245,883	\$150,262	\$95,621	
Local Government Code Chapters 380/381	City: N/A	n/a					
	Other: San Pat Water District	2020	5 years	\$104,202	\$63,679	\$40,523	
Freepport Exemptions	Other: Coastal Bend College	2020	5 years	\$83,358	\$50,941	\$32,417	
	County: City: Other:						
Non-Annexation Agreements							
Enterprise Zone/Project							
Economic Development Corporation							
Texas Enterprise Fund							
Employee Recruitment							
Skills Development Fund							
Training Facility Space and Equipment							
Infrastructure Incentives							
Permitting Assistance							
Other:							
Other:							
Other:							
Other:							
TOTAL					\$1,306,724	\$798,554	\$508,170

Additional information on incentives for this project:

Tab 15

Economic Impact Analysis

Not applicable

Tab 16

Reinvestment and Enterprise Zone Documents

See attached documents:

- Evidence that area qualifies as enterprise zone (not applicable)
- Legal description of reinvestment zone*
- Order, resolution, or ordinance establishing reinvestment zone*
- Guidelines and criteria for creating zone*
- Map of reinvestment zone with vicinity (see tab 11)

* Bee and San Patricio Counties (or else, Skidmore-Tynan ISD) will establish the reinvestment zone during or prior to the board meeting for final approval of the value limitation agreement. The resolution and documentation will be provided after the reinvestment zone is established.

Tab 17

Signature and Certification Page

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 ▶ Dr. Randy Hoyer Superintendent, Skidmore-Tynan ISD
Print Name (Authorized School District Representative) Title

sign here ▶ [Signature] 2-13-17
Signature (Authorized School District Representative) Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here ▶ Mr. Jesse Gronner / Jeremy R. Aird Vice President / Authorized Representative
Print Name / Print Name (Authorized Company Representative (Applicant)) Title / Title

sign here ▶ [Signature] / [Signature] 02/08/2017 / 02/08/2017
Signature / Signature (Authorized Company Representative (Applicant)) Date / Date



(Notary Seal)

GIVEN under my hand and seal of office this, the
8th day of February, 2017
[Signature]
 Notary Public In and for the State of ~~Texas~~ Oregon
 My Commission expires: 01/19/2019

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.



Application for Appraised Value Limitation on Qualified Property

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 Dr. Randy Hoyer
Print Name (Authorized School District Representative)

Superintendent, Skidmore-Tynan ISD
Title

sign here [Signature]
Signature (Authorized School District Representative)

3-9-17
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

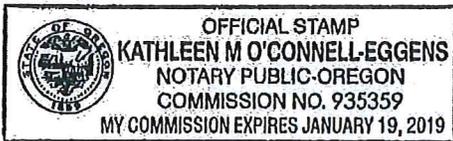
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here Mr. Jesse Gronner | Jeremy R. Aird
Print Name (Authorized Company Representative (Applicant))

Vice President | Authorized Representative
Title

sign here [Signatures]
Signature (Authorized Company Representative (Applicant))

03/10/2017 | 03/10/2017
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

10th day of March, 2017

[Signature]
Notary Public In and for the State of Texas Oregon

My Commission expires: 01/19/2019

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.



Application for Appraised Value Limitation on Qualified Property

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 Dr. Randy Hoyer Superintendent, Skidmore-Tynan ISD
Print Name (Authorized School District Representative) Title
sign here [Signature] 3-29-17
Signature (Authorized School District Representative) Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here Mr. Jesse Gronner / Paul Dixon Vice President / Director, General
Print Name (Authorized Company Representative (Applicant)) Title
sign here [Signature] 03/27/2017 3/27/2017
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the
27th day of March, 2017
Kathleen O'Connell-Eggens
Notary Public in and for the State of Texas
My Commission expires: 01/19/2017

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

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between SKIDMORE-TYNAN INDEPENDENT
SCHOOL DISTRICT and PACIFIC WIND DEVELOPMENT, LLC

EXHIBIT B

Comptroller's Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 1, 2017

Dr. Randy Hoyer
Superintendent
Skidmore-Tynan Independent School District
224 W. Main Street
Skidmore, Texas 78389

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Skidmore-Tynan Independent School District and Pacific Wind Development, LLC, Application 1177

Dear Superintendent Hoyer:

On April 11, 2017, the Comptroller issued written notice that Pacific Wind Development, LLC (applicant) submitted a completed application (Application 1177) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on February 13, 2017, to the Skidmore-Tynan Independent School District (school district) by the applicant.

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

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

Determination required by 313.025(h)

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

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

- Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
- Sec. 313.024(d-2) Not applicable to Application 1177.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

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

Determination required by 313.026(c)(2)

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

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

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

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2017.

Note that any building or improvement existing as of the application review start date of April 11, 2017, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

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

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Will Counihan

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between SKIDMORE-TYNAN INDEPENDENT
SCHOOL DISTRICT and PACIFIC WIND DEVELOPMENT, LLC

EXHIBIT C

Economic Impact Evaluation

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Pacific Wind Development, LLC (project) applying to Skidmore-Tynan 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 Pacific Wind Development, LLC.

Applicant	Pacific Wind Development, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Power Generation
School District	Skidmore-Tynan ISD
2015-2016 Average Daily Attendance	799
County	San Patricio County/Bee County
Proposed Total Investment in District	\$108,585,000
Proposed Qualified Investment	\$108,500,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2018-2019
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	\$1,142.48
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)B	\$1,148.48
Minimum annual wage committed to by applicant for qualified jobs	\$59,408.80
Minimum weekly wage required for non-qualifying jobs	\$888.75
Minimum annual wage required for non-qualifying jobs	\$46,215
Investment per Qualifying Job	\$27,146,250
Estimated M&O levy without any limit (15 years)	\$13,025,025
Estimated M&O levy with Limitation (15 years)	\$5,526,788
Estimated gross M&O tax benefit (15 years)	\$7,498,238

* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

Table 2 is the estimated statewide economic impact of Pacific Wind Development, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	50	65	115	\$2,750,000	\$5,250,000	\$8,000,000
2019	250	323	573	\$13,750,000	\$28,250,000	\$42,000,000
2020	2	54	56	\$118,818	\$6,881,182	\$7,000,000
2021	2	24	26	\$118,818	\$3,881,182	\$4,000,000
2022	2	2	4	\$118,818	\$1,881,182	\$2,000,000
2023	2	(10)	-8	\$118,818	-\$881,182	\$1,000,000
2024	2	(14)	-12	\$118,818	-\$118,818	\$0
2025	2	(14)	-12	\$118,818	-\$118,818	\$0
2026	2	(11)	-9	\$118,818	-\$118,818	\$0
2027	2	(7)	-5	\$118,818	-\$118,818	\$0
2028	2	(3)	-1	\$118,818	-\$118,818	\$0
2029	2	1	3	\$118,818	\$881,182	\$1,000,000
2030	2	2	4	\$118,818	\$881,182	\$1,000,000
2031	2	4	6	\$118,818	\$881,182	\$1,000,000
2032	2	5	7	\$118,818	\$881,182	\$1,000,000
2033	2	6	8	\$118,818	\$881,182	\$1,000,000

Source: CPA REMI, Pacific Wind Development, 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 ¹	ISD I & S Tax Levy	ISD M & O Tax Levy	M & O and I & S Tax Levies	San Patricio County Tax Levy	Bee County Tax Levy	Coastal Bend College Tax Levy	Bee Water Conservation District Tax Levy	San Patricio Drainage Tax Levy	Estimated Total Property Taxes
				0.3130	1.1700		0.4919	0.5179	0.1852	0.0050	0.5789	
2019	\$50,000,000	\$50,000,000		\$156,500	\$585,000	\$741,500	\$245,960	\$258,960	\$92,620	\$2,500	\$289,450	\$1,630,990
2020	\$108,500,000	\$108,500,000		\$339,605	\$1,269,450	\$1,609,055	\$533,733	\$561,943	\$200,985	\$5,425	\$628,107	\$3,539,248
2021	\$103,075,000	\$103,075,000		\$322,625	\$1,205,978	\$1,528,602	\$507,047	\$533,846	\$190,936	\$5,154	\$596,701	\$3,362,286
2022	\$97,650,000	\$97,650,000		\$305,645	\$1,142,505	\$1,448,150	\$480,360	\$505,749	\$180,887	\$4,883	\$565,296	\$3,185,323
2023	\$92,225,000	\$92,225,000		\$288,664	\$1,079,033	\$1,367,697	\$453,673	\$477,652	\$170,838	\$4,611	\$533,891	\$3,008,361
2024	\$86,800,000	\$86,800,000		\$271,684	\$1,015,560	\$1,287,244	\$426,987	\$449,555	\$160,788	\$4,340	\$502,485	\$2,831,399
2025	\$81,375,000	\$81,375,000		\$254,704	\$952,088	\$1,206,791	\$400,300	\$421,457	\$150,739	\$4,069	\$471,080	\$2,654,436
2026	\$75,950,000	\$75,950,000		\$237,724	\$888,615	\$1,126,339	\$373,613	\$393,360	\$140,690	\$3,798	\$439,675	\$2,477,474
2027	\$70,525,000	\$70,525,000		\$220,743	\$825,143	\$1,045,886	\$346,927	\$365,263	\$130,641	\$3,526	\$408,269	\$2,300,511
2028	\$65,100,000	\$65,100,000		\$203,763	\$761,670	\$965,433	\$320,240	\$337,166	\$120,591	\$3,255	\$376,864	\$2,123,549
2029	\$59,675,000	\$59,675,000		\$186,783	\$698,198	\$884,980	\$293,553	\$309,069	\$110,542	\$2,984	\$345,459	\$1,946,587
2030	\$54,250,000	\$54,250,000		\$169,803	\$634,725	\$804,528	\$266,867	\$280,972	\$100,493	\$2,713	\$314,053	\$1,769,624
2031	\$48,825,000	\$48,825,000		\$152,822	\$571,253	\$724,075	\$240,180	\$252,874	\$90,443	\$2,441	\$282,648	\$1,592,662
2032	\$43,400,000	\$43,400,000		\$135,842	\$507,780	\$643,622	\$213,493	\$224,777	\$80,394	\$2,170	\$251,243	\$1,415,699
2033	\$37,975,000	\$37,975,000		\$118,862	\$444,308	\$563,169	\$186,807	\$196,680	\$70,345	\$1,899	\$219,837	\$1,238,737
2034	\$37,925,000	\$37,925,000		\$118,705	\$443,723	\$562,428	\$186,561	\$196,421	\$70,252	\$1,896	\$219,548	\$1,237,106
			Total	\$3,484,473	\$13,025,025	\$16,509,498	\$5,476,299	\$5,765,744	\$1,841,193	\$49,698	\$5,753,977	\$32,422,450

Source: CPA, Pacific Wind Development, LLC

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, San Patricio County and Bee County with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the counties, Bee Water Conservation District, Coastal Bend College and San Patricio Drainage Tax Levies.

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	Tax Rate ¹	ISD I&S Tax Levy	ISD M&O Tax Levy	M&O and I&S Tax Levies	San Patricio County Tax Levy	Bee County Tax Levy	Coastal Bend College Tax Levy	Bee Water Conservation District Tax Levy	San Patricio Drainage Tax Levy	Estimated Total Property Taxes
			0.3130	1.1700			0.4919	0.5179	0.1852	0.0050	0.5789	
2019	\$50,000,000	\$50,000,000		\$156,500	\$585,000	\$741,500	\$194,062	\$54,641	\$18,524	\$500	\$231,560	\$990,203
2020	\$108,500,000	\$20,000,000		\$339,605	\$234,000	\$573,605	\$164,235	\$46,242	\$15,677	\$1,085	\$195,969	\$784,082
2021	\$103,075,000	\$20,000,000		\$322,625	\$234,000	\$556,625	\$156,023	\$43,930	\$14,893	\$1,031	\$186,171	\$756,578
2022	\$97,650,000	\$20,000,000		\$305,645	\$234,000	\$539,645	\$147,812	\$41,618	\$14,109	\$977	\$176,372	\$729,074
2023	\$92,225,000	\$20,000,000		\$288,664	\$234,000	\$522,664	\$139,600	\$39,306	\$13,325	\$922	\$166,574	\$701,570
2024	\$86,800,000	\$20,000,000		\$271,684	\$234,000	\$505,684	\$131,388	\$36,994	\$12,541	\$868	\$156,775	\$674,066
2025	\$81,375,000	\$20,000,000		\$254,704	\$234,000	\$488,704	\$315,837	\$88,928	\$30,148	\$814	\$376,864	\$893,468
2026	\$75,950,000	\$20,000,000		\$237,724	\$234,000	\$471,724	\$294,781	\$82,999	\$28,138	\$760	\$351,740	\$849,503
2027	\$70,525,000	\$20,000,000		\$220,743	\$234,000	\$454,743	\$273,725	\$77,071	\$26,128	\$705	\$326,615	\$805,539
2028	\$65,100,000	\$20,000,000		\$203,763	\$234,000	\$437,763	\$252,669	\$71,142	\$24,118	\$651	\$301,491	\$761,574
2029	\$59,675,000	\$20,000,000		\$186,783	\$234,000	\$420,783	\$231,614	\$65,214	\$22,108	\$597	\$276,367	\$717,610
2030	\$54,250,000	\$54,250,000		\$169,803	\$634,725	\$804,528	\$210,558	\$59,285	\$20,099	\$543	\$251,243	\$1,074,370
2031	\$48,825,000	\$48,825,000		\$152,822	\$571,253	\$724,075	\$189,502	\$53,357	\$18,089	\$488	\$226,118	\$966,933
2032	\$43,400,000	\$43,400,000		\$135,842	\$507,780	\$643,622	\$168,446	\$47,428	\$16,079	\$434	\$200,994	\$859,496
2033	\$37,975,000	\$37,975,000		\$118,862	\$444,308	\$563,169	\$147,390	\$41,500	\$14,069	\$380	\$175,870	\$752,059
2034	\$37,925,000	\$37,925,000		\$118,705	\$443,723	\$562,428	\$147,196	\$41,445	\$14,050	\$379	\$175,638	\$751,069
			Total	\$3,484,473	\$5,526,788	\$9,011,260	\$3,164,838	\$891,097	\$302,096	\$11,133	\$3,776,362	\$13,067,196
			Diff	\$0	\$7,498,238	\$7,498,238	\$2,311,461	\$4,874,647	\$1,539,097	\$38,565	\$1,977,615	\$19,355,255

Source: CPA, Pacific Wind Development, 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 Pacific Wind Development, 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	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
	2019	\$585,000	\$585,000	\$0	\$0
Limitation Period (10 Years)	2020	\$234,000	\$819,000	\$1,035,450	\$1,035,450
	2021	\$234,000	\$1,053,000	\$971,978	\$2,007,428
	2022	\$234,000	\$1,287,000	\$908,505	\$2,915,933
	2023	\$234,000	\$1,521,000	\$845,033	\$3,760,965
	2024	\$234,000	\$1,755,000	\$781,560	\$4,542,525
	2025	\$234,000	\$1,989,000	\$718,088	\$5,260,613
	2026	\$234,000	\$2,223,000	\$654,615	\$5,915,228
	2027	\$234,000	\$2,457,000	\$591,143	\$6,506,370
	2028	\$234,000	\$2,691,000	\$527,670	\$7,034,040
	2029	\$234,000	\$2,925,000	\$464,198	\$7,498,238
Maintain Viable Presence (5 Years)	2030	\$634,725	\$3,559,725	\$0	\$7,498,238
	2031	\$571,253	\$4,130,978	\$0	\$7,498,238
	2032	\$507,780	\$4,638,758	\$0	\$7,498,238
	2033	\$444,308	\$5,083,065	\$0	\$7,498,238
	2034	\$443,723	\$5,526,788	\$0	\$7,498,238
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$443,723	\$5,970,510	\$0	\$7,498,238
	2036	\$443,723	\$6,414,233	\$0	\$7,498,238
	2037	\$443,723	\$6,857,955	\$0	\$7,498,238
	2038	\$443,723	\$7,301,678	\$0	\$7,498,238
	2039	\$443,723	\$7,745,400	\$0	\$7,498,238
	2040	\$443,723	\$8,189,123	\$0	\$7,498,238
	2041	\$443,723	\$8,632,845	\$0	\$7,498,238
	2042	\$443,723	\$9,076,568	\$0	\$7,498,238
	2043	\$443,723	\$9,520,290	\$0	\$7,498,238
	2044	\$443,723	\$9,964,013	\$0	\$7,498,238

\$9,964,013

 is greater than

 \$7,498,238

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, Pacific Wind Development, LLC

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

Attachment C – Limitation as a Determining Factor

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

Methodology

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

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

Determination

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

- Per Pacific Wind Development, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Applicant has entered into various agreements that are typical during the evaluation of a potential wind-powered facility. These agreements include lease agreements with landowners, and an interconnection study request agreement, and professional services agreements for consulting services, environmental surveys, preliminary geotechnical studies, aeronautical studies, meteorological tower installation, and preliminary engineering services.”
 - B. “None of these contracts obligate Applicant to construct the project or otherwise commit that the project will be constructed in the proposed location.”
 - C. In investor presentations “Avangrid has mentioned the Karankawa Project along with many other potential projects. This reference does not constitute an indication that Applicant intends to construct this project, or any of the other projects in the enclosed filing.”
 - D. “These exhibits demonstrate that Avangrid has a variety of suitable locations for renewable energy electric generation facilities and that a Chapter 313 value limitation agreement will be a determining factor in Avangrid’s investment decision.”

- As referenced by the Applicant in Tab 5, in their First Quarter Earnings Presentation dated April 26, 2016 “Karankawa 200MW” is depicted on the “AVANGRID Renewables: Pipeline Figure”.
- Per the Mathis Independent School District website, retrieved on March 28, 2017, “Jason Du Terroil, Director of Business Development for Avangrid, told the Board members that the San Patricio County and Bee County location is desirable because it has available land and wind during the day when energy is most required on the Texas electric grid.”
- Supplemental information provided by the applicant states that “Pacific Wind has applied to ERCOT, and its Generation Interconnection Request # is 18INR0014.”
- Avangrid Renewables is a subsidiary of AVANGRID, Inc, and part of the IBERDROLA, S.A. Group.

Supporting Information

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

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

Supporting Information

Section 8 of the Application for a Limitation on Appraised Value

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

1. In Tab 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input type="checkbox"/> Land has no existing improvements	<input checked="" type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

Supporting Information

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

Tab 5

Information Supporting Limitation as a Determining Factor and Explanation of Affirmative Answers in Section 8

Applicant's parent, Avangrid Renewables, LLC ("Avangrid"), is part of a network of diversified energy and utility companies affiliated with Iberdrola, S.A. with operations in 25 countries around the globe. Avangrid operates utility scale renewable energy facilities throughout the United States and actively pursues various development opportunities. The Karankawa Project is one of Avangrid's many alternative development opportunities.

Avangrid has more than \$10 billion of operating assets and owns or controls 6,000 MW of wind and solar generation facilities in 19 states. As a publicly-traded company with operations in 19 states, Avangrid maintains a multitude of potential projects, comparing the potential economic return of projects across the United States. In determining which projects to construct, Avangrid considers a variety of factors, including wind patterns, local regulatory climates, and state and local tax effects. Using these factors, Avangrid projects the estimated costs and revenues associated with the project to compare it with other alternative projects that Avangrid contemplates contemporaneously. The first attached exhibit ("Avangrid Renewables: Pipeline") shows a variety of Avangrid's potential projects that are under consideration. The proposed project is in direct competition for internal capital expenditures with most of these other projects. The second attached exhibit ("Advancements in Wind Turbine Technology") shows the broad availability of appropriate sites for renewable energy electric generation throughout of the United States. These exhibits demonstrate that Avangrid has a variety of suitable locations for renewable energy electric generation facilities and that a Chapter 313 value limitation agreement will be a determining factor in Avangrid's investment decision.

Applicant has entered into various agreements that are typical during the evaluation of a potential wind-powered electric generation facility. These agreements include lease agreements with landowners, and an interconnection study request agreement, and professional services agreements for consulting services, environmental surveys, preliminary geotechnical studies, aeronautical studies, meteorological tower installation, and preliminary engineering services. None of these contracts obligate Applicant to construct the project or otherwise commit that the project will be constructed in the proposed location. Entering into these agreements does not mean that Avangrid will necessarily construct the project, but instead secures the opportunity to evaluate the projected costs and revenues in order to compare the project to other alternative projects.

Out of an abundance of caution, applicant has checked box 4 of Section 8 of this application. In investor presentations (including the enclosed exhibit to Avangrid's Form 8-K filed with the Securities and Exchange Commission on April 26, 2016), Avangrid has mentioned the Karankawa Project along with many other potential projects. This reference does not constitute an indication that Applicant intends to construct this project, or any of the other projects in the enclosed filing. Rather, Applicant views this project as one project under consideration (an "opportunity" as the enclosure shows) subject to a variety of contingencies including, but not limited to, securing a value limitation agreement.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

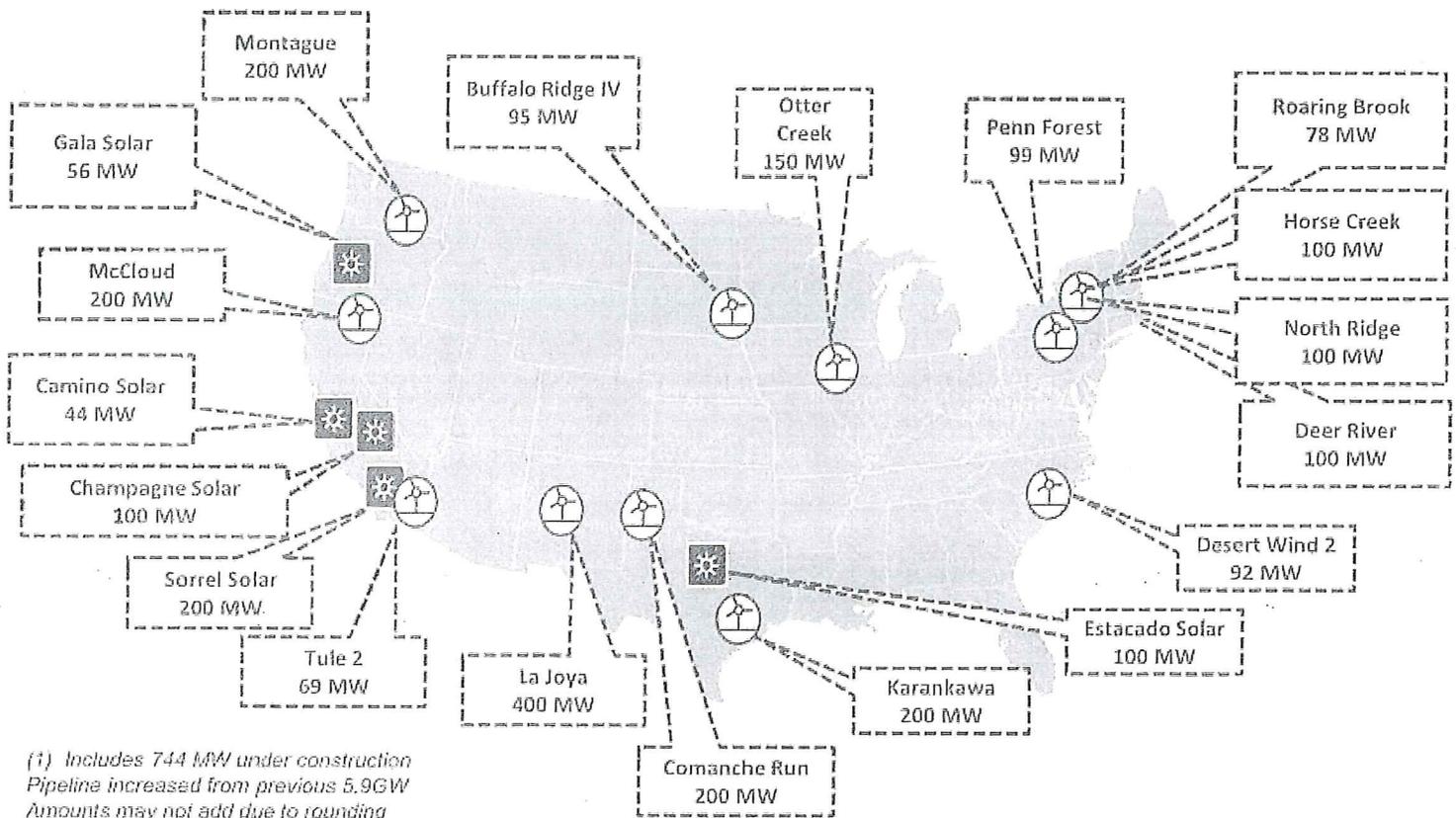


April 26, 2016

1Q 2016 Earnings Presentation

AVANGRID Renewables: Pipeline

6.1GW pipeline⁽¹⁾, of which 1,700 MW of Wind & 550 MW of Solar projects provides opportunity in 2018-2020



(1) Includes 744 MW under construction
Pipeline increased from previous 5.9GW
Amounts may not add due to rounding



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- [To Make a Tax Payment](#)
- [Bully Report](#)
- [Stop Bullying](#)
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- [2016-2017 Student Handbook, Code of Conduct Handbook, Extracurricular Activities Handbook](#)
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Mathis ISD Begins Negotiations With Wind Farm Developer



Mathis Board of Trustees Agrees to Begin Negotiations with Wind Farm

The Mathis ISD Board of School Trustees voted at their regular meeting on February 6 to begin negotiations with Avangrid on a tax limitation agreement. Avangrid will create Karankawa Wind Farm, a 200 megawatt wind farm with 75 to 93 turbines to be located in southern Bee County and in northern San Patricio County. The wind farm footprint includes Skidmore-Tynan ISD and Mathis ISD.

The project will cost \$250 million to build and will be operational in late 2019 or 2020.

Avangrid is the second largest provider of clean energy and renewable power in the United States with more than 6,000 megawatts of owned and controlled wind and solar facilities. In South Texas Avangrid operates the 600 megawatt Baffin wind farm in Kennedy County.

Jason Du Terroil, Director of Business Development for Avangrid, told the Board members that the San Patricio County and Bee County location is desirable because it has available land and wind during the day when energy is most required on the Texas electric grid.

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Skidmore-Tynan ISD – Pacific Wind Development, LLC App. #1177

Comptroller Question (via email on April 24, 2017):

Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number.

Applicant Response (via email on April 25, 2017):

Pacific Wind has applied to ERCOT, and its Generation Interconnection Request # is 18INR0014.



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- [wind & solar development](#)
- [energy origination](#)
- [asset management](#)

General Contacts

Avangrid Renewables is a subsidiary of [AVANGRID, Inc. \(NYSE: AGR\)](#) and part of the [IBERDROLA, S.A.](#) Group.

Avangrid Renewables — Headquarters

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Portland, Oregon 97209
Tel. 503-796-7000

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Houston, TX 77070
Tel. 281-379-7400

Philadelphia Office

Two Radnor Corporate Center, Suite 200
100 Matsonford Rd.
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Landowner Contacts

Toll-Free: 866-441-4557
leasing@avangrid.com

Supplier Assistance

Tel. 503-796-7050
supplierassistance@avangrid.com

Remittance address

Avangrid Renewables
Attn: Accounts Payable
1125 NW Couch St., Suite 600
Portland, OR 97209
accounts.payable@avangrid.com

Commercial contacts

[Energy Origination](#) | [Wind & Solar Asset Management](#) | [Wind & Solar Development](#) | [Biomass](#)

Human Resources

To join our team in the U.S., [visit our careers section](#). Questions? Please email staffing@avangrid.com. *We do not accept phone inquiries or unsolicited resumes.*

To apply for jobs internationally with our parent company, IBERDROLA, S.A., click [here](#).

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between SKIDMORE-TYNAN INDEPENDENT
SCHOOL DISTRICT and PACIFIC WIND DEVELOPMENT, LLC

EXHIBIT D

Tax Limitation Agreement

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

by and between

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT

and

PACIFIC WIND DEVELOPMENT, LLC

(Texas Taxpayer ID #32050830580)

Comptroller Application #1177

Dated

October 16, 2017

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

STATE OF TEXAS §

COUNTIES OF SAN PATRICIO AND BEE §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **PACIFIC WIND DEVELOPMENT, LLC**, Texas Taxpayer Identification Number 32050830580 hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on February 13, 2017 the Superintendent of Schools of the Skidmore-Tynan Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on February 13, 2017 the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

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

WHEREAS, the District and the Texas Comptroller's Office have determined that the Application is complete and April 11, 2017 is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Bee County Appraisal District established in Bee County, Texas (the "Bee County Appraisal District") and the San Patricio County Appraisal District established in San Patricio County, Texas (the "San Patricio 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 May 1, 2017, issued a certificate for limitation on

appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the District's Board of Trustees, by resolution dated August 14, 2017 extended the statutory deadline by which the District must consider the Application until December 31, 2017, and the Comptroller was provided notice of such extension as set out under 34 TEXAS ADMIN CODE Section 9.1054(d);

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

WHEREAS, on October 16, 2017, 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 October 16, 2017, 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 October 16, 2017, 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 October 16, 2017, 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 October 16, 2017, 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;

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

ARTICLE I DEFINITIONS

Section 1.1. DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, including any statutory amendments that are applicable to Applicant.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

“Applicant” means Pacific Wind Development, LLC, (Texas Taxpayer ID #32050830580), 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 3** of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on February 13, 2017. 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 Bee County Appraisal District and the San Patricio County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Skidmore-Tynan 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 ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

“County” means Bee County and San Patricio County, Texas.

“District” or “School District” means the Skidmore-Tynan 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 sixty (60) business days of the existence of such Force Majeure or otherwise waive this right as a defense.

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

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

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

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

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

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

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

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

“State” means the State of Texas.

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

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

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

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

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

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

“Applicable School Finance Law” means Chapters 41 and 42 of the Texas Education Code; the Texas Economic Development Act (Chapter 313 of the Texas Tax Code); the provisions of

Chapter 403; Subchapter M, of the Texas Government Code applicable to the District; the Constitution and general laws of the State applicable to the independent school districts of the State; applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State; and judicial decisions construing or interpreting any or all of the above. The term also includes any amendments or successor statutes that may be adopted in the future which impact or alter the calculation of the Applicant's ad valorem tax obligation to the District, either with or without the limitation of property values made pursuant to this Agreement.

"Revenue Protection Amount" means the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement which shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the formula set out in Section 4.2 of this Agreement.

"Stipulated Supplemental Payment Amount" means the amount calculated as set out in Section 6.3.

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

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

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

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is April 11, 2017, 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 October 16, 2017.

C. The Qualifying Time Period for this Agreement:

- i. Starts on January 1, 2018, and
- ii. Ends on December 31, 2019, 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, 2020, the first complete Tax Year that begins after the Qualifying Time Period; and
- ii. Ends on December 31, 2029.

E. The Final Termination Date for this Agreement is December 31, 2034.

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 Million Dollars (\$20,000,000.00).

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 Ten Million Dollars (\$10,000,000.00) 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 \$888.75 for all New Non-Qualifying Jobs created by the Applicant.

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

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

ARTICLE III **QUALIFIED PROPERTY**

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to

Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

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

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

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

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

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Texas Tax Code §313.027(f)(1), be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue as a result of, or on account of, the Parties' entering into this Agreement. Such compensation shall be independent of, and in addition to, all such other payments as are set forth in Article V and Article VI. Subject only to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the risk of any negative financial consequence to the District as a result of Applicant's location of Applicant's Qualified Investment and Applicant's Qualified Property in the District and the Parties' entering into

this Agreement will be borne by the Applicant and not by the District, and paid by the Applicant to the District in addition to any and all payments due under Article VI.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF MAINTENANCE AND OPERATIONS REVENUES BY THE DISTRICT. Subject to the provisions of Sections 7.1 and 7.2, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement as set forth in Exhibit 5 (the “Revenue Protection Amount”) shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

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

A. Where:

- i. “Original M&O Revenue” means the total State and local Maintenance & 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 Qualified Property and/or 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.
- ii. “New M&O Revenue” means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to Maintenance and Operations Revenue because of any portion of this Agreement.

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

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant’s Qualified Property and/or the Applicant’s Qualified Investment will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 4.2 results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for the Tax Limitation Period of this Agreement under Section 4.2, Subsection A.ii, of this Agreement (relating to the definition of “New M&O Revenue”) 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 M & O revenue impact caused by this Agreement. The Applicant

shall not be responsible to reimburse the District for other revenue losses created by other agreements or any other factors not contained in this Agreement.

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

- A. All non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the Applicant's Qualified Investment 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 Applicant's Qualified Investment. The Applicant may contest any such costs certified by the District's external auditor under the provisions of Section 4.8;
- B. Any other loss of District revenues which are, or may be, attributable to the payment by the Applicant to or on behalf of any other third party beneficiary; and
- C. Any other cost to the District, including costs under Section 8.6(C) below, which are or may be attributable to compliance with State-imposed cost of compliance with the terms of this Agreement.

Section 4.4. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under Articles IV and VI shall be made annually by an independent third party (the "Third Party") jointly approved each year by the District and the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by the mediator provided in Section 9.3 of this Agreement.

Section 4.5. DATA USED FOR CALCULATIONS. The calculations under this Agreement shall be initially based upon the valuations which are placed upon all taxable property in the District, including 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 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. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Section 4.2 and Article VI, or under 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. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, 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 and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of 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 4.7. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 of the year 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 4.6, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. In no year shall the Applicant be responsible for the payment of total expenses under this Section and Section 4.6, above, in excess of Ten Thousand Dollars (\$10,000.00).

Section 4.8. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District'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 certification containing the calculations, without limitation of Applicant's other rights and remedies available hereunder, in law or in equity.

Section 4.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.

A. In the event that, at the time the Third Party selected under Section 4.4 makes its calculations under this Agreement, the Applicant has appealed any matter relating to valuations placed by the Appraisal District on the Qualified Property, and such appeal is unresolved, the Third Party shall base its calculations upon the values initially placed upon the Qualified Property by the Appraisal District.

B. In the event that the result of an appraisal appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall

remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.10. EFFECT OF STATUTORY CHANGES. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the Revenue Protection Amount limit set forth in Section 7.1, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the Revenue Protection Amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

The District and the Applicant agree that this Agreement does not cause the District to incur extraordinary education-related expenses.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

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

A. Amounts Exclusive of Indemnity Amounts. It is the express intent of the Parties that the Applicant’s obligation to make Supplemental Payments under this Article VI are separate and independent of the obligation of the Applicant to pay the amounts described in Article IV; provided, however, that all payments under Articles IV, V and VI are subject to the limitations contained in Section 7.1.

B. Adherence to Statutory Limits on Supplemental Payments. It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article VI, shall not exceed the limit imposed by the provisions of Texas Tax Code § 313.027(i) unless that limit is allowed or required to be increased by the Legislature at a future date, in which case all references to statutory limits in this Agreement will be automatically adjusted to reflect the new, higher limits, but only if, and to the extent that such increases are authorized by law.

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

Section 6.2. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO SUPPLEMENTAL PAYMENT LIMITATION.

On or before January 31, 2020, the Applicant shall make a supplemental payment to the District in an amount equal to the greater of \$100,000; or \$200 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's Average Daily Attendance for the 2019 – 2020 school year. This payment reflects the supplemental payment due for Tax Year 2019, as well as a deferred supplemental payment for Tax Year 2018.

On or before January 31, 2021 (the payment due date for Tax Year 2020), and continuing thereafter on or before the January 31 of each of the twelve (12) years thereafter (i.e., through January 31, 2033, the payment due date for Tax Year 2032), the Applicant shall make a Supplemental Payment to the District in an amount equal to the greater of the following:

- A. the Supplemental Payment Limitation as defined in Section 6.5; or,
- B. to the extent permitted by then-current law, the Applicant's "Stipulated Supplemental Payment Amount" as defined in Section 6.3.

Section 6.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT. The Parties agree that for each Tax Year described in Section 6.2, the Applicant's Stipulated Supplemental Payment Amount will be calculated in accordance with the following formula:

The Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year);

Minus,

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax purposes for such Tax Year);

Multiplied by,

The District's maintenance and operations tax rate for such Tax Year;

Minus,

Any amounts previously paid to the District under Article IV for such Tax Year;

Multiplied by,

The number 0.4;

Minus,

Any amounts previously paid to the District under Sections 6.2 and 6.3 with respect to such Tax Year.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party described in Section 4.4, above, shall adjust the Applicant's Stipulated Supplemental Payment Amount calculation to reflect such changes in the data.

SECTION 6.4. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS.

A. If the Supplemental Payment is based on the Supplemental Payment Limitation, the District Superintendent of Schools or his or her designee shall make the calculations. If the Supplemental Payment is based on the Stipulated Supplemental Payment Amount the calculations shall be made by the Third Party selected pursuant to Section 4.4.

B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6.

C. The payment of all amounts due under this Article shall be made at the time set forth in Section 4.7.

Section 6.5. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

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

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 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 the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment, the Applicant shall have the option, prior to the beginning of the Tax Limitation Period, to terminate this Agreement by notifying the District in writing of its exercise of such option. Additionally, in the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 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 ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

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

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

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

A. All inspections will be made at a mutually agreeable time after the giving of not less than 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;

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 sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on

a mediator, a mediator shall be selected by the senior state district court judge then presiding in Bee 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 Bee County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the thirty (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 sixty (60) 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 Ten Million Dollars (\$10,000,000.00) of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

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

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

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

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

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

D. The penalty shall be paid no later than thirty (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:

Superintendent of Schools
Skidmore-Tynan Independent School District
P.O. Box 409
Skidmore, Texas 78389-0409
Phone: 361-287-2000
Fax: 361-287-3442

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

Jesse Gronner, Vice President
Pacific Wind Development, LLC
c/o Avangrid Renewables, LLC
1125 NW Couch Street, Suite 700
Portland, Oregon 97209
Phone: 503-796-7045
Email: jesse.gronner@avangrid.com

Avangrid Renewables, LLC
ATTN: Property Tax (Karankawa Wind Farm)
1125 NW Couch Street, Suite 700
Portland, Oregon 97209
Phone: (503) 796-6955
E-mail: Thomas.Russell@avangrid.com

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

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

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

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

- i. The Applicant shall submit to the District and the Comptroller:
 - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
 - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;
- ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within ninety (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 ninety (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 thirty (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 San Patricio County.

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

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

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

Section 10.9. INTERPRETATION.

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

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

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

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

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

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

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

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

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

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

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

Section 10.14. CONFLICTS OF INTEREST.

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

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

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

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

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

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

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

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

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 16th day of October, 2017.

PACIFIC WIND DEVELOPMENT, LLC

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

By: 
Name: James Bennett
Title: President

ATTEST: 
Name: _____
Title: T.R.P. Board of Trustees

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 16th day of October, 2017.

PACIFIC WIND DEVELOPMENT, LLC

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT

LEGAL
IN

By: _____
Name: Jesse Gronner
Title: Authorized Representative

By: _____
Name: _____
Title: _____

By: Paul Dixon
Name: Paul Dixon
Title: Authorized Representative

ATTEST:

Name: _____
Title: _____ Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF REINVESTMENT ZONE

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

Applicant's Qualified Investment shall be all tangible personal property first placed in service after October 16, 2017, that is owned by the Applicant, as more fully described in the attached Tab #7 of the Application, and located within the boundaries of the Skidmore-Tynan Independent School District and the map attached to **Exhibit 1**.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

The proposed project entails the design and construction of a utility-scale renewable energy electricity generation facility including all associated project infrastructure. The entire project, spanning multiple counties and school districts, will have a total rated production capacity (i.e., nameplate capacity) of 200 megawatts. The estimated total investment for the entire project is \$250 million, with an estimated \$108,500,000 of investment in Skidmore-Tynan Independent School District and an estimated \$141,500,000 of investment in Mathis Independent School District.

If approved by the Comptroller and school districts, the proposed facilities would be constructed in vacant, rural farm land located within San Patricio County and Bee County.

Potential new project improvements for which Applicant seeks the value limitation include, but are not limited to:

- turbines (including rotor blades, nacelles, gearbox generators, power cables, and towers);
- pad-mount or nacelle step-up transformers;
- brake systems;
- lighting and electrical infrastructure; and
- inverters.

The potential new project improvements include support infrastructure for which Applicant seeks the value limitation, including, but not limited to:

- concrete and gravel turbine foundations, pad-mount transformer foundations, and the
- processing substation foundation;
- underground collection systems;
- transmission lines;
- tie lines;
- interconnects;
- met towers;
- roads;
- a processing substation; and
- operations and maintenance building(s).

Applicant anticipates the proposed project would include the above improvements. Because of technological developments and engineering considerations, however, the exact nature of the improvements is subject to change. For example, Applicant could determine that the initial step-up transformers should be located within the nacelle at the top of each tower instead of on a separate foundation at the base of each tower.

EXHIBIT 5

AGREEMENT SCHEDULE

Full Tax Year of Agreement	Date of Appraised Value Determination	School Year	Tax Year	Summary Description of Provisions
Application Review Start Date	January 1, 2017	2017-18	2017	Application Approval Date (04/11/17). Qualifying Time Period deferred to January 1, 2018. No limitation on value.
Year prior to start of value limitation period	January 1, 2018	2018-19	2018	Qualifying Time Period. No limitation on value.
Year prior to start of value limitation period	January 1, 2019	2019-20	2019	Qualifying Time Period. No limitation on value.
1	January 1, 2020	2020-21	2020	\$ 20 million property value limitation.
2	January 1, 2021	2021-22	2021	\$ 20 million property value limitation.
3	January 1, 2022	2022-23	2022	\$ 20 million property value limitation.
4	January 1, 2023	2023-24	2023	\$ 20 million property value limitation.
5	January 1, 2024	2024-25	2024	\$ 20 million property value limitation.
6	January 1, 2025	2025-26	2025	\$ 20 million property value limitation.
7	January 1, 2026	2026-27	2026	\$ 20 million property value limitation.
8	January 1, 2027	2027-28	2027	\$ 20 million property value limitation.
9	January 1, 2028	2028-29	2028	\$ 20 million property value limitation.
10	January 1, 2029	2029-30	2029	\$ 20 million property value limitation.
11	January 1, 2030	2030-31	2030	No tax limitation. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2031	2031-32	3031	No tax limitation. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2032	2032-33	2032	No tax limitation. Applicant obligated to Maintain Viable Presence if no early termination.
14	January 1, 2033	2033-34	2033	No tax limitation. Applicant obligated to Maintain Viable Presence if no early termination.
15	January 1, 2034	2034-35	2034	No tax limitation. Applicant obligated to Maintain Viable Presence if no early termination.

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between SKIDMORE-TYNAN INDEPENDENT
SCHOOL DISTRICT and PACIFIC WIND DEVELOPMENT, LLC

EXHIBIT E

Comptroller's Franchise Tax Account Status



Franchise Tax Account Status

As of : 09/24/2017 16:13:19

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

PACIFIC WIND DEVELOPMENT LLC

Texas Taxpayer Number 32050830580

Mailing Address 1125 NW COUCH ST STE 600 PORTLAND,
OR 97209-4156

i Right to Transact Business in Texas ACTIVE

State of Formation OR

Effective SOS Registration Date 04/26/2013

Texas SOS File Number 0801774772

Registered Agent Name CORPORATION SERVICE COMPANY
D/B/A CSC-LAWYERS INCO

Registered Office Street Address 211 E. 7TH STREET, SUITE 620 AUSTIN,
TX 78701