

UNDERWOOD

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September 15, 2017

Desiree Caufield, Analyst
Economic Analysis
Local Government Assistance and Economic Development Division
Texas Comptroller of Public Accounts
LBJ State Office Building
111 E. 17th Street
Austin, TX 78774

Via Email and Federal Express

Re: App 1186-Whiteface CISD-Wildcat Ranch Wind Project, LLC

Dear Ms. Caufield:

Enclosed please find a hard copy of the fully executed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes between the above-noted parties along with the District's Findings of Fact. A CD containing these documents is also enclosed.

Please feel free to contact us if you require anything further.

Sincerely,



Fred Stormer

FS/ph
Encl.
MG7JJ9JW0D19UU

FINDINGS
of the
***WHITEFACE CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES***

**Under Chapter 313 of the
Texas Tax Code**

**ON THE APPLICATION FOR
APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY**

SUBMITTED BY

WILDCAT RANCH WIND PROJECT, LLC

Comptroller Application Number 1186

September 14, 2017

RESOLUTION AND FINDINGS OF FACT
of the
WHITEFACE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER CHAPTER 313 OF THE TEXAS TAX CODE
ON THE APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY
SUBMITTED BY WILDCAT RANCH WIND PROJECT, LLC

STATE OF TEXAS §
COUNTY OF COCHRAN §
WHITEFACE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT §

PREAMBLE

On the 14th day of September, 2017, a public meeting of the Board of Trustees of the Whiteface Consolidated Independent School District (the “Board”) was held to solicit input from interested parties on the application by Wildcat Ranch Wind Project, LLC (“Wildcat Ranch Wind” or “Applicant”) for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board considered the application by Wildcat Ranch Wind for a Limitation on Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District’s administrative staff and the consultants retained by the District to advise the Board in this matter and reviewing the Comptroller’s Economic Impact Analysis under Texas Tax Code §313.026 and 34 T.A.C. §9.1054, the Board of Trustees of the Whiteface Consolidated Independent School District makes the following Findings regarding the Application:

On or about the 10th day of April, 2017, the Board of Trustees for the Whiteface Consolidated Independent School District received an Application for Appraised Value Limitation on Qualified Property from Wildcat Ranch Wind, pursuant to Chapter 313 of the Texas Tax Code (the “Application”). The general nature of Applicant’s investment in qualified property set forth in the Application is for a wind powered electric generating facility (the “Property”). *See* Application, Tab 4, attached hereto as Attachment A; *see also* Attachment D. The Board agreed to consider such Application, and the District’s Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District, which was delivered to the Texas Comptroller of Public Accounts immediately upon the District’s determination that the Application was complete. The Comptroller acknowledged receipt of the Application on or about April 25, 2017. Thereafter, on or about May 22, 2017, the District on behalf of the Applicant, submitted pages for Amendment No. 01 (revised p. 7 and Tab 11), and the Comptroller issued its notice of completeness on or about May 30, 2017, the Application Review Start Date. Thereafter, on or about July 18, 2017, the District on behalf of Applicant, submitted Supplement No. 1 (reinvestment zone documents). The Application, Amendment No. 01 and Supplement No. 1 are hereafter collectively referred to as the “Application.” A copy of the Application and Comptroller’s completeness letter of May 30, 2017 are collectively attached hereto as Attachment A.

The Texas Taxpayer Identification number for Wildcat Ranch Wind Project, LLC is 32056797346. Wildcat Ranch Wind is an entity subject to Chapter 171 of the Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts as required by Texas Tax Code §313.024(a). *See* Attachments A, B and C.

The Board acknowledged receipt of the Application and necessary application fee, which was reasonable and did not exceed the estimated cost to the District for processing and acting on the Application, as established by §313.025(a)(1) of the Texas Tax Code and Local District Policy.

The Application was delivered to the Texas Comptroller's Office for review pursuant to §313.025(b) of the Texas Tax Code.

A copy of the Application was delivered to the Cochran County Appraisal District for review pursuant to 34 Texas Administrative Code §9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§313.025 and 313.026. After receipt of the Application, the Texas Comptroller's Office caused an Economic Impact Analysis to be conducted. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.024(b) for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value on June 30, 2017 that the Application be approved (the "Certificate Decision"). *See* Attachment C. The Board of Trustees has carefully considered such Evaluation and Certificate Decision. Copies of the Certificate Decision and Economic Impact Analysis are attached to these Findings as Attachments C and D, respectively.

The Board also directed that a specific school financial analysis be conducted of the impact of the proposed value limitation on the finances of Whiteface Consolidated Independent School District. A copy of a report prepared by McDowell School Finance Consulting, LLC and dated July 22, 2017 is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of industrial property applicable to the Wildcat Ranch Wind Application in the Whiteface Consolidated Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, fell within a rural school district, Category 3 of §313.054 of the Texas Tax Code at the time the Certificate Decision was issued. *See* "2016 Property Value Study Report," attached hereto as Attachment G; *see also* Attachment D.

After receipt of the completed Application, the District entered into negotiations with Wildcat Ranch Wind regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the "Agreement") pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The parties were able to agree upon language for inclusion into a draft agreement pursuant to Texas Tax Code §313.027. As required by the Comptroller's Office, the parties changed only the provisions of the template that the Comptroller permitted (2016 Form 50-826). The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement (as defined by 34. Tex. Admin. Code §9.1015) was submitted to and approved by the Comptroller, as required by 34 Tex. Admin. Code §9.1015(e)(1). *See* copy of September 13, 2017,

Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I.

After review of the Comptroller's Certificate Decision and Economic Impact Analysis, and in consideration of its own analysis of Wildcat Ranch Wind's Application and all other related documentation attached hereto, the Board makes the following additional Findings as follows:

Board Finding Number 1.

Based on the Application and the Comptroller's Certificate Decision, the Property meets the requirements of Texas Tax Code §313.024 for eligibility for a limitation on appraised value under Texas Tax Code §313.024(b)(5) as a renewable energy electric generation project.

In support of Finding Number 1, the Comptroller's Certificate Decision states:

Determination required by 313.025(h)

* * *

Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

* * *

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.

See Attachment C. See also Attachment A (Tab 1, §6.2(5) and Tab 4) and Attachment D.

Board Finding Number 2.

The project proposed by Applicant is reasonably likely to generate sufficient tax revenue 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.

In support of Finding Number 2, the Certificate Decision states:

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

See Attachment C.

Also in support of Finding Number 2, the Comptroller’s Economic Impact Analysis states:

Attachment B - Tax Revenue over 25 Years

This [table] represents the Comptroller’s determination that Wildcat Ranch Wind Project, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy 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	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2019	\$208,000	\$208,000	\$1,660,724	\$1,660,724
	2020	\$208,000	\$416,000	\$1,529,913	\$3,190,637
	2021	\$208,000	\$624,000	\$1,408,259	\$4,598,897
	2022	\$208,000	\$832,000	\$1,295,121	\$5,894,018
	2023	\$208,000	\$1,040,000	\$1,189,903	\$7,083,921
	2024	\$208,000	\$1,248,000	\$1,092,050	\$8,175,970
	2025	\$208,000	\$1,456,000	\$1,001,046	\$9,177,016
	2026	\$208,000	\$1,664,000	\$916,413	\$10,093,429
	2027	\$208,000	\$1,872,000	\$837,704	\$10,931,133
	2028	\$208,000	\$2,080,000	\$764,505	\$11,695,638
Maintain Viable Presence (5 Years)	2029	\$923,879	\$3,003,879	\$0	\$11,695,638
	2030	\$877,685	\$3,881,565	\$0	\$11,695,638
	2031	\$833,801	\$4,715,366	\$0	\$11,695,638
	2032	\$792,111	\$5,507,477	\$0	\$11,695,638
	2033	\$752,506	\$6,259,983	\$0	\$11,695,638
Additional Years as Required by 313.026(c)(1) (10 Years)	2034	\$714,880	\$6,974,863	\$0	\$11,695,638
	2035	\$679,136	\$7,653,999	\$0	\$11,695,638
	2036	\$645,179	\$8,299,179	\$0	\$11,695,638
	2037	\$612,920	\$8,912,099	\$0	\$11,695,638
	2038	\$582,274	\$9,494,374	\$0	\$11,695,638
	2039	\$541,515	\$10,035,889	\$0	\$11,695,638
	2040	\$503,609	\$10,539,498	\$0	\$11,695,638
	2041	\$458,284	\$10,997,783	\$0	\$11,695,638
	2042	\$407,873	\$11,405,656	\$0	\$11,695,638
	2043	\$354,850	\$11,760,505	\$0	\$11,695,638
		\$11,760,505	is greater than	\$11,695,638	
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

Source: CPA, Wildcat Ranch Wind Project, 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.

See Attachment D.

Board Finding Number 3.

The new qualifying jobs creation requirement under § 313.051(b) exceeds the industry standard for the number of employees reasonably necessary for the operation of the Applicant's facility described in the Application, and Applicant qualifies for a waiver of the new jobs requirement pursuant to § 313.025(f-1).

In support of this Finding, Applicant submitted information as Tab 12 to its Application regarding the industry standard for the number of jobs for a project with qualified property of this size and type. Tab 12 provides that for a project of the size and type described in the Application, the project will require less than 10 permanent jobs. According to the Applicant, wind projects create a large number of full and part-time, but temporary jobs during the construction phase of the project, but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences. Applicant further states that the industry standard requires approximately one (1) full time position for every 15 turbines. Applicant intends to install 60 turbines rated at 2.3 MW capacity and 7 turbines rated at 1.715 MW capacity within Whiteface CISD, with a total capacity of approximately 150 MW. A copy of Tab 12 submitted with the Application is attached hereto as Attachment J. Applicant reported in its Application that it would create a total of five (5) new qualifying jobs to service and support a wind farm of approximately 150 MW, which is less than the requirements of §313.051(b) but consistent with industry standards.

See also Attachments A (Tab 4), and D.

Board Finding Number 4.

The Applicant will create five (5) new qualifying jobs, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3), including: (1) at least 1,600 hours of work per year; (2) provision of group health benefit plan with at least 80% of the premium paid by Applicant; (3) pay an annual wage of \$40,049 (\$770.17 per week), an amount equal to at least 110% of the County average weekly wage for manufacturing jobs as defined under §313.021(5)(B); (4) are not created to replace a previous employee; and (5) are not transferred from another area of Texas to the project described the Application.

See Attachments A, D and J.

Board Finding Number 5.

The Applicant does not intend to create any non-qualifying jobs.

In its application, Applicant indicates that it does not intend to create any non-qualifying jobs. But, for any non-qualifying job which the Applicant may create, the Applicant will be required to pay at least \$726.25 per week, the county average wage for all jobs in the County, in accordance with the provisions of Texas Tax Code §313.024(d). *See* Attachments A and D.

Board Finding Number 6.

The ability of the Applicant to locate the proposed renewable energy facility in another state or another region of this state is significant because of the highly competitive marketplace for electricity and economic development. Therefore, the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in Texas and Whiteface CISD.

See Attachment C.

In support of Finding Number 6, the Comptroller's Certificate states, "[t]he Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construction the project in this state." See Attachment C. The Economic Impact Analysis states:

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

* * *

- Per Wildcat Ranch Wind Project, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. "NEER [NextEra Energy Resources] is keen to develop and build the proposed Wildcat Ranch Wind Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects."
 - B. "Due to the extremely competitive power market in SPP most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA."
 - C. "Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited."

See Attachment D. Tab 5 of the Application further states:

NextEra is active in states throughout the Great Plains and southwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. NEER has over 40 wind

sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, NEER currently has ongoing project developments in many states, including but not limited to, California, North Dakota and Oklahoma.

Board Finding Number 7.

The proposed limitation on appraised value for the qualified property is \$20,000,000.

The Comptroller's Minimum School District Limitation Values Report, effective January 1, 2016 (in place at the time the application was submitted), provides that the District is a Subchapter C, Category 3 District, with a minimum limitation of \$20,000,000. *See* Attachments A and D. The Comptroller's Minimum School District Limitation Values Report, effective January 1, 2017, provides that the District remained a Subchapter C, Category 3 District, with a minimum limitation of \$20,000,000.

Board Finding Number 8.

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

In support of this Finding, McDowell School Finance Consulting, LLC estimates in the District's Financial Impact Report, based on the property values recited Wildcat Ranch Wind's Application, that the project would add \$179,685,000 to the tax base at the peak investment level for tax year 2019. The additional project value is fully taxable for debt service taxes and can be used to meet any current or future debt needs. *See* Table I of Attachment E. *See also* Schedule B of Attachment A, and Table 4 of Attachment D. In addition, the potential revenue gains from Supplemental Payments provided for in the proposed Agreement are estimated to be \$700,000. *See* Attachment H at Section 6.2.A and Table VI of Attachment E.

Board Finding Number 9.

The effect of the Applicant's proposal, if approved, is not expected to increase the District's instructional facility needs. Whiteface CISD can easily accommodate the student growth anticipated from Applicant's project with its existing facilities.

In support of this finding, the District's Financial Impact Report states:

Wildcat Ranch Wind Project, LLC provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that 5 full-time employees are expected. It is not known whether these would be new employees to the Whiteface CISD, or if current residents would occupy these

positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new 5 positions equates to 3 new students.

This minimal projected student growth can easily be accommodated with the current facilities of Whiteface CISD.

See Table VII of Attachment E. See also TEA’s Facilities Impact Review Letter at Attachment F.

Board Finding Number 10.

The projected dollar amount of the maintenance and operations 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, based on the further depreciations of investment provided by Applicant, is shown in Table II of Attachment E (column labeled “Taxes w/o Agreement”), and is further based on the assumption that the projected total maintenance and operations tax rate per \$100 in valuation in each year of the Agreement will be as indicated in Table II.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District’s Revenue Losses	Net Tax Savings
2017-2018	1.04	0.327	0	0	0	0
2018-2019	1.04	0.324	0	0	0	0
2019-2020	1.04	0.218	1,868,724	1,660,724	(1,669,104)	(8,380)
2020-2021	1.04	0.222	1,737,913	1,529,913	0	1,529,913
2021-2022	1.04	0.225	1,616,259	1,408,259	0	1,408,259
2022-2023	1.04	0.228	1,503,121	1,295,121	0	1,295,121
2023-2024	1.04	0.231	1,397,903	1,189,903	0	1,189,903
2024-2025	1.04	0.233	1,300,050	1,092,050	0	1,092,050
2025-2026	1.04	0.235	1,209,046	1,001,046	0	1,001,046
2026-2027	1.04	0.237	1,124,413	916,413	0	916,413
2027-2028	1.04	0.238	1,045,704	837,704	0	837,704
2028-2029	1.04	0.079	972,505	764,505	0	764,505
2029-2030	1.04	0.000	923,879	0	0	0
2030-2031	1.04	0.000	877,685	0	0	0
2031-2032	1.04	0.000	833,801	0	0	0
2032-2033	1.04	0.000	792,111	0	0	0
2033-2034	1.04	0.000	752,506	0	0	0
Totals			17,955,621	11,695,638	(1,669,104)	10,026,534

See also Table 3 of Attachment D.

Board Finding Number 11.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does receive a limitation on appraised value with the projected depreciations of investment, is discernible from Table II of Attachment E (subtracting the amounts in the column labeled “Tax Savings with Agreement” from the column labeled “Taxes w/o Agreement”), and is based on the assumption that the projected total maintenance and operations tax rate per \$100 in valuation in each year of the Agreement will be as indicated in Table II.

TABLE II- Computation of Net Tax Savings:

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2019-2020	1.04	0.218	1,868,724	1,660,724	(1,669,104)	(8,380)
2020-2021	1.04	0.222	1,737,913	1,529,913	0	1,529,913
2021-2022	1.04	0.225	1,616,259	1,408,259	0	1,408,259
2022-2023	1.04	0.228	1,503,121	1,295,121	0	1,295,121
2023-2024	1.04	0.231	1,397,903	1,189,903	0	1,189,903
2024-2025	1.04	0.233	1,300,050	1,092,050	0	1,092,050
2025-2026	1.04	0.235	1,209,046	1,001,046	0	1,001,046
2026-2027	1.04	0.237	1,124,413	916,413	0	916,413
2027-2028	1.04	0.238	1,045,704	837,704	0	837,704
2028-2029	1.04	0.079	972,505	764,505	0	764,505
2029-2030	1.04	0.000	923,879	0	0	0
2030-2031	1.04	0.000	877,685	0	0	0
2031-2032	1.04	0.000	833,801	0	0	0
2032-2033	1.04	0.000	792,111	0	0	0
2033-2034	1.04	0.000	752,506	0	0	0
Totals			17,955,621	11,695,638	(1,669,104)	10,026,534

See also Table 4 of Attachment D.

Board Finding Number 12.

Based upon the Applicant's certification that the Application is true and correct, the Comptroller's Economic Impact Analysis, the Comptroller's Certificate Decision, and the consultants' review of these and other documents, the Board has determined that the information provided by the Applicant in its Application is true and correct as submitted.

Upon acceptance of the Application, the District requested the Comptroller to undertake an economic impact evaluation and retained certain consultants to help the Board determine: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's

information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning the economic incentives available are a determining factor; and, (5) the proposed project meets eligibility requirements for an Agreement under Tax Code Chapter 313.

As a part of its review process, the Board notes that the Application was submitted by Applicant under oath. Chapter 313 applications are governmental records under Tex. Penal Code §37.01(2)(A), and all representations contained therein are statements of fact within the meaning of Tex. Penal Code §37.01(3). Since Board action upon the adoption of these Findings and the approval of the Agreement (Attachment H) is an "official proceeding," a false statement in the Application would constitute perjury under Tex. Penal Code §37.03.

The Board finds that sworn statements are routinely relied upon by fact finders in official governmental proceedings. The Board further finds that reliance upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified, is reasonable and within the intent of Chapter 313, Texas Tax Code. See Attachments A, B, C and D.

Board Finding Number 13.

The Applicant (Taxpayer Id. 32056797346) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

See Attachments A, B and C.

Board Finding Number 14.

The project will be located within an area that is currently designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code. Should it be required, the District will cooperate with the Applicant's efforts to ensure that the area remains designated as a reinvestment zone through the Final Termination Date of the Agreement.

See Attachment A (Tabs 11 and 16).

Board Finding Number 15.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, meets all the requirements set out in Texas Tax Code §313.027, including adequate and appropriate revenue protection provisions for the District.

In support of this Finding and based on the information provided and verified by Applicant in its Application, the District's Financial Impact Analysis demonstrates that the District will incur a

revenue loss during tax year 2019. However, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District as set out in the Agreement. See Table II in Attachment E, and proposed Agreement, Article IV, at Attachment H.

Board Finding Number 16.

The Board finds that there are no conflicts of interest at the time of its consideration of the Agreement.

In support of this Finding, the Board finds that it has taken appropriate action to ensure that all District Trustees and the Superintendent have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code.

The Board further finds that it has taken appropriate action to ensure that all District employees and/or consultants have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code.

The Board further finds that it is unaware that a conflict of interest exists as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 17.

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

Board Finding Number 18.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, 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 T.A.C. Chapter 9, Subchapter F.

See Attachment I.

IT IS THEREFORE ORDERED, that all of the Findings above, including the recitals and statements set out in the Preamble herein, are adopted and approved as the Findings of the Whiteface

Consolidated Independent School District Board of Trustees, and the Board of Trustees has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and Texas Administrative Code 34, Chapter 9, subchapter F; and,

IT IS FURTHER ORDERED that the Application attached hereto as Attachment A is hereby APPROVED; and,

IT IS FURTHER ORDERED that the new jobs requirement pursuant to § 313.051(b) is hereby WAIVED; and,

IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment H is APPROVED contemporaneously with these Findings and is hereby authorized to be executed and delivered by the Trustees whose signatures appear below on behalf of the Whiteface Consolidated Independent School District, along with a copy of these Findings, which shall be binding upon the parties upon receipt of an executed original of the Agreement from Applicant; and,

IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of the Whiteface Consolidated Independent School District Board of Trustees.

Dated this 14th day of September, 2017.

Whiteface Consolidated Independent School District

By  _____
Signature

Corey Ayers President
Printed Name and Title

Attest:

By  _____
Signature

Joel Alvarez Secretary
Printed Name and Title

LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Application and Comptroller's Completeness Letter
B	Franchise Tax Certificate of Account Status
C	Comptroller's Certificate Letter
D	Comptroller Economic Impact Analysis
E	District's Financial Impact Analysis
F	TEA's Facilities Impact Letter
G	Comptroller's 2016 Property Value Study Report
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's September 13, 2017 Agreement Review Letter
J	Job Waiver Request



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 30, 2017

Dr. Cassidy McBrayer
Whiteface Consolidated School District
401 Antelope Blvd.
P.O. Box 7
Whiteface, TX 79379

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Whiteface Consolidated Independent School District and Wildcat Ranch Wind Project, LLC, Application 1186

Dear Superintendent McBrayer:

On April 25, 2017, the Comptroller's office received Wildcat Ranch Wind Project, LLC's (applicant) application for a limitation on appraised value (Application 1186) from Whiteface Consolidated Independent School District (school district).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on May 30, 2017.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the Comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the school district and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at desiree.caufield@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-8597 or at 512-936-8597.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Counihan", is written over a light blue horizontal line.

Will Counihan
Director
Data Analysis & Transparency Division

cc: Audie Sciumbato, Underwood Law Firm, P.C.
John Di Donato, NextEra Energy Holdings, Inc
Shanelle Wilson, NextEra Energy Resources, LLC
Wes Jackson, Cummings Westlake, LLC

WILDCAT RANCH WIND PROJECT, LLC

CHAPTER 313 APPLICATION FOR APPRAISED VALUE LIMITATION TO WHITEFACE CISD

Submitted: April 10, 2017

Deemed Complete: April 24, 2017

Wildcat Ranch Wind Project, LLC

Chapter 313 Application to Whiteface CISD

Cummings Westlake, LLC

TAB 1

Pages 1 through 7 of application.



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

April 10, 2017

Date Application Received by District

Dr. Cassidy

First Name

Superintendent

Title

Whiteface CISD

School District Name

401 Antelope Blvd.

Street Address

P.O. Box 7

Mailing Address

Whiteface

City

(806) 287-1154 ext:4002

Phone Number

Mobile Number (optional)

McBrayer

Last Name

TX

State

(806) 287-1131

Fax Number

Email Address

cmcbayer@whitefaceschool.net

79379

ZIP

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)

<u>Audie</u> First Name	<u>Sciumbato</u> Last Name
<u>Attorney</u> Title	
<u>Underwood Law Firm, P.C.</u> Firm Name	
<u>806-364-2626</u> Phone Number	<u>806-364-9368</u> Fax Number
	<u>audie.sciumbato@uwlaw.com</u> Email Address
<u>Mobile Number (optional)</u>	
4. On what date did the district determine this application complete?	<u>April 24, 2017</u>
5. Has the district determined that the electronic copy and hard copy are identical?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

<u>John</u> First Name	<u>Di Donato</u> Last Name
<u>Vice President Development</u> Title	<u>NextEra Energy Capital Holdings, Inc.</u> Organization
<u>700 Universe Blvd.</u> Street Address	
<u>700 Universe Blvd.</u> Mailing Address	
<u>Juno Beach</u> City	<u>FL</u> State
<u>(561) 694-3619</u> Phone Number	<u>33408</u> ZIP
<u>Mobile Number (optional)</u>	<u>john.didonato@nexteraenergy.com</u> 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.

<u>Shanelle</u> First Name	<u>Wilson</u> Last Name
<u>Project Manager</u> Title	<u>NextEra Energy Resources, LLC</u> Organization
<u>700 Universe Blvd.</u> Street Address	
<u>700 Universe Blvd.</u> Mailing Address	
<u>Juno Beach</u> City	<u>FL</u> State
<u>(561) 694-3619</u> Phone Number	<u>33408</u> ZIP
<u>Mobile Number (optional)</u>	<u>shanelle.wilson@NEE.com</u> 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)

Wes Jackson
 First Name Last Name
 Partner
 Title
 Cummings Westlake, LLC
 Firm Name
 (713) 266-4456 (713) 266-2333
 Phone Number Fax Number
 wjackson@cwlp.net
 Business Email Address

SECTION 3: Fees and Payments

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

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

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

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

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

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

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Wildcat Ranch Wind Project, LLC
 2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32056797346
 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

SECTION 5: Applicant Business Structure

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

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 checked="" type="checkbox"/> Land has no existing improvements	<input 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.

SECTION 9: Projected Timeline

- 1. Application approval by school board August 2017
- 2. Commencement of construction Q2 - 2018
- 3. Beginning of qualifying time period January 1, 2018
- 4. First year of limitation 2019
- 5. Begin hiring new employees Q4 - 2018
- 6. Commencement of commercial operations Q4 - 2018
- 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? Q4 - 2018

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Cochran County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Cochran 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: <u>Cochran, \$1.10, 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>Cochran Memorial, \$0.60, 100%</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>High Plains UWD#1, \$0.0075, 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>Countywide School, \$0.1437, 100%</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>South Plains College, \$0.40, 17%</u> <small>(Name, tax rate and percent of project)</small>
- 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? June 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): \$ 0.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to 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 2017
 (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? 5

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 725.00

b. 110% of the average weekly wage for manufacturing jobs in the county is N/A

c. 110% of the average weekly wage for manufacturing jobs in the region is 770.00

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? 40,049.00

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 40,049.00

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**.

Wildcat Ranch Wind Project, LLC

Chapter 313 Application to Whiteface CISD

Cummings Westlake, LLC

TAB 2

Proof of Payment of Application Fee

Please find on the attached page, a copy of the check for the \$80,000 application fee originally paid to Whiteface CISD.

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)*

Wildcat Ranch Wind Project, LLC

Chapter 313 Application to Whiteface CISD

Cummings Westlake, LLC

TAB 3

Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation (if applicable)

Wildcat Ranch Wind Project, LLC is a newly acquired entity and will be reported on the 2017 report for NextEra Energy Power Marketing, LLC as it was acquired after the 2016 report was filed. Attached is page 1 of 275 pages of the 2016 report.

Tcode 13250 Annual

Taxpayer number

Report year

Due date

32002608134

2016

05/16/2016

Taxpayer name NextEra Energy Power Marketing, LLC				Secretary of State file number or Comptroller file number 0801079569	
Mailing address 700 Universé Blvd., CTX-JB				PO Box 14000	
City Juno Beach		State FL	Country		ZIP code plus 4 33408
Check box if this is a combined report <input type="checkbox"/>		Check box if Total Revenue is adjusted for Tiered Partnership Election, see instructions <input type="checkbox"/>		Check box to request a Certificate of Account Status <input type="checkbox"/>	
Is this entity a corporation, limited liability company, professional association, limited partnership or financial institution? <input type="checkbox"/> Yes <input type="checkbox"/> No					

*If not twelve months, see instructions for annualized revenue

Accounting year m m d d y y Accounting year m m d d y y SIC code NAICS code
 begin date** 010115 end date 123115 551112

REVENUE (Whole dollars only)

1. Gross receipts or sales	1. <input type="checkbox"/>	29713068404.00
2. Dividends	2. <input type="checkbox"/>	18687443.00
3. Interest	3. <input type="checkbox"/>	9099254.00
4. Rents (can be negative amount)	4. <input type="checkbox"/>	23489136.00
5. Royalties	5. <input type="checkbox"/>	0.00
6. Gains/losses (can be negative amount)	6. <input type="checkbox"/>	-167236826.00
7. Other income (can be negative amount)	7. <input type="checkbox"/>	477067373.00
8. Total gross revenue (Add items 1 thru 7)	8. <input type="checkbox"/>	30074174784.00
9. Exclusions from gross revenue (see instructions)	9. <input type="checkbox"/>	22715278.00
10. TOTAL REVENUE (Item 8 minus item 9 if less than zero, enter 0)	10. <input type="checkbox"/>	30051459506.00

COST OF GOODS SOLD (Whole dollars only)

11. Cost of goods sold	11. <input type="checkbox"/>	27218704255.00
12. Indirect or administrative overhead costs (Limited to 4%)	12. <input type="checkbox"/>	75290332.00
13. Other (see instructions)	13. <input type="checkbox"/>	0.00
14. TOTAL COST OF GOODS SOLD (Add items 11 thru 13)	14. <input type="checkbox"/>	27293994587.00

COMPENSATION (Whole dollars only)

15. Wages and cash compensation	15. <input type="checkbox"/>	1818145256.00
16. Employee benefits	16. <input type="checkbox"/>	149635293.00
17. Other (see instructions)	17. <input type="checkbox"/>	0.00
18. TOTAL COMPENSATION (Add items 15 thru 17)	18. <input type="checkbox"/>	1967780549.00

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>
PM Date	



TAB 4

Detailed Description of the Project

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

Wildcat Ranch Wind Project, LLC (Wildcat) is requesting an appraised value limitation from Whiteface Consolidated Independent School District (ISD) for the Wildcat Ranch Wind Project (the "Project"), a proposed wind powered electric generating facility in Cochran County. The proposed Whiteface CISD Project (this application) will be constructed within a Reinvestment Zone that will be established by Cochran County by the end of June 2017. A map showing the location of the project is included in TAB 11.

The proposed Project is anticipated to have a capacity of approximately 150 MW located in Whiteface CISD. The exact number and location of wind turbines and size of each turbine will vary depending upon ongoing wind and siting analysis, turbine manufacturer's availability, prices, and the megawatt generating capacity of the Project when completed. Current estimated plans are to install 60 of the 2.3 MW GE turbines and 7 of the 1.715 MW GE turbines with all turbines located in Whiteface CISD. Wildcat is also constructing transmission generation tie line in Whiteface CISD which is estimated to be approximately 5.5 miles in length. The Applicant requests a value limitation for all facilities and equipment installed for the Project, including but not limited to, wind turbines, towers, foundations, roadways, buildings and offices, meteorological towers, collection system, communication system, electric substation, electric switchyard, electric transformers, transmission line and associated towers, and interconnection facilities.

Full construction of the Project is anticipated to begin in the 2nd Quarter of 2018 with completion by December 31, 2018.

**NOTE:* The map in TAB 11 shows the potential locations of 67 of the wind turbines, a collector substation within Whiteface CISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

TAB 5

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

NextEra Energy Resources (NEER) is one of the largest wholesale generators of electric power in the U.S., with nearly 19,880 MW of generating capacity across 24 states and four Canadian provinces as of January 2017. NEER produces the majority of its electricity from clean and renewable sources, including wind and solar. NEER also provides full energy and capacity requirements services, engages in power and gas marketing and trading activities, participates in natural gas, natural gas liquids and oil production and pipeline infrastructure development and owns a retail electricity provider. NEER has a long term commitment to both wind and solar with an outlook to significantly expand our fleet of clean energy generating capacity.

NEER is keen to develop and build the proposed Wildcat Ranch Wind Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects. NextEra is active in states throughout the Great Plains and southwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. NEER has over 40 wind sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, NEER currently has ongoing project developments in many states, including but not limited to, California, North Dakota and Oklahoma.

Due to the extremely competitive power market in SPP most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Wildcat Ranch Wind Project, LLC

Chapter 313 Application to Whiteface CISD

Cummings Westlake, LLC

TAB 6

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

- | | |
|------------------------------|--------|
| 1) Cochran County | - 100% |
| 2) Whiteface CISD | - 100% |
| 3) High Plains UGWD #1 | - 100% |
| 4) Countywide School | - 100% |
| 5) Cochran Memorial Hospital | - 100% |
| 6) South Plains College | - 17% |

TAB 7

Description of Qualified Investment

Wildcat Ranch Wind Project, LLC plans to construct a 150 MW wind farm in Cochran County.

This application covers all qualified property within Whiteface CISD necessary for the commercial operations of the proposed wind farm described in Tab 4. One hundred and fifty megawatts (150 MW) will be located in Whiteface CISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 60 of the 2.3 MW turbines and 7 of the 1.715 MW turbines manufactured by GE. Wildcat Ranch Wind is also constructing approximately 5.5 miles of generation transmission tie line that will be in Whiteface CISD.

This application covers all qualified investment and qualified property necessary for the commercial operations of the wind farm.

Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, buildings and offices, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, spare parts, and control systems necessary for commercial generation of electricity.

**NOTE:* The map in TAB 11 shows the potential locations of 67 of the wind turbines, a collector substation within Whiteface CISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

Wildcat Ranch Wind Project, LLC

Chapter 313 Application to Whiteface CISD

Cummings Westlake, LLC

TAB 8

Description of Qualified Property

(See Tab 7)

Wildcat Ranch Wind Project, LLC

Chapter 313 Application to Whiteface CISD

Cummings Westlake, LLC

TAB 9

Description of Land

Not Applicable

Wildcat Ranch Wind Project, LLC

Chapter 313 Application to Whiteface CISD

Cummings Westlake, LLC

TAB 10

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

Wildcat Ranch Wind Project, LLC

Chapter 313 Application to Whiteface CISD

Cummings Westlake, LLC

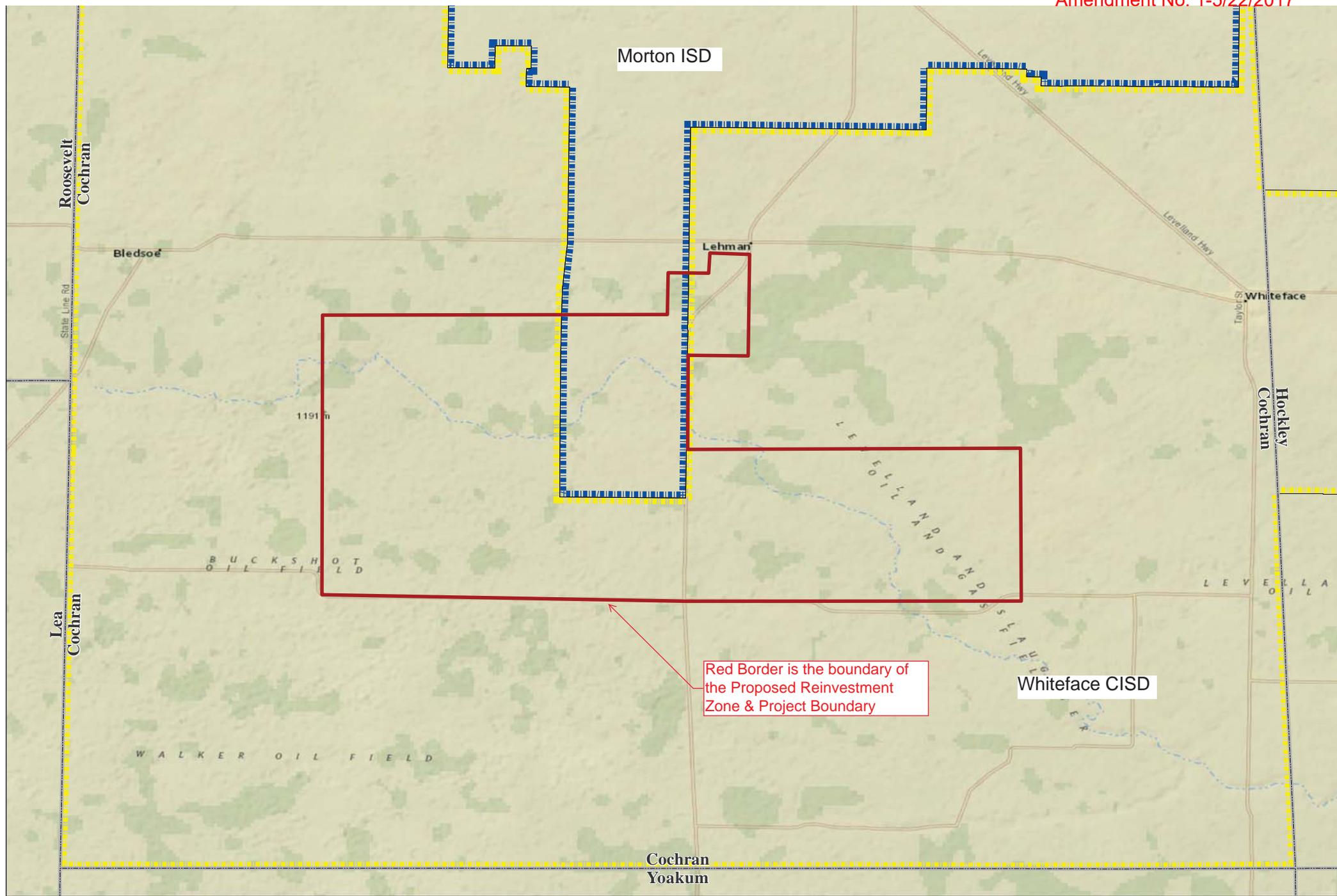
TAB 11

Maps that clearly show:

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

11a) Vicinity Map of Project

Amendment No. 1-5/22/2017



- Morton ISD
- Whiteface Cons ISD
- Proposed Reinvestment Zone
- County



11) Vicinity Map of Qualified Investment, Qualified Property & Reinvestment Zone

Amendment No. 1-5/22/2017

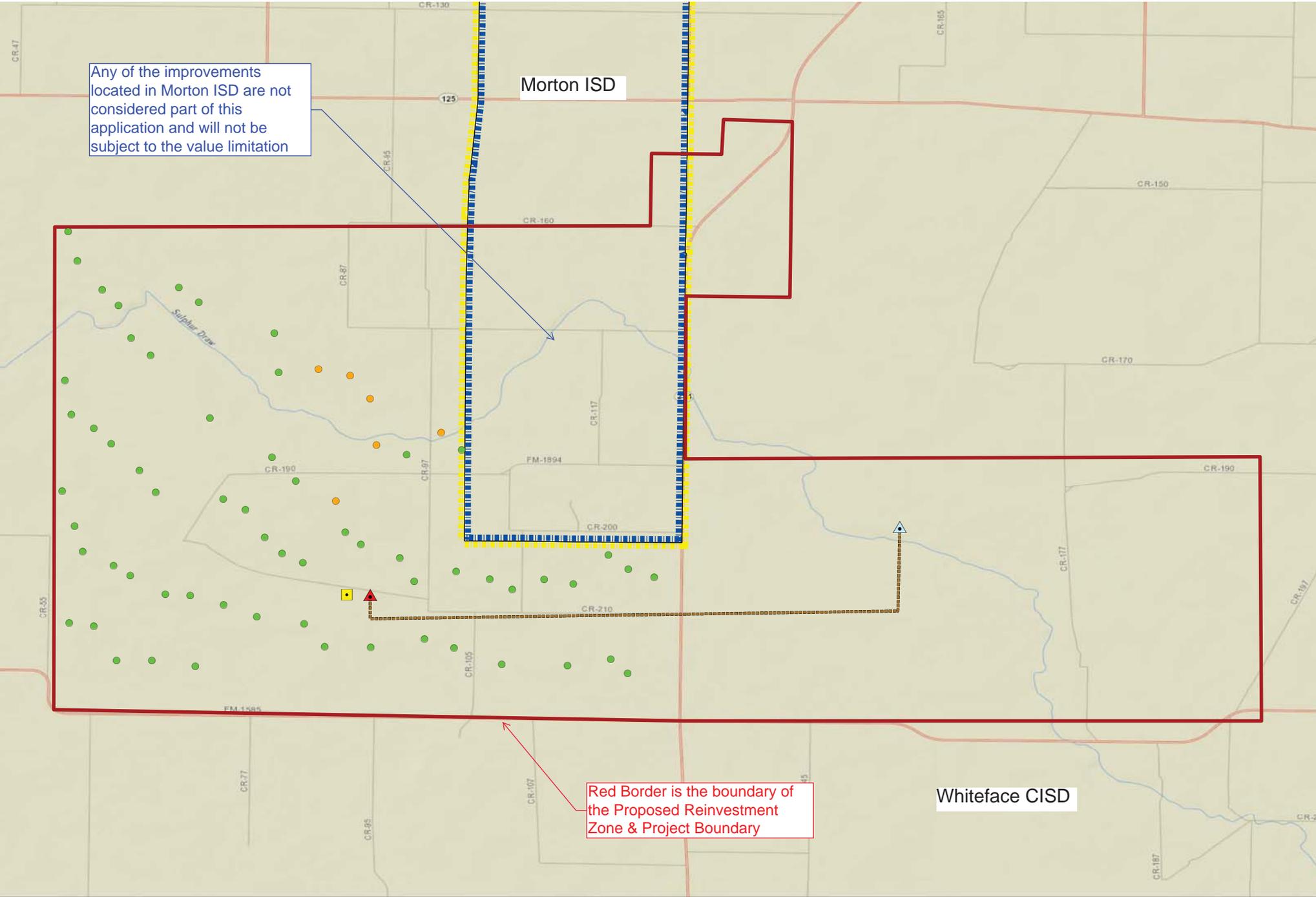
Any of the improvements located in Morton ISD are not considered part of this application and will not be subject to the value limitation

Morton ISD

Red Border is the boundary of the Proposed Reinvestment Zone & Project Boundary

Whiteface CISD

Wildcat Ranch



- Proposed GE 1.7 Turbine
- Proposed GE 2.3 Turbine
- O&M Building
- ▲ Collection Substation
- ▲ Transmission Substation
- Gen-Tie
- Morton ISD
- Whiteface Cons ISD
- Project Boundary
- County



Wildcat Ranch Wind Project, LLC

Chapter 313 Application to Whiteface CISD

Cummings Westlake, LLC

TAB 12

Request for Waiver of Job Creation Requirement and supporting information (if applicable)

See Attached

CUMMINGS WESTLAKE LLC

12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

April 3, 2017

Dr. Cassidy McBrayer
Whiteface Consolidated Independent School District
401 Antelope Blvd.
Whiteface, TX 79379

Re: Chapter 313 Job Waiver Request

Dear Dr. McBrayer,

Wildcat Ranch Wind Project, LLC (Wildcat) requests that the Whiteface Consolidated Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the tax code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Wildcat requests that the Whiteface Consolidated Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Wildcat has committed to create 5 total jobs for the project, all of which will be in Whiteface CISD.

Wind projects create a large number of full and part-time, but temporary jobs during the construction phase of the project and require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The number of jobs specified in this application is in line with the industry standards for a wind farm of this scope and size. The industry standard for employment is typically one full-time employee for approximately every 15 turbines. This number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. This is evidenced by previously filed limitation agreement applications by wind developers who also requested a waiver of the job requirements.

Sincerely,



J. Weston Jackson
Partner

TAB 13

Calculation of three possible wage requirements with TWC documentation

- Cochran County average weekly wage for all jobs (all industries)
- Cochran County average weekly wage for all jobs (manufacturing)
- See attached Council of Governments Regional Wage Calculation and Documentation

**WILDCAT RANCH WIND PROJECT, LLC
TAB 13 TO CHAPTER 313 APPLICATION - WHITEFACE CISD**

CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*		ANNUALIZED
FIRST	2016	\$	741	\$ 38,532
SECOND	2016	\$	723	\$ 37,596
THIRD	2016	\$	677	\$ 35,204
FOURTH	2015	\$	760	\$ 39,520
AVERAGE		\$	725	\$ 37,713

CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

*No data available

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

REGION	YEAR	AVG WEEKLY WAGES*		ANNUALIZED
South Plains	2015	\$	700	\$ 36,408
		X	110%	110%
		\$	770	\$ 40,049

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

[Back](#)

D.PERIODYEAR

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2016	1st Qtr	Cochran County	Private	00	0	10	Total, All Industries	\$741
2016	2nd Qtr	Cochran County	Private	00	0	10	Total, All Industries	\$723
2016	3rd Qtr	Cochran County	Private	00	0	10	Total, All Industries	\$677
2015	4th Qtr	Cochran County	Private	00	0	10	Total, All Industries	\$760

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

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

$\$36,408 \times 110\% = \$40,049$

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.

Wildcat Ranch Wind Project, LLC

Chapter 313 Application to Whiteface CISD

Cummings Westlake, LLC

TAB 14

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

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

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district				Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	0
Investment made after filing complete application with district, but before final board approval of application	-	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	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	2018-2019	2018	180,600,000	900,000	0	0	181,500,000
	QTP2	2019-2020	2019	0	0	0	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				180,600,000	900,000	0	0	181,500,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				181,500,000				

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 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

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

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

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

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

Date **3/17/2016**
 Applicant Name **Wildcat Ranch Wind Project, LLC**
 ISD Name **Whiteface CISD**

Form 50-296A

Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property {SEE NOTE}	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		180,600,000	900,000	0	0	181,500,000
Enter amounts from TOTAL row in Schedule A1 in the row below								
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2017-2018	2017	0	0	0	0	0
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2018-2019	2018	0	0	0	0	0
Value limitation period***	1	2019-2020	2019	0	0	0	0	0
	2	2020-2021	2020	0	0	0	0	0
	3	2021-2022	2021	0	0	0	0	0
	4	2022-2023	2022	0	0	0	0	0
	5	2023-2024	2023	0	0	0	0	0
	6	2024-2025	2024	0	0	0	0	0
	7	2025-2026	2025	0	0	0	0	0
	8	2026-2027	2026	0	0	0	0	0
	9	2027-2028	2027	0	0	0	0	0
	10	2028-2029	2028	0	0	0	0	0
Total Investment made through limitation				180,600,000	900,000	0	0	181,500,000
Continue to maintain viable presence	11	2029-2030	2029			0		0
	12	2030-2031	2030			0		0
	13	2031-2032	2031			0		0
	14	2032-2033	2032			0		0
	15	2033-2034	2033			0		0
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034-2035	2034			0		0
	17	2035-2036	2035			0		0
	18	2036-2037	2036			0		0
	19	2037-2038	2037			0		0
	20	2038-2039	2038			0		0
	21	2039-2040	2039			0		0
	22	2040-2041	2040			0		0
	23	2041-2042	2041			0		0
	24	2042-2043	2042			0		0
	25	2043-2044	2043			0		0

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

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

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

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

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

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

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

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

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

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

Date

3/17/2016

Applicant Name

Wildcat Ranch Wind Project, LLC

Form 50-296A

ISD Name

Whiteface CISD

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	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	2017	0	0	0	0	0	0	
	0	2018-2019	2018	0	0	0	0	0	0	
Value Limitation Period	1	2019-2020	2019	0	891,000	178,794,000	179,685,000	179,685,000	20,000,000	
	2	2020-2021	2020	0	828,630	166,278,420	167,107,050	167,107,050	20,000,000	
	3	2021-2022	2021	0	770,625	154,638,931	155,409,556	155,409,556	20,000,000	
	4	2022-2023	2022	0	716,682	143,814,205	144,530,887	144,530,887	20,000,000	
	5	2023-2024	2023	0	666,514	133,747,211	134,413,725	134,413,725	20,000,000	
	6	2024-2025	2024	0	619,858	124,384,906	125,004,764	125,004,764	20,000,000	
	7	2025-2026	2025	0	576,468	115,677,963	116,254,431	116,254,431	20,000,000	
	8	2026-2027	2026	0	536,115	107,580,505	108,116,620	108,116,620	20,000,000	
	9	2027-2028	2027	0	498,587	100,049,870	100,548,457	100,548,457	20,000,000	
	10	2028-2029	2028	0	463,686	93,046,379	93,510,065	93,510,065	20,000,000	
Continue to maintain viable presence	11	2029-2030	2029	0	440,502	88,394,060	88,834,562	88,834,562	88,834,562	
	12	2030-2031	2030	0	418,477	83,974,357	84,392,834	84,392,834	84,392,834	
	13	2031-2032	2031	0	397,553	79,775,639	80,173,192	80,173,192	80,173,192	
	14	2032-2033	2032	0	377,675	75,786,857	76,164,532	76,164,532	76,164,533	
	15	2033-2034	2033	0	358,791	71,997,515	72,356,306	72,356,306	72,356,306	
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034-2035	2034	0	340,851	68,397,639	68,738,490	68,738,490	68,738,491	
	17	2035-2036	2035	0	323,809	64,977,757	65,301,566	65,301,566	65,301,566	
	18	2036-2037	2036	0	307,618	61,728,869	62,036,487	62,036,487	62,036,488	
	19	2037-2038	2037	0	292,237	58,642,426	58,934,663	58,934,663	58,934,664	
	20	2038-2039	2038	0	277,626	55,710,304	55,987,930	55,987,930	55,987,930	
	21	2039-2040	2039	0	258,192	51,810,583	52,068,775	52,068,775	52,068,775	
	22	2040-2041	2040	0	240,118	48,183,842	48,423,960	48,423,960	48,423,961	
	23	2041-2042	2041	0	218,508	43,847,296	44,065,804	44,065,804	44,065,804	
	24	2042-2043	2042	0	194,471	39,024,094	39,218,565	39,218,565	39,218,566	
	25	2043-2044	2043	0	169,190	33,950,962	34,120,152	34,120,152	34,120,152	

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

Schedule C: Employment Information

Date 3/17/2016
 Applicant Name Wildcat Ranch Wind Project, LLC
 ISD Name Whiteface CISD

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	2017	0	0	0	0	0
	0	2018-2019	2018	250 FTE	50,000	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2019-2020	2019	N/A	N/A	0	5	40,049
	2	2020-2021	2020	N/A	N/A	0	5	40,049
	3	2021-2022	2021	N/A	N/A	0	5	40,049
	4	2022-2023	2022	N/A	N/A	0	5	40,049
	5	2023-2024	2023	N/A	N/A	0	5	40,049
	6	2024-2025	2024	N/A	N/A	0	5	40,049
	7	2025-2026	2025	N/A	N/A	0	5	40,049
	8	2026-2027	2026	N/A	N/A	0	5	40,049
	9	2027-2028	2027	N/A	N/A	0	5	40,049
	10	2028-2029	2028	N/A	N/A	0	5	40,049
Years Following Value Limitation Period	11 through 25	2029-2044	2029-2043	N/A	N/A	0	5	40,049

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

- C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 Yes No
 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
 If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)? Yes No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)? Yes No

Schedule D: Other Incentives (Estimated)

Date 3/17/2016
Applicant Name Wildcat Ranch Wind Project, LLC
ISD Name Whiteface CISD

Form 50-296A

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Cochran County	2019	10 Years	Avg. \$1,460,000	100%	0
	City:	N/A	N/A	N/A	N/A	N/A
	Other: Cochran Hospital	2019	10 Years	Avg. \$795,000	100%	0
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A		N/A	
Texas Enterprise Fund	N/A	N/A	N/A		N/A	
Employee Recruitment	N/A	N/A	N/A		N/A	
Skills Development Fund	N/A	N/A	N/A		N/A	
Training Facility Space and Equipment	N/A	N/A	N/A		N/A	
Infrastructure Incentives	N/A	N/A	N/A		N/A	
Permitting Assistance	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
TOTAL				Avg. \$2,255,000		0

Additional information on incentives for this project:

Cochran County Terms: No agreement has been signed.

Wildcat Ranch Wind Project, LLC

Chapter 313 Application to Whiteface CISD

Cummings Westlake, LLC

TAB 15

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

None

Wildcat Ranch Wind Project, LLC

Chapter 313 Application to Whiteface CISD

Cummings Westlake, LLC

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- 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 established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

16a) Not Applicable

16b) To be submitted once County establishes Reinvestment Zone

16c) To be submitted once County establishes Reinvestment Zone

16d) To be submitted once County adopts Guidelines and Criteria

Designation of Cochran	§	The Commissioners' Court
County Wildcat Ranch Wind Project	§	of
Reinvestment Zone	§	Cochran County, Texas

ORDER

**Approving Motion for Designation
of Cochran County Wildcat Ranch Wind Project Reinvestment Zone**

The Commissioners' Court of Cochran County, Texas, meeting in regular session on the 12th day of June, 2017, considered the following resolution:

BE IT ORDERED BY THE COMMISSIONERS' COURT OF COCHRAN COUNTY, TEXAS AS FOLLOWS

Motion by Commissioner Roberts, seconded by Morin, that the following action be taken by the court:

1. THAT the County designate the property located in Cochran County, having the boundary description in Exhibit A and shown on the map in Exhibit B, both attached to this **Order**, as a Reinvestment Zone under the Cochran County Guidelines and Criteria for Granting Tax Abatements, having determined that the designation will contribute to the retention or expansion of primary employment and will attract major investment in the zone that will benefit the zone and will contribute to the economic development of the County, and
2. THAT the zone shall be called the "Wildcat Ranch Wind Project Reinvestment Zone."

This ORDER shall become effective as of June 12, 2017. PASSED AND APPROVED at this public hearing of the Cochran County Commissioners Court, at which a quorum was present, on the 12th day of June, 2017.

Pat Sabala Henry Pat Sabala Henry, Cochran County Judge

Jimmy Roberts Date: 6-12-17, Commissioner Precinct 1

Paul Hylbi Date: 6-12-17, Commissioner Precinct 2

_____ Date: _____, Commissioner Precinct 3

Reynaldo Morin Date: 6-12-17, Commissioner Precinct 4

ATTESTED: Sharon Newbre Date: 6-12-17, County Clerk



Exhibit A

THE FOLLOWING REAL PROPERTY LOCATED IN GLASSCOCK COUNTY, TX:

WILDCAT RANCH WIND PROJECT REINVESTMENT ZONE

PARCEL #	CNTY PIN	PARCEL	BRIEF LEGAL
WCR1285	11835	4490.57	92 93 MILLS 4,439 ACRES
WCR1286	13270	4446.48	81 92 LIPSCOMB 4,439 ACRES
WCR1166	14266	4426.33	125 1-25 152 RANDALL 4,444 ACRES
WCR1227	14360	4282.38	124 1-25 151 RANDALL 4,446 ACRES
WCR1277	15105	4175.21	106 2-9;11-25 133 ARMSTRONG 4,088 ACRES
WCR1060	14181	3511.55	123 NPT OF 150 RANDALL V252/776;267/001 942.8 ACRES
WCR1278	14487	3328.08	107 2-9; 12-19; 22-25 134 ARMSTRONG 3,557 ACRES
WCR1284	11493	3046.13	93 SPT OF 94 MILLS CSL SHED; STGS 2,815 ACRES
WCR1177	14331	2576.16	113 11-25 132 CARSON 2,664 ACRES
WCR1238	16536	1911.08	108 4-7; 14-19 135 ARMSTRONG 1,753 ACRES
WCR1138	14222	1294.70	105 1-9 114 POTTER 1,268 ACRES
WCR1185	14223	1201.61	105 PT OF 114 POTTER 1,332.9 ACRES
WCR1069	14477	1173.19	102 PT OF SWPT OF W/2 OF 113 POTTER .500000 INT IN 1,184.4 ACRES
WCR1178	14313	884.75	102 SPT OF E/2 OF 113 POTTER 888.8 ACRES
WCR1162	14061	738.60	103 4-8 115 POTTER 592 ACRES
WCR1087	16541	714.33	110 NWPT OF 11;12- EPT 13 130 CARSON 468.53 ACRES
WCR1160	14062	568.70	103 9-12 115 POTTER 740 ACRES
WCR1028	14134	566.47	102 PT OF SWPT OF W/2 OF 113 POTTER 592.5 ACRES
WCR1001	14501	500.44	TRACT 14 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 504.1 ACRES
WCR1089	13417	496.04	102 PT OF CPT OF E/2 OF 113 POTTER 444 ACRES
WCR1038	14059	486.94	102 NPT OF W/2 OF 10-12 113 POTTER 444 ACRES
WCR1163	14485	461.18	WPT OF TRACT 7 F O SUBD #2 (AB 107 LGE 134 ARMSTRONG CSL) (AB 108 LGE 135 ARMSTRONG CSL) 454 ACRES
WCR1044	12647	450.56	102 NPT OF E/2 OF 113 POTTER 444.3 ACRES
WCR1196	14216	444.83	102 MID PT OF SE/2 OF 113 POTTER 444 ACRES
WCR1245	41727	402.19	WPT OF TRACT 18 F O SUBD #2 (AB 107 LGE 134 ARMSTRONG CSL) 197.71 ACRES
WCR1151	14319	359.33	TRACT 5 F O SUBD #2 (AB 108 LGE 135 ARMSTRONG CSL) 367 ACRES
WCR1012	14388	351.84	TRACT 19 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 364 ACRES
WCR1086	14325	349.33	110 3 & 8 130 CARSON 349 ACRES
WCR1249	14236	347.73	PT OF TRACT 29 F O SUBD #2 (AB 112/113 LGE 131/132 CARSON
WCR1234	13422	347.69	PT OF TRACT 9 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) (AB 112 LGE 131 CARSON CSL) 345 ACRES
WCR1254	14505	345.58	SPT OF TRACT 26 F O SUBD #2 (AB 113 LGE 132 CARSON CSL) 347 ACRES
WCR1094	14072	341.33	110 1-2 130 CARSON 349.2 ACRES
WCR1159	14148	340.55	110 9-10 130 CARSON 349.2 ACRES
WCR1053	15120	340.01	TRACT 20 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 346 ACRES
WCR1237	14324	338.85	TRACT 12 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) (AB 112 LGE 131 CARSON CSL) 331 ACRES
WCR1007	14075	333.98	TRACT 22 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 337 ACRES
WCR1000	15119	330.78	TRACT 17 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 333.3 ACRES
WCR1046	15121	328.29	TRACT 21 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 330 ACRES
WCR1127	14074	327.99	TRACT 16 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 330.3 ACRES
WCR1217	41730	324.32	TRACT 15 F O SUBD
WCR1242	16545	324.26	SPT OF TRACT 27 F O SUBD #2 (AB 113 LGE 132 CARSON CSL) 334.6 ACRES
WCR1233	14493	308.40	TRACT 8 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) (AB 112 LGE 131 CARSON CSL) 314 ACRES
WCR1236	14494	308.30	TRACT 11 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) (AB 112 LGE 131 CARSON CSL) 314 ACRES
WCR1235	41733	306.44	TRACT 10 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) (AB 112 LGE 131 CARSON CSL) 314 ACRES
WCR1124	14069	302.41	TRACT 1 F O SUBD #2 (AB 108 LGE 135 ARMSTRONG CSL) 306 ACRES
WCR1244	14068	302.13	PT OF TRACT 28 F O SUBD #2 AB 106 LGE 133 ARMSTRONG CSL 313.6 ACRES
WCR1134	15108	300.48	TRACT 3 F O SUBD #2 (AB 108 LGE 135 ARMSTRONG CSL) 306 ACRES
WCR1135	15107	300.01	TRACT 2 F O SUBD #2 (AB 108 LGE 135 ARMSTRONG CSL) 306 ACRES
WCR1247	14153	299.98	SPT OF TRACT 25 F O SUBD #2 (AB 113 LGE 132 CARSON CSL)
WCR1156	14480	277.35	104 75-76 116 POTTER (C A PIERCE SUBD #2) 299 ACRES
WCR1256	14235	274.56	SPT OF TRACT 24 F O SUBD #2 (AB 113 LGE 132 CARSON CSL) 273 ACRES
WCR1048	15111	235.43	110 4; EPT OF 5 130 CARSON 242 ACRES
WCR1085	14495	233.71	110 EPT OF 6-7 130 CARSON 238 ACRES
WCR1030	15109	213.84	EPT OF TRACT 4 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) 220 ACRES
WCR1184	14320	203.53	WPT OF TRACT 6 F O SUBD #2 (AB 108 LGE 135 ARMSTRONG CSL) .500000 INT IN 236 ACRES
WCR1024	14146	170.25	EPT OF WPT OF TRACT 13 F O SUBD #2 (AB 107 LGE 134 ARMSTRONG CSL) 145 ACRES
WCR1025	13420	169.86	WPT OF TRACT 13 F O SUBD #2 (AB 107 LGE 134 ARMSTRONG CSL) 145 ACRES
WCR1126	14233	163.75	EPT OF TRACT 13 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 166.7 ACRES

WCR1068	16535	154.31	EPT OF TRACT 6 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) .500000 INT IN 131 ACRES
WCR1273	41724	153.28	EPT OF TRACT 18 F O SUBD #2 (AB 112 LGE
WCR1182	14226	153.02	110 94 130 CARSON CSL (C A PIERCE SUBD #2) 156.9 ACRES
WCR1268	14137	151.24	104 TR 3 116 POTTER (SW CORNER OF LGE 116) 148 ACRES
WCR1181	14230	149.22	111 77 129 CARSON CSL (C A PIERCE SUBD #2) 150 ACRES
WCR1269	14481	141.04	104 TR 2 116 POTTER CSL (SW CORNER OF LGE 116) 148 ACRES
WCR1136	14315	140.34	104 PT OF TR 1 116 POTTER (SW CORNER OF LGE 116) 140.5 ACRES
WCR1250	14503	121.56	EPT OF TRACT 23 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 107.7 ACRES
WCR1180	14070	88.87	WPT OF TRACT 4 F O SUBD #2 (AB 108 LGE 135 ARMSTRONG CSL) 86 ACRES
WCR1257	15123	81.56	NPT OF TRACT 24 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 85 ACRES
WCR1255	14328	70.57	NPT OF TRACT 26 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 54 ACRES
WCR1240	14077	69.69	NPT OF TRACT 27 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 66 ACRES
WCR1251	14330	60.50	PT OF TRACT 29 F O SUBD #2 (AB 112/113 LGE 131/132 CARSON
WCR1101	14318	35.26	105 NWPT OF 4 114 POTTER 5 ACRES
WCR1246	14324	32.12	TRACT 12 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) (AB 112 LGE 131 CARSON CSL) 331 ACRES
WCR1243	14145	32.00	E PT OF TRACT 28 F O SUBD #2 AB 113 LGE 132 CARSON CSL 31.4 ACRES
WCR1062	15118	24.50	SEPT OF TRACT 7 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) (AB 112 LGE 131 CARSON CSL) 33 ACRES
WCR1239	14389	10.92	PT OF SE/CORN OF TRACT 27 F O SUBD #2 (AB 113 LGE 132 CARSON CSL) 11 ACRES
WCR1253	14329	8.48	NPT OF TRACT 26 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 10 ACRES
WCR1088	15112	6.01	110 SEPT OF 11 130 CARSON 6 ACRES
WCR1252	14327	4.95	NPT OF TRACT 26 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 2 RES; 2 SHOPS; CP 5 ACRES
WCR1241	14078	3.98	SPT OF TRACT 27 F O SUBD #2 (AB 113 LGE 132 CARSON CSL) BUNKER 4 ACRES
WCR1283	12012	3.26	16X14 OFFICE-STORAGE; 14X24 BLDG:15X21 CONC LOC LAB 12 LGE 134 ARMSTRONG
WCR1248	14154	1.00	SPT OF TRACT 29 F O SUBD #2 (AB 113 LGE
WCR1282	12011	0.33	16X20 METAL OFFICE LOC LAB 22 LGE 133 ARMSTRONG CSL

Pat



COMMISSIONERS
PRECINCT NO. 1
TIMOTHY ROBERTS

PRECINCT NO. 2
BRUCE HEFLIN

OFFICE OF
PAT S. HENRY
COCHRAN COUNTY JUDGE
COURTHOUSE ROOM 105
MORTON, TEXAS 79346-2558
PHONE 806/266-5508 or 266-5509
FAX 806/266-5629 or 266-9027

COMMISSIONERS
PRECINCT NO. 3
ERIC SILHAN

PRECINCT NO. 4
REYNALDO MORIN

COCHRAN COUNTY COMMISSIONER'S COURT

CALLED MEETING

THE FOLLOWING MATTERS WILL COME BEFORE THE COCHRAN COUNTY COMMISSIONER'S COURT ON **WEDNESDAY, APRIL 19th, 2017 @ 9:30 a.m.** IN THE COCHRAN COUNTY COMMISSIONER'S COURTROOM, LOCATED IN THE COCHRAN COUNTY COURTHOUSE, MORTON, TEXAS.

- 1. PUBLIC COMMENTS (LIMITED TO (3) MINUTES PER PERSON)
- 2. DISCUSS & ACT UPON: ADOPTING TAX ABATEMENT GUIDELINES & CRITERIA
1st Roberts 2nd Hefflin
- 3. DISCUSS & ACT UPON: A RESOLUTION ELECTING TO BE ELIGIBLE TO PARTICIPATE IN TAX ABATEMENT PURSUANT TO TEXAS TAX CODE §312.002 (a).
1st Hefflin 2nd Morin
- 4. DISCUSS & ACT UPON: ENGAGEMENT AGREEMENT WITH WETSEL, CARMICHAEL AND ALLEN L.L.C.
1st Morin 2nd Roberts
- 5. CORRESPONDENCE: REVIEW CORRESPONDENCE & OTHER BUSINESS BROUGHT BEFORE THE COURT.
- 6. DATE & TIME FOR NEXT REGULAR AGENDA DUE TO NOT HAVING A QUORUM

NOTICE IS HEREBY GIVEN THAT THE REGULARLY SCHEDULED COMMISSIONER'S COURT MEETING FOR THURSDAY, APRIL 27TH HAS BEEN RE-SCHEDULED FOR MONDAY, APRIL 24TH, 2017 @ 1:30 p.m.

**Eligibility to Participate
Tax Abatement**

§
§
§

**The Commissioners' Court
of
Cochran County, Texas**

RESOLUTION

**Declaring Cochran County, Texas
Eligible to Participate in Tax Abatement**

The Commissioners' Court of Cochran County, Texas, meeting in regular session on the 19th day of April, 2017, considered the following resolution:

BE IT RESOLVED BY THE COMMISSIONERS' COURT OF COCHRAN COUNTY, TEXAS AS FOLLOWS

THAT the Commissioners' Court of Cochran County, Texas elects to become eligible to participate in tax abatements as authorized by Chapter 312 of the Texas Tax Code.

Motion by Commissioner Heflin, seconded by MORIN, that the aforesaid action be taken by the court.

This RESOLUTION shall become effective as of April 19, 2017. PASSED AND APPROVED at this public hearing of the Cochran County Commissioners Court, at which a quorum was present, on the date above first written.

Pat Sabala Henry
PAT SABALA HENRY, County Judge
Cochran County, Texas



ATTEST:

Shanna Dewbre
Shanna Dewbre, County Clerk

Date of Execution: 4-19-17

**AN ORDER APPROVING TAX ABATEMENT GUIDELINES AND CRITERIA
OF COCHRAN COUNTY, TEXAS**

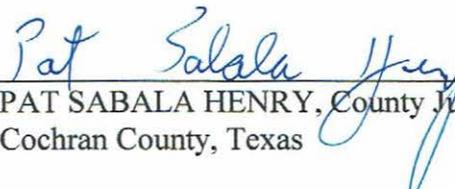
WHEREAS, on the 19th day of April, 2017, the Commissioners Court of Cochran County, Texas met to consider adopting Tax Abatement Guidelines and Criteria;

WHEREAS, after further discussion, the Commissioners Court of Cochran County finds that the terms of the Guidelines and Criteria are acceptable.

NOW, THEREFORE,

BE IT ORDERED BY THE COMMISSIONERS COURT OF COCHRAN COUNTY, TEXAS:

1. That the attached Tax Abatement Guidelines and Criteria are hereby RATIFIED, APPROVED and ADOPTED.



PAT SABALA HENRY, County Judge
Cochran County, Texas

ATTEST:




Shanna Dewbre, County Clerk

Cochran County State of Texas

Tax Abatement Guidelines and Criteria

The following Guidelines and Criteria have been adopted by the Cochran County Commissioners Court establish a uniform policy of tax abatement for owners or lessees of eligible facilities willing to execute tax abatement contracts designed to provide long-term significant positive economic impact to the community by utilizing the area contractors and work force to the maximum extent feasible, and by developing, redeveloping, and improving property, except as otherwise provided. These Guidelines and Criteria are effective as of the date adopted.

In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

1. Must be reasonably expected to have an increase in positive net economic benefit to Cochran County of at least \$1,000,000.00 over the life of the abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
2. Must not be expected to solely or primarily have the effect of transferring employment from one part of Cochran County to another.

In addition to the criteria set forth above, the Cochran County Commissioners Court reserves the right to negotiate a tax abatement agreement in order to compete favorably with other communities.

Only that increase in the fair market value of the property directly resultant from the development, redevelopment, and improvement specified in the contract will be eligible for abatement and then only to the extent that such increase exceeds any reduction in the fair market value of the other property of the applicant located within the jurisdiction creating the reinvestment zone.

All abatement contracts will be for a term no longer than allowed by law.

It is the goal of Cochran County to grant tax abatements on the same terms and conditions as the other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the Cochran County Commissioners Court to consider, adopt, modify or decline any tax abatement request.

This policy is effective as of the date adopted by the Cochran County Commissioners Court and shall at all times be kept current with regard to the needs of Cochran County and reflective of the official views of the County Commissioners Court and shall be reviewed every two (2) years.

The adoption of these guidelines and criteria by the Cochran County Commissioners Court does not:

1. Limit the discretion of the governing body to decide whether or not to enter into a specific tax abatement agreement;
2. Limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement; or
3. Create any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement;

Section 1 Definitions

- A. “Abatement” means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated by Cochran County or the City of Morton for economic development purposes.
- B. “Agreement” means a contractual agreement for a tax abatement between a property owner and/or lessee and Cochran County.
- C. “Base year value” means the assessed value on the eligible property as of January 1 preceding the execution of the agreement.
- D. “Deferred maintenance” means improvements necessary for continued operation which do not improve productivity or alter the process technology.
- E. “Eligible facilities” means new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of Cochran County, but does not include facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in Cochran County, such as, but not limited to, restaurants and retail sales establishments, eligible facilities may include, but shall not be limited to hotels and office buildings.
- F. “Expansion” means the addition of building structures, machinery, equipment, or payroll for purposes of increasing production capacity.
- G. “Facility” means property improvements completed or in the process of construction which together comprise an interregional whole.
- H. “Modernization” means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, or equipment, or both.

- I. “New facility” means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- J. “Productive life” means the number of years a property improvement is expected to be in service in a facility.

Section 2 Abatement Authorized

- A. Eligible facilities. Upon application, eligible facilities shall be considered for tax abatement as hereinafter provided.
- B. Creation of New Values. Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Cochran County and the property owner or lessee, subject to such limitations as Cochran County may require.
- C. New and existing facilities. Abatement may be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Cochran County and the property owner or lessee, subject to such limitations as Cochran County may require.
- D. Eligible property. Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.
- E. Ineligible Property. The following types of property shall be fully taxable and ineligible for tax abatement: land, supplies, tools, furnishings, and other forms of movable personal property, housing, deferred maintenance, property to be rented or leased except as provided in Section 2 F, property which has a productive life of less than ten (10) years.
- F. Owned/leased facilities. If a leased facility is granted abatement, the agreement shall be executed with the lessor and the lessee.
- G. Economic Qualifications. In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:
 - 1. Must be reasonably expected to have an increase in positive net benefit to Cochran County of at least \$1,000,000.00 over the life of the abatement agreement, computed to include (but not limited to) new sustaining payroll and/or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
 - 2. Must not be expected to solely or primarily have the effect of transferring employment from one part of Cochran County to another.

H. Standards for Tax Abatement. The following factors, among others, shall be considered in determining whether to grant tax abatement:

1. Value of existing improvements, if any;
2. Type and value of proposed improvements;
3. Productive life of proposed improvements;
4. Number of existing jobs to be retained by proposed improvements;
5. Number and type of new jobs to be created by proposed improvements;
6. Amount of local payroll to be created;
7. Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdiction;
8. Amount which property tax base valuation will be increased during the term of abatement and after abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than \$1,000,000.00;
9. The costs to be incurred by Cochran County to provide facilities directly resulting from the new improvements;
10. The amount of ad valorem taxes to be paid to Cochran County during the abatement period considering:
 - a. the existing values;
 - b. the percentage of new value abated;
 - c. the abatement period; and
 - d. the value after expiration of the abatement period.
11. The population growth of Cochran County that occurs directly as a result of new improvements;
12. The types and values of public improvements, if any, to be made by applicant seeking abatement;
13. Whether the proposed improvements compete with existing businesses to the detriment of the local economy;
14. The impact on the business opportunities of existing businesses;
15. The attraction of other new businesses to the area;
16. The overall compatibility with the zoning ordinances and comprehensive plan for the area;
17. Whether the project obtains all necessary permits from the applicable environmental agencies.

Each eligible facility shall be reviewed on its merits utilizing the factors provided above. After such review, abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

I. Denial of Abatement. Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:

1. There would be substantial adverse effect on the provision of government services or tax base;
2. The applicant has insufficient financial capacity;

3. Planned or potential use of the property would constitute a hazard to public safety, health, or morals;
4. Violation of other codes or laws; or
5. Any other reason deemed appropriate by Cochran County.

J. Taxability. From the execution of the abatement to the end of the agreement period, taxes shall be payable as follows:

1. The value of ineligible property as provided in Section 2 E shall be fully taxable; and
2. The base year value of existing eligible property as determined each year shall be fully taxable.

The additional value of new eligible property shall be fully taxable at the end of the abatement period.

Section 3 Application

- A. Any present or potential owner of taxable property in Cochran County may request the creation of a reinvestment zone and tax abatement by filing a written application with the County Judge.
- B. The application shall consist of a general description of the new improvements to be undertaken; a descriptive list of the kind and number of improvements for which an abatement is requested; a map of the reinvestment zone where the improvements will be located and property description; and an estimated time schedule for undertaking and completing the proposed improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application. The completed application must be accompanied by the payment of a non-refundable application fee for administrative costs associated with the processing of the tax abatement request. All checks in payment of the administrative fee shall be made payable to Cochran County. For abatement requests for improvements with a planned value equal to or in excess of \$1,000,000.00 the fee shall be one thousand and no/100 dollars (\$1,000.00), accompanied by the agreement that the Applicant shall pay costs of publishing the statutorily required notices and reasonable attorney and consulting fees as may be incurred by Cochran County in the examination of the application as well as the preparation and negotiation of any tax abatement agreement.
- C. Cochran County shall give notice as provided by the Property Tax Code, i.e. written notice, to the presiding officer of the governing body of each taxing unit in which the property to be subject of the agreement is located not later than the seventh day before the public hearing and publication in a newspaper of general circulation within such taxing

jurisdiction not later than the seventh day before the public hearing on the establishment of a reinvestment zone. Before acting upon application, Cochran County shall, through public hearing, afford the applicant and the designated representative of any governing body referenced hereinabove opportunity to show cause why the abatement should or should not be granted.

- D. If a city within Cochran County designates a reinvestment zone within its corporate limits and enters into or proposes to enter into or proposes to enter into an abatement agreement with a present or potential owner of a taxable property, such present or potential owner of taxable property may request tax abatement by Cochran County by following the same application process described in Section 3 A hereof. No other notice of hearing shall be required except compliance with the Open Meetings Act, unless the Commissioners Court deems them necessary in a particular case.

Section 4 Agreement

- A. After approval, the Commissioners Court of Cochran County shall formally pass a resolution and execute an agreement with the owner of the facility and lessee as required which shall:
1. Include a list of the kind, number, and location of all proposed improvements to the property;
 2. Provide access to and authorize inspection of the property by the taxing unit to ensure compliance with the agreement;
 3. Limit the use of the property consistent with the taxing unit's development goals;
 4. Provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the agreement;
 5. Include each term that was agreed upon with the property owner and require the owner of the facility to annually certify compliance with the terms of the agreement to each taxing unit;
 6. Allow the taxing unit to cancel or modify the agreement at any time if the property owner fails to comply with the terms of the agreement
 7. Provide for open access to substations and transmission lines in Cochran County by including in the abatement agreement a section in substantial conformity with Exhibit "A".
- B The owner of the facility and lessee shall also agree to the following:
1. A specified number of permanent full time jobs at facility shall be created, and the owner and lessee shall make reasonable efforts to employ persons who are residents of Cochran County in such jobs, provided, however, that there shall be no obligation to employ residents who are not:
 - a. equally or more qualified than nonresident applicants;
 - b. available for employment on terms and/or salaries comparable to those required by nonresident applicants; or

- c. able to become qualified with 72 hours training provided by Owner.
2. Each person employed in such job shall perform a portion, if not all, of their work in Cochran County.
3. Owner shall agree that it and its contractors, if any, will use reasonably commercial efforts to maximize its use of goods and services available through Cochran County businesses in the construction, operation, and maintenance of the improvements and the project; provided, however, that there shall be no requirement to use goods and services provided by Cochran County residents that are not:
 - a. of similar quality to those provided by nonresidents; or
 - b. made available on terms and conditions (including pricing) comparable to those offered by nonresidents. Comparable price shall be defined as less than or equal to 105% of the nonresident price for equivalent quality, conditions and terms.
4. Owner or its construction contractor, if any, shall designate a coordinator of local services who will act as liaison between any individuals, businesses, and contractors residing or doing business in Cochran County who are interested in obtaining information about providing goods or services related to the construction of the project. Additionally, Owner or its construction contractor, if any, shall advertise in local newspapers in Cochran County for local contractors to perform work on the construction of the project.
5. Owner shall agree to maintain a viable presence (as below defined) within the reinvestment zone for a period of time, as set by the Cochran County Commissioners Court, not to exceed twenty (20) years from the date that the abatement agreement first takes effect. For purposes hereof, "Maintain a Viable Presence" means (i) the operation of the Eligible Facilities, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured and/or reengineered, and (ii) the retention of not fewer than three (3) Qualifying Jobs as defined by Texas Tax Code Section 313.021(3)(E) to be located and performed, in part, within Cochran County.
6. On May 1st of each year that the agreement shall be in effect, Owner shall certify to the County Judge of Cochran County, and to the governing body of each taxing unit, that Owner is in compliance with each applicable term set forth above.

Such agreement shall normally be executed within sixty (60) days after the applicant has forwarded all necessary information and documentation to the Commissioners Court.

Section 5 Recapture

- A. In the event that the Owner or its assignee:
 1. Allows its ad valorem taxes owed Cochran County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or

2. Violates any of the terms and conditions of the abatement agreement and fails to cure during the cure period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination.
- B. Should Cochran County determine that the applicant or its assignee is in default according to the terms and conditions of its agreement, Cochran County shall notify the company or individual in writing at the address stated in the agreement, and if such is not cured within the time set forth in such notice (“Cure Period”) then the agreement may be terminated.

Section 6 Administration

- A. The Chief Appraiser of the Cochran County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the Appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser will notify the Commissioners Court of Cochran County of the amount of the assessment.
- B. Cochran County may execute a contract with any other jurisdiction(s) to inspect the facility to determine if the terms and conditions of the abatement agreement are being met. The abatement agreement shall stipulate that employees and/or designated representatives of Cochran County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.
- C. Upon completion of construction, the designated representative of Cochran County shall annually evaluate each facility receiving abatement to insure compliance with the agreement. A formal report shall be made to the Commissioners Court.

Section 7 Assignment

The abatement agreement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the Commissioners Court of Cochran County subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement and/or assumption agreement with Cochran County. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably delayed or withheld.

Section 8

Sunset Provision

These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two (2) years unless amended by three-quarters vote of the Commissioners Court of Cochran County, at which time all reinvestment zones and tax abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on the review, the Guidelines and Criteria will be modified, renewed, or eliminated.

ADOPTED the 19th day of April, 2017.

COCHRAN COUNTY COMMISSIONERS' COURT



JUDGE PAT SABALA HENRY



COMM. TIMOTHY ROBERTS



COMM. BRUCE HEFLIN

COMM. ERIC SILHAN



COMM. REYNALDO MORIN

EXHIBIT "A"

Each Tax Abatement Agreement executed by Cochran County after the date of approval of these Guidelines and Criteria shall contain provisions assuring open access to Transmission Infrastructure in substantial conformity with the following:

Assuring Open Access to Transmission Infrastructure

- (a) The Parties acknowledge that this Agreement is meant to enhance the development of wind generated electricity projects in Cochran County. The Owner further acknowledges that the County hosts certain critical transmission infrastructure ("Public Infrastructure"), including substation(s) and transmission lines which have been planned and approved by the Texas Public Utilities Commission and funded by the ratepayers of Texas. The existence of this infrastructure creates the potential for future transmission line development ("Competing Lines") in support of additional wind and other electricity generating facilities in the County by other project sponsors/owners ("Competing Line Owners").
- (b) The Owner agrees to reasonably accommodate the planning, construction and operation of such Competing Lines, including the interconnection of such lines to substations. Owner also agrees to cooperate reasonably with Competing Line Owners to facilitate access to Public Infrastructure. Such cooperation may include: i) attempting to agree with a Competing Line Owner on mutually satisfactory arrangements for the siting and operation of a Competing Line, including exchanging respective lease or easement rights to avoid line crossings; and ii) allowing a Competing Line to cross the Owner's leased area, provided Competing Line Owner and Owner execute a crossing agreement reasonably acceptable to both parties.
- (c) The Owner agrees not to seek unreasonable compensation, limit Competing Line Owner transmission line or generating facility capacity, perverse termination clauses or insurance requirements.
- (d) In the spirit of maintaining a fair, competitive and robust environment in Cochran County for electricity generating projects in Cochran County, the County agrees that any future abatement agreement between the County and Competing Line Owners will contain provisions substantially similar to this Section.

Wildcat Ranch Wind Project, LLC

Chapter 313 Application to Whiteface CISD

Cummings Westlake, LLC

TAB 17

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

See Attached

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here ▶ Dr. Cassidy McBrayer
Print Name (Authorized School District Representative)

Superintendent
Title

sign here ▶ 
Signature (Authorized School District Representative)

4/10/17
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 ▶ John DiDonato
Print Name (Authorized Company Representative (Applicant))

NextEra Energy Capital Holdings, Inc.
Title

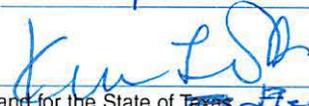
sign here ▶ 
Signature (Authorized Company Representative (Applicant))

4-3-2017
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the
3rd day of April


Notary Public in and for the State of ~~Texas~~ Florida

My Commission expires: 3-28-2020

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



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. Cassidy McBrayer Superintendent
Print Name (Authorized School District Representative) Title
sign here [Signature] Date 5/22/17
Signature (Authorized School District Representative)

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 John DiDonato NextEra Energy Capital Holdings, Inc.
Print Name (Authorized Company Representative (Applicant)) Title
sign here [Signature] Date May 19, 2017
Signature (Authorized Company Representative (Applicant))

GIVEN under my hand and seal of office this, the 19 day of May 2017
[Signature]
Notary Public in and for the State of Texas
My Commission expires: 3-28-2020



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



Franchise Tax Account Status

As of : 09/08/2017 16:07:36

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

WILDCAT RANCH WIND PROJECT, LLC DBA WILDCAT WIND PROJECT, LLC	
Texas Taxpayer Number	32056797346
Mailing Address	3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306-2116
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	03/27/2015
Texas SOS File Number	0802184877
Registered Agent Name	CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 30, 2017

Dr. Cassidy McBrayer
Whiteface Consolidated School District
401 Antelope Blvd.
P.O. Box 7
Whiteface, TX 79379

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Whiteface Consolidated Independent School District and Wildcat Ranch Wind Project, LLC, Application 1186

Dear Superintendent McBrayer:

On May 30, 2017, the Comptroller issued written notice that Wildcat Ranch Wind Project, LLC (applicant) submitted a completed application (Application 1186) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on April 10, 2017, to the Whiteface Consolidated 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.
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 1186.

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

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 May 30, 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

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Wildcat Ranch Wind Project, LLC (project) applying to Whiteface Consolidated 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 Wildcat Ranch Wind Project, LLC.

Applicant	Wildcat Ranch Wind Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Whiteface CISD
2015-2016 Average Daily Attendance	311
County	Cochran
Proposed Total Investment in District	\$181,500,000
Proposed Qualified Investment	\$181,500,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2018-2019
Number of new qualifying jobs committed to by applicant	5*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$770.17
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$770.17
Minimum annual wage committed to by applicant for qualified jobs	\$40,049
Minimum weekly wage required for non-qualifying jobs	\$726.25
Minimum annual wage required for non-qualifying jobs	\$37,765
Investment per Qualifying Job	\$36,300,000
Estimated M&O levy without any limit (15 years)	\$17,955,621
Estimated M&O levy with Limitation (15 years)	\$6,259,983
Estimated gross M&O tax benefit (15 years)	\$11,695,638

* 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 Wildcat Ranch Wind Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2017	0	0	0	\$0	\$0	\$0
2018	250	314	564	\$12,500,000	\$25,500,000	\$38,000,000
2019	5	56	61	\$200,245	\$6,799,755	\$7,000,000
2020	5	32	37	\$200,245	\$4,799,755	\$5,000,000
2021	5	13	18	\$200,245	\$2,799,755	\$3,000,000
2022	5	3	8	\$200,245	\$1,799,755	\$2,000,000
2023	5	(2)	3	\$200,245	\$799,755	\$1,000,000
2024	5	(3)	2	\$200,245	\$799,755	\$1,000,000
2025	5	(2)	3	\$200,245	\$799,755	\$1,000,000
2026	5	0	5	\$200,245	\$799,755	\$1,000,000
2027	5	3	8	\$200,245	\$799,755	\$1,000,000
2028	5	6	11	\$200,245	\$799,755	\$1,000,000
2029	5	6	11	\$200,245	\$799,755	\$1,000,000
2030	5	7	12	\$200,245	\$1,799,755	\$2,000,000
2031	5	8	13	\$200,245	\$1,799,755	\$2,000,000

Source: CPA REMI, Wildcat Ranch Wind Project, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	ISD I&S Tax Lev	ISD M&O Tax Lev	M&O and I&S Tax Levies	Cochran County Tax Lev	Cochran Memorial Hospital Tax Lev	Countrywide School Tax Lev	Highplains UWD #1 Tax Lev	South Plains College Tax Lev
				0.3900	1.0400		1.1000	0.6000	0.1437	0.0075	0.4000
2019	\$179,685,000	\$179,685,000		\$700,772	\$1,868,724	\$2,569,496	\$1,976,535	\$1,078,110	\$258,207	\$13,476	\$718,740
2020	\$167,107,050	\$167,107,050		\$651,717	\$1,737,913	\$2,389,631	\$1,838,178	\$1,002,642	\$240,133	\$12,533	\$668,428
2021	\$155,409,556	\$155,409,556		\$606,097	\$1,616,259	\$2,222,357	\$1,709,505	\$932,457	\$223,324	\$11,656	\$621,638
2022	\$144,530,887	\$144,530,887		\$563,670	\$1,503,121	\$2,066,792	\$1,589,840	\$867,185	\$207,691	\$10,840	\$578,124
2023	\$134,413,725	\$134,413,725		\$524,214	\$1,397,903	\$1,922,116	\$1,478,551	\$806,482	\$193,153	\$10,081	\$537,655
2024	\$125,004,764	\$125,004,764		\$487,519	\$1,300,050	\$1,787,568	\$1,375,052	\$750,029	\$179,632	\$9,375	\$500,019
2025	\$116,254,431	\$116,254,431		\$453,392	\$1,209,046	\$1,662,438	\$1,278,799	\$697,527	\$167,058	\$8,719	\$465,018
2026	\$108,116,620	\$108,116,620		\$421,655	\$1,124,413	\$1,546,068	\$1,189,283	\$648,700	\$155,364	\$8,109	\$432,466
2027	\$100,548,457	\$100,548,457		\$392,139	\$1,045,704	\$1,437,843	\$1,106,033	\$603,291	\$144,488	\$7,541	\$402,194
2028	\$93,510,065	\$93,510,065		\$364,689	\$972,505	\$1,337,194	\$1,028,611	\$561,060	\$134,374	\$7,013	\$374,040
2029	\$88,834,562	\$88,834,562		\$346,455	\$923,879	\$1,270,334	\$977,180	\$533,007	\$127,655	\$6,663	\$355,338
2030	\$84,392,834	\$84,392,834		\$329,132	\$877,685	\$1,206,818	\$928,321	\$506,357	\$121,273	\$6,329	\$337,571
2031	\$80,173,192	\$80,173,192		\$312,675	\$833,801	\$1,146,477	\$881,905	\$481,039	\$115,209	\$6,013	\$320,693
2032	\$76,164,532	\$76,164,532		\$297,042	\$792,111	\$1,089,153	\$837,810	\$456,987	\$109,448	\$5,712	\$304,658
2033	\$72,356,306	\$72,356,306		\$282,190	\$752,506	\$1,034,695	\$795,919	\$434,138	\$103,976	\$5,427	\$289,425
			Total	\$6,733,358	\$17,955,621	\$24,688,978	\$18,991,522	\$10,359,012	\$2,480,983	\$129,488	\$6,906,008

Source: CPA, Wildcat Ranch Wind Project, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Cochran 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 abatements with the county, and hospital district.

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	ISD I&S Tax Lev	ISD M&O Tax Lev	M&O and I&S Tax Levies	Cochran County Tax Lev	Cochran Memorial Hospital Tax Lev	Countrywide School Tax Lev	Highplains UWD #1 Tax Lev	South Plains College Tax Lev	Estimated Total Property Taxes	
				0.3900	1.0400		1.1000	0.6000	0.1437	0.0075	0.4000		
2019	\$179,685,000	\$20,000,000		\$700,772	\$208,000	\$908,772	\$0	\$0	\$258,207	\$13,476	\$122,186	\$908,772	
2020	\$167,107,050	\$20,000,000		\$651,717	\$208,000	\$859,717	\$0	\$0	\$240,133	\$12,533	\$113,633	\$859,717	
2021	\$155,409,556	\$20,000,000		\$606,097	\$208,000	\$814,097	\$0	\$0	\$223,324	\$11,656	\$105,678	\$814,097	
2022	\$144,530,887	\$20,000,000		\$563,670	\$208,000	\$771,670	\$0	\$0	\$207,691	\$10,840	\$98,281	\$771,670	
2023	\$134,413,725	\$20,000,000		\$524,214	\$208,000	\$732,214	\$0	\$0	\$193,153	\$10,081	\$91,401	\$732,214	
2024	\$125,004,764	\$20,000,000		\$487,519	\$208,000	\$695,519	\$0	\$0	\$179,632	\$9,375	\$85,003	\$695,519	
2025	\$116,254,431	\$20,000,000		\$453,392	\$208,000	\$661,392	\$0	\$0	\$167,058	\$8,719	\$79,053	\$661,392	
2026	\$108,116,620	\$20,000,000		\$421,655	\$208,000	\$629,655	\$0	\$0	\$155,364	\$8,109	\$73,519	\$629,655	
2027	\$100,548,457	\$20,000,000		\$392,139	\$208,000	\$600,139	\$0	\$0	\$144,488	\$7,541	\$68,373	\$600,139	
2028	\$93,510,065	\$20,000,000		\$364,689	\$208,000	\$572,689	\$0	\$0	\$134,374	\$7,013	\$63,587	\$572,689	
2029	\$88,834,562	\$88,834,562		\$346,455	\$923,879	\$1,270,334	\$977,180	\$533,007	\$127,655	\$6,663	\$60,408	\$2,780,522	
2030	\$84,392,834	\$84,392,834		\$329,132	\$877,685	\$1,206,818	\$928,321	\$506,357	\$121,273	\$6,329	\$57,387	\$2,641,496	
2031	\$80,173,192	\$80,173,192		\$312,675	\$833,801	\$1,146,477	\$881,905	\$481,039	\$115,209	\$6,013	\$54,518	\$2,509,421	
2032	\$76,164,532	\$76,164,533		\$297,042	\$792,111	\$1,089,153	\$837,810	\$456,987	\$109,448	\$5,712	\$51,792	\$2,383,950	
2033	\$72,356,306	\$72,356,306		\$282,190	\$752,506	\$1,034,695	\$795,919	\$434,138	\$103,976	\$5,427	\$49,202	\$2,264,752	
				Total	\$6,733,358	\$6,259,983	\$12,993,341	\$4,421,136	\$2,411,529	\$2,480,983	\$129,488	\$1,174,021	\$19,826,005
				Diff	\$0	\$11,695,638	\$11,695,638	\$14,570,386	\$7,947,483	\$0	\$0	\$5,731,987	\$43,729,986

Source: CPA, Wildcat Ranch Wind Project, LLC

*Tax Rate per \$100 Valuation

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

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

This represents the Comptroller’s determination that Wildcat Ranch Wind Project, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy 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	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2019	\$208,000	\$208,000	\$1,660,724	\$1,660,724
	2020	\$208,000	\$416,000	\$1,529,913	\$3,190,637
	2021	\$208,000	\$624,000	\$1,408,259	\$4,598,897
	2022	\$208,000	\$832,000	\$1,295,121	\$5,894,018
	2023	\$208,000	\$1,040,000	\$1,189,903	\$7,083,921
	2024	\$208,000	\$1,248,000	\$1,092,050	\$8,175,970
	2025	\$208,000	\$1,456,000	\$1,001,046	\$9,177,016
	2026	\$208,000	\$1,664,000	\$916,413	\$10,093,429
	2027	\$208,000	\$1,872,000	\$837,704	\$10,931,133
	2028	\$208,000	\$2,080,000	\$764,505	\$11,695,638
Maintain Viable Presence (5 Years)	2029	\$923,879	\$3,003,879	\$0	\$11,695,638
	2030	\$877,685	\$3,881,565	\$0	\$11,695,638
	2031	\$833,801	\$4,715,366	\$0	\$11,695,638
	2032	\$792,111	\$5,507,477	\$0	\$11,695,638
	2033	\$752,506	\$6,259,983	\$0	\$11,695,638
Additional Years as Required by 313.026(c)(1) (10 Years)	2034	\$714,880	\$6,974,863	\$0	\$11,695,638
	2035	\$679,136	\$7,653,999	\$0	\$11,695,638
	2036	\$645,179	\$8,299,179	\$0	\$11,695,638
	2037	\$612,920	\$8,912,099	\$0	\$11,695,638
	2038	\$582,274	\$9,494,374	\$0	\$11,695,638
	2039	\$541,515	\$10,035,889	\$0	\$11,695,638
	2040	\$503,609	\$10,539,498	\$0	\$11,695,638
	2041	\$458,284	\$10,997,783	\$0	\$11,695,638
	2042	\$407,873	\$11,405,656	\$0	\$11,695,638
	2043	\$354,850	\$11,760,505	\$0	\$11,695,638
		\$11,760,505	is greater than	\$11,695,638	
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

Source: CPA, Wildcat Ranch Wind Project, 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 Wildcat Ranch Wind Project, LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Wildcat Ranch Wind Project, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “NEER [NextEra Energy Resources] is keen to develop and build the proposed Wildcat Ranch Wind Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects.”
 - B. “Due to the extremely competitive power market in SPP most if not all PPA’s economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today’s contracted power rates under a PPA.”
 - C. “Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.”
- Per the Everything Lubbock website, retrieved on June, 15, 2017, “Xcel Energy also is proposing to purchase a wind development in New Mexico under development by Invenergy that will add 522 megawatts of new wind energy. A third piece of the proposal calls for an additional 230 megawatts of wind energy to be purchased under long-term contract from two NextEra Energy Resources facilities under development in Cochran and Crosby counties in Texas.”
- An April 19, 2017 *KLVT News (Levelland, TX)* article states “NextEra representatives were in Morton Tuesday night to discuss the Wildcat Ranch Wind Project to be constructed in Cochran County.” Additionally, [t]he project will be owned, constructed and operated by a subsidiary of NextEra

Energy Resources. The expected maximum capacity of 150 megawatts produced by approximately 67 wind turbines and will be capable of generating enough electricity to power 45,000 homes.”

- Supplemental information provided by the applicant stated the following:
 - A. “The project has always been known as “Wildcat Ranch”, but Xcel Energy, who will purchase the power if this project is built, refers to Wildcat Ranch Wind and Lorenzo Wind collectively as “Bonita Wind”. Bonita Wind is the legal entity that Xcel Energy entered into agreement with to procure power from the two wind projects: Wildcat Ranch Wind, LLC (150 MW in Cochran County) and Lorenzo Wind, LLC (80 MW in Crosby County). NEER owns both Wildcat Ranch and Lorenzo and they are treated as two separate projects. The Lorenzo Wind project has a 313 in Lorenzo ISD, currently known as Fiber Wind Holdings, which we will be requesting be assigned to the Lorenzo Wind soon. Each project has, or will have, its own development contracts (with companies such as surveyors, engineering, construction, etc....), separate bank accounts, financing will be separate, as will be their interconnections.”
 - B. “[E]ven after anticipated tax abatements with the county and hospital, this wind project has one of the highest ad valorem tax burdens I’ve encountered. With this in mind, the VLA is absolutely critical to the economic success of the project.”
 - C. “Wildcat Ranch is in the Southwest Power Pool and will not interconnect to ERCOT.”

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 checked="" type="checkbox"/> Land has no existing improvements	<input 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

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

NextEra Energy Resources (NEER) is one of the largest wholesale generators of electric power in the U.S., with nearly 19,880 MW of generating capacity across 24 states and four Canadian provinces as of January 2017. NEER produces the majority of its electricity from clean and renewable sources, including wind and solar. NEER also provides full energy and capacity requirements services, engages in power and gas marketing and trading activities, participates in natural gas, natural gas liquids and oil production and pipeline infrastructure development and owns a retail electricity provider. NEER has a long term commitment to both wind and solar with an outlook to significantly expand our fleet of clean energy generating capacity.

NEER is keen to develop and build the proposed Wildcat Ranch Wind Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects. NextEra is active in states throughout the Great Plains and southwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. NEER has over 40 wind sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, NEER currently has ongoing project developments in many states, including but not limited to, California, North Dakota and Oklahoma.

Due to the extremely competitive power market in SPP most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller



Wind Energy Developers Plan Open House in Plainview on Thursday, April 27

By: News Release & Posted By Staff |
newsweb@everythinglubbock.com
Posted: Apr 26, 2017 10:25 AM CDT
Updated: Apr 26, 2017 10:25 AM CDT



Photo from Xcel Energy

AMARILLO, TX (NEWS RELEASE) - NextEra Energy Resources, the developer of the Hale Wind Project, will team up with Xcel Energy to answer questions about the new wind farm near Plainview at an open house from 3 to 5 p.m. Thursday at the Plainview Country Club.

Xcel Energy announced in March it plans to purchase the Hale Wind Project from NextEra Energy Resources and build out a 478-megawatt wind generating facility for the benefit of regional Xcel Energy customers. The proposal is conditional upon approval from regulators in both Texas and New Mexico.

Xcel Energy also is proposing to purchase a wind development in New Mexico under development by Invenergy that will add 522 megawatts of new wind energy. A third piece of the proposal calls for an additional 230 megawatts of wind energy to be purchased under long-term contract from two NextEra Energy Resources facilities under development in Cochran and Crosby counties in Texas. Total new wind energy would amount to 1,230 megawatts. The company expects this new wind generation will save customers \$2.8 billion over 30 years by displacing higher-cost fossil fuel generation.

(News release from Xcel Energy)

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Town Hall Meeting Held in Morton on Pending Wind Energy Project

Posted on [April 19, 2017](#)



NextEra representatives were in Morton Tuesday night to discuss the Wildcat Ranch Wind Project to be constructed in Cochran County.

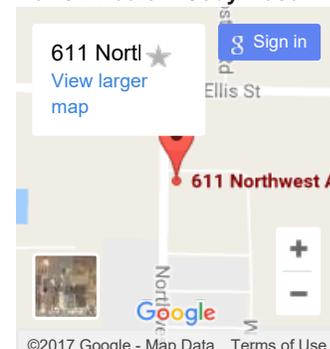
The project manager for NextEra told KLVT news the project will be constructed near the intersection of FM 1585 and Hwy 214. The project is expected to create over \$50 million in property taxes and over \$28 million in landowner payments.

The project will be owned, constructed and operated by a subsidiary of NextEra Energy Resources. The expected maximum capacity of 150 megawatts produced by approximately 67 wind turbines and will be capable of generating enough electricity to power 45,000 homes.

The target completion date is set for late 2018. The company is expecting approximately 250 construction jobs and will generate 5-7 full time positions.

NextEra Energy Resources is a subsidiary of NextEra Energy Inc., a leading renewable

News Director - Jody Rose



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energy developer in North America.. They are the largest generator of wind energy in the world and currently operate more than 115 wind projects in 20 states and more than 13,000 megawatts of generation from more than 9,000 wind turbines. They currently own and operate 20 wind and solar projects in Texas and New Mexico, a capitol investment of \$8.4 billion.

Cochran County Commissioners will be meeting soon to take action on tax abatement guidelines. NextEra Energy have requested an abatement. The project manager for NextEra said this project is totally independent from the project which has been discussed in Hockley County and an abatement has been approved by Hockley County Commissioners.

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- March 2017
- February 2017
- January 2017
- December 2016
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- September 2016
- August 2016
- July 2016
- June 2016
- May 2016
- April 2016
- March 2016
- February 2016
- January 2016
- December 2015
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COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Whiteface CISD– Wildcat Ranch Wind Project, LLC App. #1186

Comptroller Questions (via email on June 15, 2017):

1. *Is The Wildcat Ranch Wind Project currently known by any other project names?*
2. *Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number.*

Applicant Response (via email on June 16, 2017):

The project has always been known as “Wildcat Ranch”, but Xcel Energy, who will purchase the power if this project is built, refers to Wildcat Ranch Wind and Lorenzo Wind collectively as “Bonita Wind”. Bonita Wind is the legal entity that Xcel Energy entered into agreement with to procure power from the two wind projects: Wildcat Ranch Wind, LLC (150 MW in Cochran County) and Lorenzo Wind, LLC (80 MW in Crosby County). NEER owns both Wildcat Ranch and Lorenzo and they are treated as two separate projects. The Lorenzo Wind project has a 313 in Lorenzo ISD, currently known as Fiber Wind Holdings, which we will be requesting be assigned to the Lorenzo Wind soon. Each project has, or will have, its own development contracts (with companies such as surveyors, engineering, construction, etc. ...), separate bank accounts, financing will be separate, as will be their interconnections. Wildcat Ranch is in the Southwest Power Pool and will not interconnect to ERCOT.

I assume your reason for asking is your research on the “determining factor” question. Please let me know if you have any concerns. The relevant taxing jurisdictions and their tax rates for Wildcat Ranch, being Cochran County (\$1.10, Cochran County Memorial Hospital District (\$0.60), Cochran Co Wide ISD, (0.144) South Plains College (\$0.40), High Plains Water District (\$0.008), and Whiteface CISD (\$1.04 M&O and \$0.39 I&S) (a substantial I&S tax rate), comprise collectively the highest composite tax rate, being \$3.681 I have seen in my 40 years in the property tax profession. This composite rate is approximately 50% higher than the average west Texas county composite rate. As a result, even after anticipated tax abatements with the county and hospital, this wind project has one of the highest ad valorem tax burdens I’ve encountered. With this in mind, the VLA is absolutely critical to the economic success of the project. In other words, without the VLA, it is extremely unlikely this project would be built.

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Wildcat Ranch Wind Project, LLC**

July 22, 2017

McDowell School Finance Consulting, LLC

**Summary of Whiteface CISD Financial Impact
of the
Limited Appraised Value Application
from
Wildcat Ranch Wind Project, LLC**

Introduction

Wildcat Ranch Wind Project, LLC applied for a property value limitation from Whiteface Consolidated Independent School District under Chapter 313 of the Tax Code. The application was submitted on April 10, 2017 and subsequently approved for consideration by the Whiteface CISD Board of Trustees. Wildcat Ranch Wind Project, LLC (“Wildcat Ranch”), is requesting the property value limitation as a “renewable energy electric generation” project as listed in Sec. 313.024.(b) of the Tax Code.

“The Economic Development Act “, Tax Code Chapter 313, was created by House Bill 1200 of the 77th Texas Legislature in 2001. Further amendments were made to Chapter 313 as a result of House Bill 1470 from the 80th Texas Legislative Session in 2007 and additionally House Bill 3390 from the 83rd Legislative Session.

The Economic Development Act was created to attract qualifying businesses to Texas by allowing school districts the option of approving a property value limitation to these qualifying entities. The purpose of the property value limitation is to reduce the maintenance and operations taxes paid by the company, to a school district during the applicable years as displayed below:

Whiteface CISD Financial Impact of Chapter 313 Agreement

The company must file an application with the school district to qualify for consideration of a Limited Appraised Value Agreement (“LAVA” or “Agreement”) to begin the following tax year or a later year if agreed upon by the District and the Company.

Years Prior to Start of Value Limitation Period:

The tax years prior to the start of the value limitation period are considered the “Prior to Start of Value Limitation Period” and the company’s school district taxes will be levied at one-hundred percent of the appraised value. The applicant has requested that tax years 2017 and 2018 are the years that are Prior to the Start of Value Limitation Period.

Value Limitation Period:

During the ten years of the Value Limitation Period, the qualifying entity’s taxable value will be reduced to the Minimum Limitation Amount for the applicable school district as determined by the State Comptroller’s Office. Whiteface CISD is considered a Rural category 3 District as categorized with total taxable value of industrial property of at least \$1 million, but less than \$90 million. Thus, Whiteface CISD has a Minimum Qualified Investment amount of \$10 million and a Minimum Limitation Amount of \$20 million. A qualifying entity’s taxable value would be reduced to \$20 million during this ten year period of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Whiteface CISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy. The applicant has requested that the Value Limitation Period to begin in tax year 2019 and continue through tax year 2028.

Final Five Years of the Agreement – Continue to Maintain a Viable Presence:

Tax years 2029 through 2033 will be the final five years of the agreement and the applicant agrees to maintain a viable presence with this project during this time.

Whiteface CISD Financial Impact of Chapter 313 Agreement

Taxable Value Projections from Application

The following data shows the projected taxable values that Wildcat Ranch reported in the application to the District:

	Year	School Year	Tax Year	Projected Taxable Value	Actual Taxable Value with Agreement
Each Year Prior to Start of Value Limitation Period	0	2017-2018	2017	\$0	\$0
	0	2018-2019	2018	\$0	\$0
Value Limitation Period	1	2019-2020	2019	\$179,685,000	\$20,000,000
	2	2020-2021	2020	\$167,107,050	\$20,000,000
	3	2021-2022	2021	\$155,409,556	\$20,000,000
	4	2022-2023	2022	\$144,530,887	\$20,000,000
	5	2023-2024	2023	\$134,413,725	\$20,000,000
	6	2024-2025	2024	\$125,004,764	\$20,000,000
	7	2025-2026	2025	\$116,254,431	\$20,000,000
	8	2026-2027	2026	\$108,116,620	\$20,000,000
	9	2027-2028	2027	\$100,548,457	\$20,000,000
Continue to Maintain Viable Presence	10	2028-2029	2028	\$93,510,065	\$20,000,000
	11	2029-2030	2029	\$88,834,562	\$88,834,562
	12	2030-2031	2030	\$84,392,834	\$84,392,834
	13	2031-2032	2031	\$80,173,192	\$80,173,192
	14	2032-2033	2032	\$76,164,532	\$76,164,533
Additional Years for 25 Year Economic Impact Study	15	2033-2034	2033	\$72,356,306	\$72,356,306
	16	2034-2035	2034	\$68,738,490	\$68,738,491
	17	2035-2036	2035	\$65,301,566	\$65,301,566
	18	2036-2037	2036	\$62,036,487	\$62,036,488
	19	2037-2038	2037	\$58,934,663	\$58,934,664
	20	2038-2039	2038	\$55,987,930	\$55,987,930
	21	2039-2040	2039	\$52,068,775	\$52,068,775
	22	2040-2041	2040	\$48,423,960	\$48,423,961
	23	2041-2042	2041	\$44,065,804	\$44,065,804
	24	2042-2043	2042	\$39,218,565	\$39,218,566
	25	2043-2044	2043	\$34,120,152	\$34,120,152

Whiteface CISD Financial Impact of Chapter 313 Agreement

Taxable Value Impact from LAVA

The “Additional Value from Wildcat Ranch” represents the values that the company estimated as their taxable values in the application that was filed with the district. During tax years 2019 through 2028, the company’s taxable value will be limited to the \$20,000,000 Minimum Limitation Amount of Whiteface CISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Wildcat Ranch	Minimum Limitation Amount	Abated Value	Taxable Value
Jan. 1, 2017	0	n/a	0	0
Jan. 1, 2018	0	n/a	0	0
Jan. 1, 2019	179,685,000	(20,000,000)	159,685,000	20,000,000
Jan. 1, 2020	167,107,050	(20,000,000)	147,107,050	20,000,000
Jan. 1, 2021	155,409,556	(20,000,000)	135,409,556	20,000,000
Jan. 1, 2022	144,530,887	(20,000,000)	124,530,887	20,000,000
Jan. 1, 2023	134,413,725	(20,000,000)	114,413,725	20,000,000
Jan. 1, 2024	125,004,764	(20,000,000)	105,004,764	20,000,000
Jan. 1, 2025	116,254,431	(20,000,000)	96,254,431	20,000,000
Jan. 1, 2026	108,116,620	(20,000,000)	88,116,620	20,000,000
Jan. 1, 2027	100,548,457	(20,000,000)	80,548,457	20,000,000
Jan. 1, 2028	93,510,065	(20,000,000)	73,510,065	20,000,000
Jan. 1, 2029	88,834,562	n/a	0	88,834,562
Jan. 1, 2030	84,392,834	n/a	0	84,392,834
Jan. 1, 2031	80,173,192	n/a	0	80,173,192
Jan. 1, 2032	76,164,532	n/a	0	76,164,532
Jan. 1, 2033	72,356,306	n/a	0	72,356,306

Whiteface CISD Financial Impact of Chapter 313 Agreement

Wildcat Ranch's Tax Benefit from Agreement

The projected amount of the net tax savings for Wildcat Ranch is \$10.026 million over the life of the Agreement. This net savings is after all tax savings and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement.

Whiteface CISD projected tax rates for maintenance & operations (M&O) and interest & sinking (I&S) are based on the following assumptions:

- The District currently has M&O rate of \$1.04. The Study projects that the District will maintain an M&O tax rate of \$1.04 for the life of the agreement.
- The district has outstanding bonds that are scheduled to payoff in 2029 and currently have a \$.394 I&S tax rate. This district's annual debt payment is approximately \$1,235,000 per year and the debt rates below are calculated rates using the projected taxable values with the addition of Wildcat Ranch estimated taxable values. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2017-2018	1.04	0.327	0	0	0	0
2018-2019	1.04	0.324	0	0	0	0
2019-2020	1.04	0.218	1,868,724	1,660,724	(1,669,104)	(8,380)
2020-2021	1.04	0.222	1,737,913	1,529,913	0	1,529,913
2021-2022	1.04	0.225	1,616,259	1,408,259	0	1,408,259
2022-2023	1.04	0.228	1,503,121	1,295,121	0	1,295,121
2023-2024	1.04	0.231	1,397,903	1,189,903	0	1,189,903
2024-2025	1.04	0.233	1,300,050	1,092,050	0	1,092,050
2025-2026	1.04	0.235	1,209,046	1,001,046	0	1,001,046
2026-2027	1.04	0.237	1,124,413	916,413	0	916,413
2027-2028	1.04	0.238	1,045,704	837,704	0	837,704
2028-2029	1.04	0.079	972,505	764,505	0	764,505
2029-2030	1.04	0.000	923,879	0	0	0
2030-2031	1.04	0.000	877,685	0	0	0
2031-2032	1.04	0.000	833,801	0	0	0
2032-2033	1.04	0.000	792,111	0	0	0
2033-2034	1.04	0.000	752,506	0	0	0
Totals			17,955,621	11,695,638	(1,669,104)	10,026,534

Whiteface CISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Whiteface CISD. First, a seventeen year financial forecast was prepared to establish a baseline without the added values of the renewable energy electric generation company. Second, a seventeen year financial forecast was prepared that incorporated the additional taxable value of the company without a LAVA in effect. Third, a seventeen year financial forecast was prepared that incorporates the additional taxable value of the company with an approved LAVA. These three forecasts are detailed in the “Calculation of LAVA Impact on District’s Finances” section. The following assumptions were used to compare the financial impact of the LAVA:

- The current state funding formulas (in effect for 2017-2018 fiscal year) were used for state aid and recapture calculation purposes
 - Level 2 of Tier II yield - \$99.41 for 2017-18, \$106.28 for all years thereafter - per weighted student in average daily attendance (WADA) per penny of tax effort
 - No Additional State Aid for Tax Reduction Funding “ASATR”
- The district’s tax rate for maintenance & operations (M&O) will remain at the same rate as for tax year 2016.
- A tax collection rate of 98% on current year tax levy with \$20,000 projected delinquent tax collections
- An annual taxable value increase of 1.0% was used to project the district’s taxable value, except as it related to the requested LAVA. The district’s 2016 taxable value was used as a baseline for all projections
- The district’s enrollment is projected to decrease slightly; therefore, the projected ADA and WADA for school year 2016-2017 was decreased by .25% per year for the life of the agreement.

Although these assumptions were used to develop a baseline scenario for comparison purposes, many of these factors will not remain constant for the years of this proposed agreement. Also, Legislative changes to the school finance formulas are likely during the near future and almost certain during the life of this agreement.

Whiteface CISD Financial Impact of Chapter 313 Agreement

Calculation of LAVA Impact on District's Finances

The tables displayed below (Table III, IV, V) show the different impacts on the school district's finances. These scenarios were computed to compare the District's revenue without the additional taxable value of Wildcat Ranch (Table III), the addition of Wildcat Ranch's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Wildcat Ranch's taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* Wildcat Ranch Wind Project, LLC:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State Revenue		Total State Revenue	Recapture Payment	Total District Revenue
			Tier I	Tier II			
2017-2018	377,977,678	3,872,348	97,821	132,044	229,865	0	4,102,213
2018-2019	381,757,455	3,910,872	97,610	102,889	200,499	0	4,111,371
2019-2020	385,575,029	3,949,781	97,399	100,941	198,340	0	4,148,121
2020-2021	389,430,780	3,989,079	97,190	98,947	196,137	0	4,185,216
2021-2022	393,325,087	4,028,769	96,984	96,820	193,804	0	4,222,573
2022-2023	397,258,338	4,068,857	96,727	94,829	191,556	0	4,260,413
2023-2024	401,230,922	4,109,346	96,518	92,824	189,342	0	4,298,688
2024-2025	405,243,231	4,150,239	96,311	90,774	187,085	0	4,337,324
2025-2026	409,295,663	4,191,541	96,384	88,739	185,123	0	4,376,664
2026-2027	413,388,620	4,233,257	96,127	86,689	182,816	(31,954)	4,384,119
2027-2028	417,522,506	4,275,389	95,920	84,595	180,515	(77,838)	4,378,066
2028-2029	421,697,731	4,317,943	95,714	82,515	178,229	(123,664)	4,372,508
2029-2030	425,914,708	4,360,923	95,384	80,369	175,753	(170,290)	4,366,386
2030-2031	430,173,855	4,404,332	95,527	78,258	173,785	(217,312)	4,360,805
2031-2032	434,475,594	4,448,175	95,321	76,131	171,452	(264,361)	4,355,266
2032-2033	438,820,350	4,492,457	95,117	73,959	169,076	(312,294)	4,349,239
2033-2034	443,208,553	4,537,182	94,784	71,760	166,544	(360,423)	4,343,303

Whiteface CISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues *with Wildcat Ranch Wind without Chapter 313 Agreement:*

Fiscal Year	Total Taxable Value	Total M&O Taxes	State		Total State Revenue	Recapture Payment	Total District Revenue
			Revenue Tier I	Revenue Tier II			
2017-2018	377,977,678	3,872,348	97,821	132,044	229,865	0	4,102,213
2018-2019	381,757,455	3,910,872	97,610	102,889	200,499	0	4,111,371
2019-2020	565,260,029	5,781,130	97,399	147,607	245,006	0	6,026,136
2020-2021	556,537,830	5,692,234	97,190	26,675	123,865	(1,439,988)	4,376,111
2021-2022	548,734,643	5,612,703	96,984	29,550	126,534	(1,369,308)	4,369,929
2022-2023	541,789,225	5,541,916	96,727	32,148	128,875	(1,304,616)	4,366,175
2023-2024	535,644,647	5,479,290	96,518	34,503	131,021	(1,247,803)	4,362,508
2024-2025	530,247,995	5,424,288	96,311	36,435	132,746	(1,198,768)	4,358,266
2025-2026	525,550,094	5,376,407	96,384	38,203	134,587	(1,156,188)	4,354,806
2026-2027	521,505,240	5,335,181	96,127	39,607	135,734	(1,119,897)	4,351,018
2027-2028	518,070,963	5,300,179	95,920	40,833	136,753	(1,090,119)	4,346,813
2028-2029	515,207,796	5,270,998	95,714	41,749	137,463	(1,065,508)	4,342,953
2029-2030	514,749,270	5,266,325	95,784	42,610	138,394	(1,050,963)	4,353,756
2030-2031	514,566,689	5,264,464	95,527	42,363	137,890	(1,053,729)	4,348,625
2031-2032	514,648,786	5,265,300	95,321	42,115	137,436	(1,059,131)	4,343,605
2032-2033	514,984,882	5,268,726	95,117	41,627	136,744	(1,067,476)	4,337,994
2033-2034	515,564,859	5,274,637	94,784	41,030	135,814	(1,077,980)	4,332,471

TABLE V – District Revenues *with Wildcat Ranch Wind with Chapter 313 Agreement:*

Fiscal Year	Total Taxable Value	Total M&O Taxes	State		Total State Revenue	Recapture Payment	Payment for District Losses	Total District Revenue
			Revenue Tier I	Revenue Tier II				
2017-2018	377,977,678	3,872,348	97,821	132,044	229,865	0	0	4,102,213
2018-2019	381,757,455	3,910,872	97,610	102,889	200,499	0	0	4,111,371
2019-2020	405,575,029	4,153,621	97,399	106,013	203,412	0	1,669,104	6,026,136
2020-2021	409,430,780	4,192,919	97,190	90,987	188,177	0	0	4,381,096
2021-2022	413,325,087	4,232,609	96,984	88,860	185,844	0	0	4,418,453
2022-2023	417,258,338	4,272,697	96,727	86,869	183,596	(42,811)	0	4,413,482
2023-2024	421,230,922	4,313,186	96,518	84,864	181,382	(86,779)	0	4,407,789
2024-2025	425,243,231	4,354,079	96,311	82,814	179,125	(131,598)	0	4,401,606
2025-2026	429,295,663	4,395,381	96,384	80,779	177,163	(176,406)	0	4,396,138
2026-2027	433,388,620	4,437,097	96,127	78,729	174,856	(221,484)	0	4,390,469
2027-2028	437,522,506	4,479,229	95,920	76,635	172,555	(267,474)	0	4,384,310
2028-2029	441,697,731	4,521,783	95,714	74,367	170,081	(313,402)	0	4,378,462
2029-2030	514,749,270	5,266,325	95,384	83,507	178,891	(418,125)	0	5,027,091
2030-2031	514,566,689	5,264,464	95,527	42,363	137,890	(1,053,729)	0	4,348,625
2031-2032	514,648,786	5,265,300	95,321	42,115	137,436	(1,059,131)	0	4,343,605
2032-2033	514,984,882	5,268,726	95,117	41,627	136,744	(1,067,476)	0	4,337,994
2033-2034	515,564,859	5,274,637	94,784	41,030	135,814	(1,077,980)	0	4,332,471

Whiteface CISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79th Legislative Session and became effective for the 2006-2007 school year. Those formula changes had an effect on the district's financial impact from granting a property value limitation. Due to the district's "Hold Harmless" provision that was enacted in the funding formulas, some districts had the majority of the district's revenue losses (during the first year that the "limited appraised value" was used as the actual taxable value) offset with additional state funding. The funding that was available to offset those revenue losses was called Additional State Aid for Tax Reduction (ASATR) and those funds were phased out as a result of legislation in the 82nd Legislative Session in 2011. This legislation eliminated the ASATR funding for fiscal year 2017-2018 and thereafter and can have a significant financial impact for LAVA agreements that have a year three in 2017-2018 or later. The loss of ASATR funding can again cause a district to experience a significant loss of funds in year three of the agreement and consequently cause the company to have revenue protection payments during that year that are similar to those experienced prior to 2006-2007.

Whiteface CISD Financial Impact of Chapter 313 Agreement

Supplemental Payments

Assuming that the District and Wildcat Ranch Wind Project, LLC mutually agree in the LAVA that the greater of \$100 per student in average daily attendance (ADA) or \$50,000, will be paid to Whiteface CISD by Wildcat Ranch, the projected amount of these payments over the life of the agreement is \$700,000 of the \$10.026 million net tax savings amount. This amount will be computed annually according to Section VI of the Agreement.

TABLE VI - Calculation of the Supplemental Payments:

Fiscal Year	Net Tax Savings	Whiteface CISD Supplemental	Wildcat Ranch Share
2017-2018	0	0	0
2018-2019	0	50,000	(50,000)
2019-2020	(8,380)	50,000	(58,380)
2020-2021	1,529,913	50,000	1,479,913
2021-2022	1,408,259	50,000	1,358,259
2022-2023	1,295,121	50,000	1,245,121
2023-2024	1,189,903	50,000	1,139,903
2024-2025	1,092,050	50,000	1,042,050
2025-2026	1,001,046	50,000	951,046
2026-2027	916,413	50,000	866,413
2027-2028	837,704	50,000	787,704
2028-2029	764,505	50,000	714,505
2029-2030	0	50,000	(50,000)
2030-2031	0	50,000	(50,000)
2031-2032	0	50,000	(50,000)
2032-2033	0	0	0
2033-2034	0	0	0
Totals	10,026,534	700,000	9,326,534

Whiteface CISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth

On District Facilities

TABLE VII – Campus Capacity and Available Growth

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
Whiteface Elem.	EE-5	17	374	136	238
Whiteface High School	6-12	22	484	160	324
Total		39	858	296	562

The building capacities are based on 22 students per classroom for elementary and 22 students per grade level at secondary schools. Whiteface CISD is a early-education through 12th grade district.

Wildcat Ranch Wind Project, LLC provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that five full-time employees are expected. It is not known whether these would be new employees to the Whiteface CISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new five positions equates to 3 new students.

This minimal projected student growth can easily be accommodated with the current facilities of Whiteface CISD as displayed in Table VII above.

Whiteface CISD Financial Impact of Chapter 313 Agreement

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Wildcat Ranch Wind Project, LLC, would be beneficial to both Wildcat Ranch and Whiteface CISD under the current school finance system.

Wildcat Ranch Wind Project, LLC would benefit from reduced property taxes during the ten years of the Value Limitation Period. Although some of the tax savings would be used to offset district's revenue losses and supplemental payments to the District, Wildcat Ranch is projected to benefit from a 85% tax savings during that ten year period of this Agreement. Wildcat Ranch also has the option of terminating the Agreement if the amount paid to the District during a tax year is greater than the amount of taxes that would have been paid without the agreement; therefore, there is no inherent risk for the company from entering into the Agreement.

Whiteface CISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Wildcat Ranch to offset any district losses caused by the LAVA. An annual calculation will be performed each year to determine if a loss to the District has been incurred. The revenue impact to the District will be computed by comparing the District's revenues with and without the LAVA in effect.

IMPORTANT: Please keep this letter with your district's records. It must be accessible to the law firm working on the value limitation agreement.

June 9, 2017

Corey Ayers, President
Board of Trustees
Whiteface Independent School District
PO Box 7
Whiteface, TX 79379-0007

Dear Mr. Ayers:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Wildcat Ranch Wind Project #1186 on the number and size of school facilities in Whiteface Independent School District (WISD). Based on an examination of WISD enrollment and the number of potential new jobs, the TEA has determined that the Wildcat Ranch Wind Project should not have a significant impact on the number or size of school facilities in WISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you have any questions.

Sincerely,



Al McKenzie
Director of State Funding

AM/rk
Cc: Cassidy McBrayer


Taxes

Property Tax Assistance

2016 ISD Summary Worksheet**040/Cochran****040-902/Whiteface CISD**

Category	Local Tax Roll Value	2016 WTD Mean Ratio	2016 PTAD Value Estimate	2016 Value Assigned
A. Single-Family Residences	5,185,129	N/A	5,185,129	5,185,129
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	993,256	N/A	993,256	993,256
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	23,803,659	1.0880	21,878,686	23,803,659
D2. Real Prop Farm & Ranch	461,434	N/A	461,434	461,434
E. Real Prop NonQual Acres	4,496,190	N/A	4,496,190	4,496,190
F1. Commercial Real	876,803	N/A	876,803	876,803
F2. Industrial Real	1,210,563	N/A	1,210,563	1,210,563
G. Oil, Gas, Minerals	171,248,821	.9920	172,629,860	171,248,821
J. Utilities	23,934,543	N/A	23,934,543	23,934,543
L1. Commercial Personal	745,382	N/A	745,382	745,382

L2. Industrial Personal	8,744,022	N/A	8,744,022	8,744,022
M. Other Personal	406,302	N/A	406,302	406,302
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	242,106,104		241,562,170	242,106,104
Less Total Deductions	4,101,283		4,101,283	4,101,283
Total Taxable Value	238,004,821		237,460,887	238,004,821 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
238,826,380	238,004,821	238,826,380	238,004,821

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
821,559	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10
238,826,380	238,004,821	238,826,380	238,004,821

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

110/Hockley

040-902/Whiteface CISD

Category	Local Tax Roll Value	2016 WTD Mean Ratio	2016 PTAD Value Estimate	2016 Value Assigned
A. Single-Family Residences	2,412,934	N/A	2,412,934	2,412,934
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	40,240	N/A	40,240	40,240

C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	9,392,595	1.6141	5,818,991	9,392,595
D2. Real Prop Farm & Ranch	74,060	N/A	74,060	74,060
E. Real Prop NonQual Acres	2,106,063	N/A	2,106,063	2,106,063
F1. Commercial Real	113,400	N/A	113,400	113,400
F2. Industrial Real	4,360	N/A	4,360	4,360
G. Oil, Gas, Minerals	54,876,300	.8880	61,797,635	54,876,300
J. Utilities	6,190,240	N/A	6,190,240	6,190,240
L1. Commercial Personal	559,500	N/A	559,500	559,500
L2. Industrial Personal	929,810	N/A	929,810	929,810
M. Other Personal	0	N/A	0	0
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	76,699,502		80,047,233	76,699,502
Less Total Deductions	496,153		496,153	496,153
Total Taxable Value	76,203,349		79,551,080	76,203,349 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts

that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
76,363,349	76,203,349	76,363,349	76,203,349

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
160,000	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10
76,363,349	76,203,349	76,363,349	76,203,349

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

140/Lamb

040-902/Whiteface CISD

Category	Local Tax Roll Value	2016 WTD Mean Ratio	2016 PTAD Value Estimate	2016 Value Assigned
A. Single-Family Residences	57,180	N/A	57,180	57,180
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	0	N/A	0	0
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	1,555,008	N/A	1,555,008	1,555,008
D2. Real Prop Farm & Ranch	36,730	N/A	36,730	36,730
E. Real Prop NonQual Acres	222,219	N/A	222,219	222,219
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	19,380	N/A	19,380	19,380
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	14,000	N/A	14,000	14,000

N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	1,904,517		1,904,517	1,904,517
Less Total Deductions	63,740		63,740	63,740
Total Taxable Value	1,840,777		1,840,777	1,840,777 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
1,853,937	1,840,777	1,853,937	1,840,777

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
13,160	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10
1,853,937	1,840,777	1,853,937	1,840,777

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

040-902/Whiteface CISD

Category	Local Tax Roll Value	2016 WTD Mean Ratio	2016 PTAD Value Estimate	2016 Value Assigned
A. Single-Family Residences	7,655,243	N/A	7,655,243	7,655,243
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	1,033,496	N/A	1,033,496	1,033,496
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	34,751,262	1.1880	29,252,685	34,751,262
D2. Real Prop Farm & Ranch	572,224	N/A	572,224	572,224

E. Real Prop NonQual Acres	6,824,472	N/A	6,824,472	6,824,472
F1. Commercial Real	990,203	N/A	990,203	990,203
F2. Industrial Real	1,214,923	N/A	1,214,923	1,214,923
G. Oil, Gas, Minerals	226,125,121	.9646	234,427,495	226,125,121
J. Utilities	30,144,163	N/A	30,144,163	30,144,163
L1. Commercial Personal	1,304,882	N/A	1,304,882	1,304,882
L2. Industrial Personal	9,673,832	N/A	9,673,832	9,673,832
M. Other Personal	420,302	N/A	420,302	420,302
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	320,710,123		323,513,920	320,710,123
Less Total Deductions	4,661,176		4,661,176	4,661,176
Total Taxable Value	316,048,947		318,852,744	316,048,947 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

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

by and between

WHITEFACE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

and

WILDCAT RANCH WIND PROJECT, LLC

(Texas Taxpayer ID #32056797346)

Comptroller Application #1186

Dated

September 14, 2017

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

STATE OF TEXAS §

COUNTY OF COCHRAN §

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 **WHITEFACE CONSOLIDATED 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 **WILDCAT RANCH WIND PROJECT, LLC**, Texas Taxpayer Identification Number 32056797346 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 April 10, 2017, the Superintendent of Schools of the Whiteface Consolidated 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 April 10, 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 May 30, 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 Cochran County Appraisal District established in Cochran County, Texas (the “Cochran 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 June 30, 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 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 September 14, 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 September 14, 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 September 14, 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) the TEXAS TAX CODE;

WHEREAS, on September 13, 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 September 14, 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 or, in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized [*Insert Name*] to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I **DEFINITIONS**

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

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, 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 WILDCAT RANCH WIND PROJECT, LLC, (Texas Taxpayer ID # 32056797346), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in EXHIBIT 3 of this Agreement.

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

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on April 10, 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 Cochran County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Whiteface Consolidated Independent School District.

“Commercial Operation” means the date on which all or a portion of the Project becomes capable of being operational for the purpose of generating electricity, which is further defined by the following events:

A. The Project has been fully or substantially constructed, tested or is in the process of being tested, and is capable of generating electricity in any quantity;

B. The Project has received written confirmation from the grid operator for anticipated interconnection, integration, and synchronization of the project with the grid or is connected to the grid; and,

C. The Project has obtained or is in the process of obtaining all permits, required approvals, and has met or is in the process of meeting all requirements necessary for safely and reliably generating electricity and delivering electricity onto the grid.

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

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

“County” means Cochran County, Texas.

“District” or “School District” means the Whiteface Consolidated 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 thirty (30) 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 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), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant's ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement.

"Consultant" shall have the same meaning as assigned to such term in Section 4.5 of the Agreement.

"M&O Amount" shall have the meaning assigned to such term in Section 4.2 of the Agreement.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE.

"Net Tax Savings" shall have the same meaning as assigned to such term in Section 6.3 of the Agreement.

"New M&O Revenue" shall have the same meaning as assigned to such term in Section

4.2.A.ii of the Agreement.

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

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

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

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

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is May 30, 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 September 14, 2017.

C. The Qualifying Time Period for this Agreement:

- i. Starts on January 1, 2018, a date not later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by § 313.027(h) of the TEXAS TAX CODE; and
- ii. Ends on December 31, 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, 2019, first complete Tax Year that begins after the date of the commencement of Commercial Operation; and,
- ii. Ends on December 31, 2028.

E. The Final Termination Date for this Agreement is December 31, 2033.

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).

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 \$10,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$726.25 for all New Non-Qualifying Jobs created by the Applicant.

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

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

value by the Comptroller for this project.

ARTICLE III **QUALIFIED PROPERTY**

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

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

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

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

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

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF 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 Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Articles V and VI in this Agreement. Subject to the limitations contained in this Agreement (including Section 7.1), IT IS THE INTENT OF THE PARTIES THAT THE RISK OF ANY NEGATIVE FINANCIAL CONSEQUENCE TO DISTRICT IN MAKING THE DECISION TO ENTER INTO THIS AGREEMENT WILL BE BORNE SOLELY BY APPLICANT AND NOT BY DISTRICT. Applicant recognizes and acknowledges the calculations relating to the District's loss of Maintenance and Operations Revenue under this Agreement will be affected by changes to the timing of construction of the Project and any change to the Qualified Investment/Qualified Property. As such, Applicant acknowledges that it will bear any and all losses of Maintenance and Operations Revenue suffered by the District as a result of the Agreement, including without limitation any increase in the M&O Amount calculated under Section 4.2 to be paid to the District for losses in Maintenance and Operations Revenue resulting from any change in the timing of construction and/or any change to the Qualified Investment/Qualified Property.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject to the provisions of Section 7.1, the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date (as set out in EXHIBIT 5), the "M&O Amount" shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

A. The M&O Amount owed by Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue; based on the following definitions:

- i. "Original M&O Revenue" means the total State and local Maintenance and Operations Revenue that District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property had been subject to the full ad valorem maintenance & operations tax without any limitation on value.
- ii. "New M&O Revenue" means the total State and local Maintenance and Operations Revenue that District actually received for such school year.

B. In making the calculations for the M&O Amount required by this Section 4.2 of this Agreement:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified

- Property will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 4.2 of this Agreement results in a negative number for the M&O Amount, the negative number will be considered to be zero.
 - iv. All calculations made for the New M&O Revenue during the Tax Limitation Period under Section 4.2.A.ii of this Agreement will reflect the Tax Limitation Amount for such year.

Section 4.3. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State or another school district, pursuant to Chapter 41 of the TEXAS EDUCATION CODE, because of its participation in this Agreement, Applicant shall make payments to District, up to the Revenue Protection Amount limit set forth in Section 7.1 that are necessary to offset any negative impact on District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

Section 4.4. COMPENSATION FOR LOSS OF OTHER REVENUES. To the extent not included in the amounts calculated pursuant to Section 4.2 above, Applicant shall also pay to the District on an annual basis all non-reimbursed costs or loss of revenues arising from entering this Agreement, including but not limited to: (a) any loss incurred by the District resulting from successful judicial challenge to this Agreement; (b) any reasonable attorneys' fees or other costs incurred by the District due to any legal defense, enforcement or interpretation of this Agreement, irrespective of whether or not this Agreement is ultimately determined to be valid; and (c) any non-reimbursed costs incurred by the District and related to this Agreement, either directly or indirectly, including costs paid to the Appraisal District caused by increased appraised values arising solely from the Qualified Property that is subject to the limitation provided in Section 2.4 herein.

Section 4.5. THIRD PARTY CALCULATIONS. All calculations made pursuant to this Agreement shall be verified annually by one or more independent third parties ("Consultant") selected by the District. Applicant will be solely responsible for the payment of Consultant's fees up to Seven Thousand Dollars, (\$7,000.00) for the first year of this Agreement. This amount may be increased each year of this Agreement by not more than five percent (5%) from the prior year. All calculations shall initially be based upon good-faith estimates using all available information and shall be adjusted to reflect "near final" or "actual" data for the applicable year as the data becomes available.

Section 4.6. DATA FOR CALCULATIONS. The initial calculations for any payments owing under this Agreement shall be based upon the valuations placed upon the Qualified Property by the

Appraisal District in its annual certified tax roll submitted to the District pursuant to § 26.01 of the TEXAS TAX CODE in or about July of each year of this Agreement. The certified tax roll data shall form the basis from which any and all amounts due under this Agreement are calculated, and the data utilized by the Consultant will be adjusted as necessary to reflect any subsequent adjustments by the Appraisal District to the District's tax roll. Any estimates used by the Consultant to make calculations as required by this Agreement shall be based on the best and most current information available. The Consultant shall from time-to-time adjust the data utilized to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll, or any other relevant changes to material items such as student counts or tax collections.

Section 4.7. DELIVERY OF CALCULATIONS.

A. All calculations required under Articles IV, V, or VI shall be made by the Consultant on or before December 1 of each year for which this Agreement is effective. The Consultant shall forward such calculations to the Parties in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Consultant shall maintain supporting data consistent with generally accepted accounting practices. The Consultant shall preserve all documents and data related to all calculations required under this Agreement for a period of three (3) years. Employees and agents of the Parties shall have reasonable access to the Consultant's offices, personnel, books, and records pertaining to all calculations and fees.

B. In the event the District receives the Consultant's invoice for services rendered, the District shall forward to Applicant such invoice, which Applicant shall pay within thirty (30) days of receipt.

Section 4.8. PAYMENT BY APPLICANT. On or before the January 31 next following the tax levy for each year for which this Agreement is effective, and subject to the limitations contained in Section 7.1, the Applicant shall pay all amounts determined to be due and owing to the District, all amounts billed by the Consultant pursuant to Section 4.5, and any reasonable and necessary expenses paid by the District to its attorneys, auditors, or financial consultants for work resulting from the District's participation in this Agreement. Provided that the District, upon request of Applicant, provides supporting documentation to substantiate such reasonable and necessary expenses to the extent such supporting documentation is not excepted from disclosure as attorney-client privilege or otherwise excepted from disclosure under the Texas Public Information Act (TEXAS GOVERNMENT CODE § 552.001, *et seq.*).

Section 4.9. CHALLENGING CALCULATION RESULTS. The Applicant may appeal the Consultant's results, in writing, within fifteen (15) days of receipt of such results. The Consultant will issue a final determination of the calculations within fifteen (15) days of receiving Applicant's appeal. The Applicant may appeal the final determination of the Consultant to the District within fifteen (15) District business days of its receipt, pursuant to District Policy GF (LOCAL).

Section 4.10. EFFECT OF PROPERTY VALUE APPEAL OR ADJUSTMENT. In the event that the Taxable Value of the Qualified Property is changed after an appeal of its valuation, or the Taxable

Value is otherwise altered for any reason, the calculations required under Article IV of this Agreement shall be recalculated by the Consultant at Applicant's sole expense using the revised property values. The Consultant shall transmit the revised calculations to the Parties and any Party owing funds to the other Party shall pay such funds within thirty (30) days after receipt of the new calculations.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Article IV or Article VI of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following:

All non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.

Section 5.2. PAYMENTS. Payments of amounts due under this Article shall be made as set forth in Section 4.8 above.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS. Applicant shall make Supplemental Payments as set out in Section 6.2 annually, starting with the beginning of the Qualifying Time Period, and continuing through the third year following the end of the Tax Limitation Period.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

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

B. Supplemental Payments may only be made during the period starting with the beginning 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 2015-16 Average Daily Attendance of 311, rounded to the whole number.

Section 6.3. SUPPLEMENTAL PAYMENT CHANGES. In the event Chapter 313 is modified or amended to allow the District to receive Supplemental Payments in excess of the foregoing limitation, Applicant agrees to cooperate with the District to amend this Agreement to allow District to receive the maximum amount of Supplemental Payments as allowed by law; provided however, the total Supplemental Payments for any given year of this Agreement shall not exceed the greater of forty percent (40%) of Applicant's Net Tax Savings under this Agreement in such year or the amount calculated as set out in Section 6.2.A above, as determined for that school year. "Net Tax Savings" means an amount equal to (but not less than zero): (i) the sum of the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all years during the term of this Agreement if this Agreement had not been entered into by the Parties; minus (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas for all years during the term of this Agreement, plus (B) any and all payments due to the District under Article IV of this Agreement. For clarification, Net Tax Savings in respect of a particular year pursuant to Section 6.2 shall mean an amount equal to (but not less than zero): (i) the sum of the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for such year if this Agreement had not been entered into by the Parties; minus, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas for such year, plus (B) any and all payments due to the District under Article IV of this Agreement for such year. This Section 6.3 shall only apply if Chapter 313 of the TEXAS TAX CODE is amended so that the District is permitted to receive Supplemental Payments greater than as described in Section 6.2 above; otherwise, Section 6.2 shall apply.

Section 6.4. PAYMENT BY APPLICANT. Payment of amounts due under this Article shall be made as set forth in Section 4.8 of this Agreement and is subject to the limitations contained in Section 7.1.

ARTICLE VII

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1 ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum

of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

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

Section 7.3. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

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

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

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

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

extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS 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 thirty (30) 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 recaptured 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 thirty (30) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Cochran 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 Cochran 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 payments 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 thirty (30) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District

pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

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

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$10,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS

A. Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that

commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1;C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

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

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

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

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

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

ARTICLE X. MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (*e.g.*, by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile or email transmission, with notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date

of such electronic receipt.

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

To the District:

Whiteface Cons. Independent School District
Attn: Dr. Cassidy McBrayer, Superintendent
(or the successor Superintendent)
401 Antelope Blvd.
Whiteface, TX 79379
Phone #: (806) 287-1154
Fax #: (806) 287-1131
Email: cmcbrayer@whitefaceschool.net

With a copy to:

Underwood Law Firm, P.C.
Attn: Fred Stormer
P.O. Box 9158
Amarillo, TX 79105-9158
Phone #: (806) 379-0306
Fax #: (806) 379-0316
Email: fred.stormer@uwlaw.com

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

To Applicant:

Wildcat Ranch Wind Project, LLC
c/o Shannell Wilson, Project Manager
NextEra Energy Resources, LLC
700 Universe Boulevard
Juno Beach, FL 33408
Phone #: (561) 304-5415
Email: shannelle.wilson@NEE.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 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and
 - iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.
- C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:
 - i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;
 - ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and
- D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.
- E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

Section 10.3. ASSIGNMENT.

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

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

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

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

Section 10.5. GOVERNING LAW. This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in a state district court in Cochran 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).

[signatures follow on next page]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 14th day of September, 2017.

WILDCAT RANCH WIND PROJECT, LLC

WHITEFACE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

BY: _____

BY: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

ATTEST:

BY: _____

NAME: _____

TITLE: _____

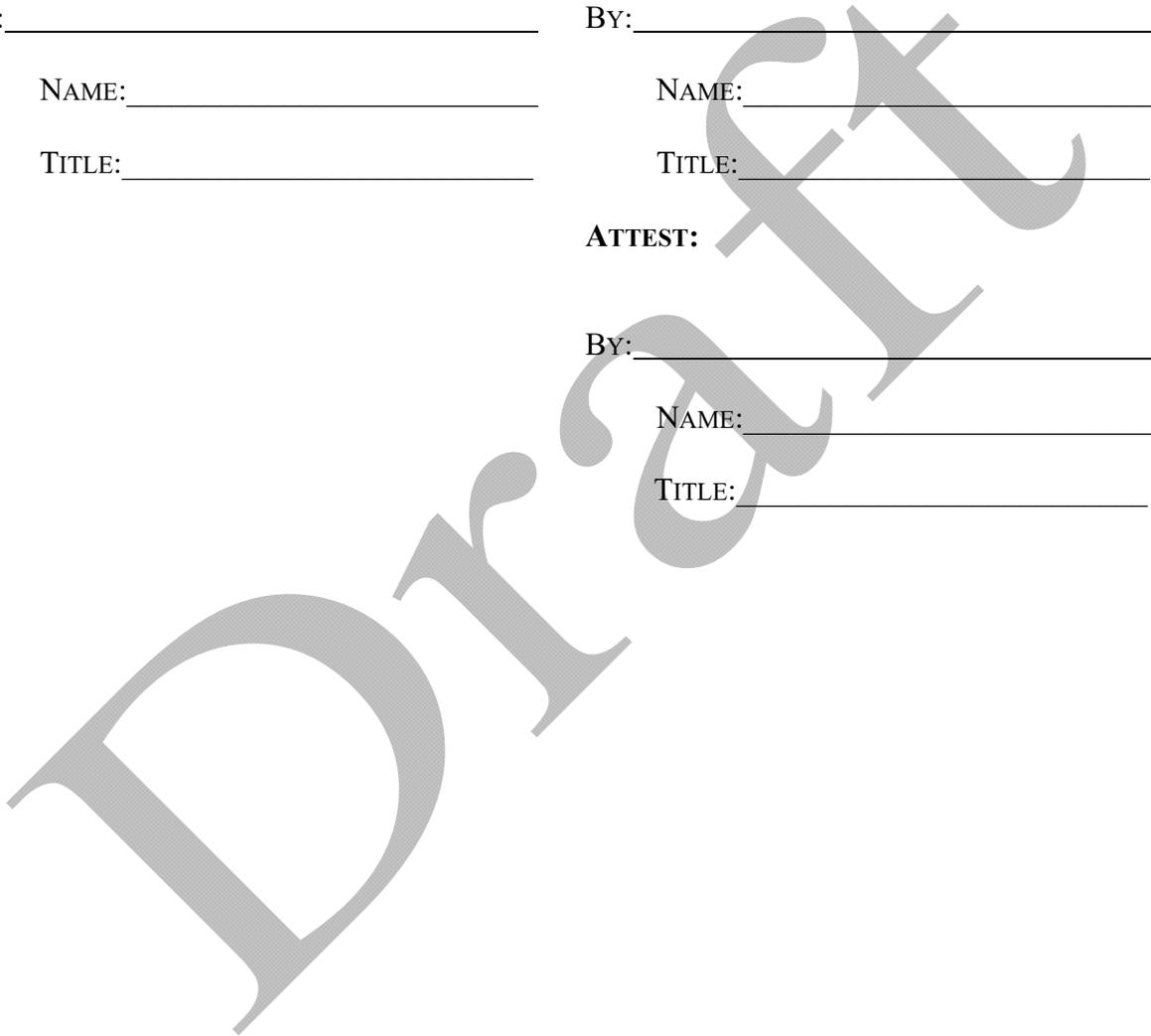


EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The Cochran County Commissioners Court passed an Order Approving Motion for Designation of Cochran County Wildcat Ranch Wind Project Reinvestment Zone on June 12, 2017, which is more particularly described below.

CNTY PIN	PARCEL ACREAGE	BRIEF LEGAL
11835	4490.56545	92 93 MILLS 4,439 ACRES
13270	4446.481598	81 92 LIPSCOMB 4,439 ACRES
14266	4426.329286	125 1-25 152 RANDALL 4,444 ACRES
14360	4282.378374	124 1-25 151 RANDALL 4,446 ACRES
15105	4175.210839	106 2-9;11-25 133 ARMSTRONG 4,088 ACRES
14181	3511.552902	123 NPT OF 150 RANDALL V252/776;267/001 942.8 ACRES
14487	3328.084615	107 2-9; 12-19; 22-25 134 ARMSTRONG 3,557 ACRES
11493	3046.125762	93 SPT OF 94 MILLS CSL SHED; STGS 2,815 ACRES
14331	2576.158647	113 11-25 132 CARSON 2,664 ACRES
16536	1911.081577	108 4-7; 14-19 135 ARMSTRONG 1,753 ACRES
14222	1294.697971	105 1-9 114 POTTER 1,268 ACRES
14223	1201.608727	105 PT OF 114 POTTER 1,332.9 ACRES
14477	1173.191615	102 PT OF SWPT OF W/2 OF 113 POTTER .500000 INT IN 1,184.4 ACRES
14313	884.751877	102 SPT OF E/2 OF 113 POTTER 888.8 ACRES
14061	738.600838	103 4-8 115 POTTER 592 ACRES
16541	714.331997	110 NWPT OF 11;12- EPT 13 130 CARSON 468.53 ACRES
14062	568.701122	103 9-12 115 POTTER 740 ACRES
14134	566.471485	102 PT OF SWPT OF W/2 OF 113 POTTER 592.5 ACRES
14501	500.44379	TRACT 14 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 504.1 ACRES
13417	496.042017	102 PT OF CPT OF E/2 OF 113 POTTER 444 ACRES
14059	486.944552	102 NPT OF W/2 OF 10-12 113 POTTER 444 ACRES
14485	461.176109	WPT OF TRACT 7 F O SUBD #2 (AB 107 LGE 134 ARMSTRONG CSL) (AB 108 LGE 135 ARMSTRONG CSL) 454 ACRES
12647	450.561608	102 NPT OF E/2 OF 113 POTTER 444.3 ACRES
14216	444.831421	102 MID PT OF SE/2 OF 113 POTTER 444 ACRES
41727	402.185166	WPT OF TRACT 18 F O SUBD #2 (AB 107 LGE 134 ARMSTRONG CSL) 197.71 ACRES
14319	359.328054	TRACT 5 F O SUBD #2 (AB 108 LGE 135 ARMSTRONG CSL) 367 ACRES
14388	351.836323	TRACT 19 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 364 ACRES
14325	349.330383	110 3 & 8 130 CARSON 349 ACRES
14236	347.728336	PT OF TRACT 29 F O SUBD #2 (AB 112/113 LGE 131/132 CARSON
13422	347.688785	PT OF TRACT 9 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) (AB 112 LGE 131 CARSON CSL) 345 ACRES

Agreement for Limitation on Appraised Value
 Between Whiteface CISD and Wildcat Ranch Wind Project, LLC
 (App No. 1186), September 14, 2017
 Exhibit 1

*Texas Economic Development Act Agreement
 Comptroller Form 50-826 (Jan 2016)*

CNTY PIN	PARCEL ACREAGE	BRIEF LEGAL
14505	345.575315	SPT OF TRACT 26 F O SUBD #2 (AB 113 LGE 132 CARSON CSL) 347 ACRES
14072	341.326373	110 1-2 130 CARSON 349.2 ACRES
14148	340.546486	110 9-10 130 CARSON 349.2 ACRES
15120	340.014805	TRACT 20 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 346 ACRES
14324	338.852636	TRACT 12 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) (AB 112 LGE 131 CARSON CSL) 331 ACRES
14075	333.976442	TRACT 22 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 337 ACRES
15119	330.778058	TRACT 17 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 333.3 ACRES
15121	328.289419	TRACT 21 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 330 ACRES
14074	327.988244	TRACT 16 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 330.3 ACRES
41730	324.324384	TRACT 15 F O SUBD
16545	324.255098	SPT OF TRACT 27 F O SUBD #2 (AB 113 LGE 132 CARSON CSL) 334.6 ACRES
14493	308.404463	TRACT 8 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) (AB 112 LGE 131 CARSON CSL) 314 ACRES
14494	308.302502	TRACT 11 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) (AB 112 LGE 131 CARSON CSL) 314 ACRES
41733	306.439059	TRACT 10 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) (AB 112 LGE 131 CARSON CSL) 314 ACRES
14069	302.408536	TRACT 1 F O SUBD #2 (AB 108 LGE 135 ARMSTRONG CSL) 306 ACRES
14068	302.133012	PT OF TRACT 28 F O SUBD #2 AB 106 LGE 133 ARMSTRONG CSL 313.6 ACRES
15108	300.478881	TRACT 3 F O SUBD #2 (AB 108 LGE 135 ARMSTRONG CSL) 306 ACRES
15107	300.005701	TRACT 2 F O SUBD #2 (AB 108 LGE 135 ARMSTRONG CSL) 306 ACRES
14153	299.977784	SPT OF TRACT 25 F O SUBD #2 (AB 113 LGE 132 CARSON CSL)
14480	277.351954	104 75-76 116 POTTER (C A PIERCE SUBD #2) 299 ACRES
14235	274.557909	SPT OF TRACT 24 F O SUBD #2 (AB 113 LGE 132 CARSON CSL) 273 ACRES
15111	235.428592	110 4; EPT OF 5 130 CARSON 242 ACRES
14495	233.711712	110 EPT OF 6-7 130 CARSON 238 ACRES
15109	213.844768	EPT OF TRACT 4 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) 220 ACRES
14320	203.525228	WPT OF TRACT 6 F O SUBD #2 (AB 108 LGE 135 ARMSTRONG CSL) .500000 INT IN 236 ACRES
14146	170.250875	EPT OF WPT OF TRACT 13 F O SUBD #2 (AB 107 LGE 134 ARMSTRONG CSL) 145 ACRES
13420	169.862207	WPT OF TRACT 13 F O SUBD #2 (AB 107 LGE 134 ARMSTRONG CSL) 145 ACRES
14233	163.752345	EPT OF TRACT 13 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 166.7 ACRES
16535	154.314508	EPT OF TRACT 6 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) .500000 INT IN 131 ACRES
41724	153.277398	EPT OF TRACT 18 F O SUBD #2 (AB 112 LGE

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EXHIBIT 1

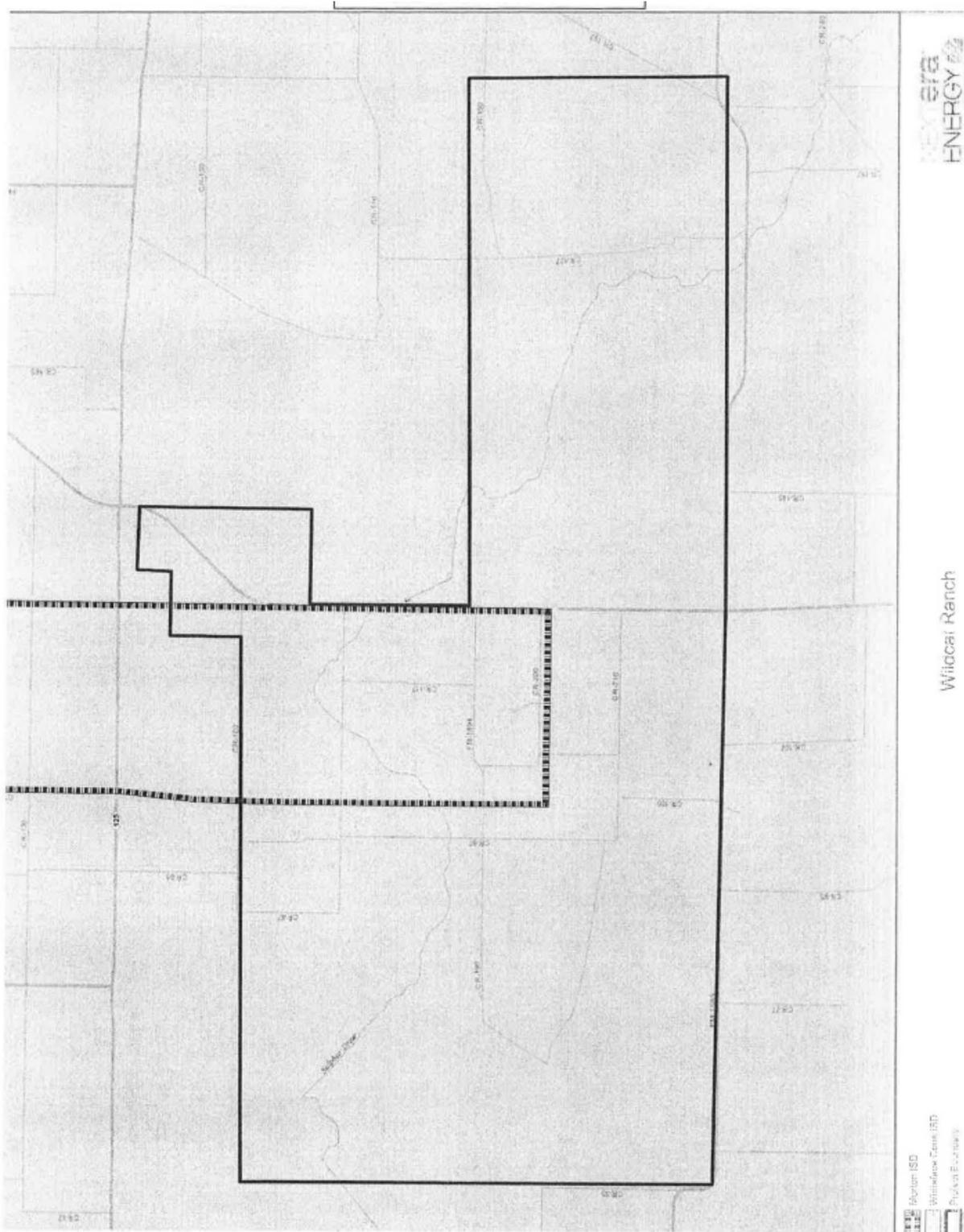
CNTY PIN	PARCEL ACREAGE	BRIEF LEGAL
14226	153.021594	110 94 130 CARSON CSL (C A PIERCE SUBD #2) 156.9 ACRES
14137	151.23869	104 TR 3 116 POTTER (SW CORNER OF LGE 116) 148 ACRES
14230	149.224705	111 77 129 CARSON CSL (C A PIERCE SUBD #2) 150 ACRES
14481	141.036222	104 TR 2 116 POTTER CSL (SW CORNER OF LGE 116) 148 ACRES
14315	140.34408	104 PT OF TR 1 116 POTTER (SW CORNER OF LGE 116) 140.5 ACRES
14503	121.563085	EPT OF TRACT 23 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 107.7 ACRES
14070	88.871709	WPT OF TRACT 4 F O SUBD #2 (AB 108 LGE 135 ARMSTRONG CSL) 86 ACRES
15123	81.559462	NPT OF TRACT 24 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 85 ACRES
14328	70.569021	NPT OF TRACT 26 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 54 ACRES
14077	69.692296	NPT OF TRACT 27 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 66 ACRES
14330	60.498185	PT OF TRACT 29 F O SUBD #2 (AB 112/113 LGE 131/132 CARSON
14318	35.256112	105 NWPT OF 4 114 POTTER 5 ACRES
14324	32.122158	TRACT 12 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) (AB 112 LGE 131 CARSON CSL) 331 ACRES
14145	32.003867	E PT OF TRACT 28 F O SUBD #2 AB 113 LGE 132 CARSON CSL 31.4 ACRES
15118	24.504003	SEPT OF TRACT 7 F O SUBD #2 (AB 110 LGE 130 CARSON CSL) (AB 112 LGE 131 CARSON CSL) 33 ACRES
14389	10.916516	PT OF SE/CORN OF TRACT 27 F O SUBD #2 (AB 113 LGE 132 CARSON CSL) 11 ACRES
14329	8.475633	NPT OF TRACT 26 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 10 ACRES
15112	6.013321	110 SEPT OF 11 130 CARSON 6 ACRES
14327	4.947703	NPT OF TRACT 26 F O SUBD #2 (AB 112 LGE 131 CARSON CSL) 2 RES; 2 SHOPS; CP 5 ACRES
14078	3.977998	SPT OF TRACT 27 F O SUBD #2 (AB 113 LGE 132 CARSON CSL) BUNKER 4 ACRES
12012	3.264745	16X14 OFFICE-STORAGE; 14X24 BLDG:15X21 CONC LOC LAB 12 LGE 134 ARMSTRONG
14154	1.002781	SPT OF TRACT 29 F O SUBD #2 (AB 113 LGE
12011	0.326459	16X20 METAL OFFICE LOC LAB 22 LGE 133 ARMSTRONG CSL

Agreement for Limitation on Appraised Value
Between Whiteface CISD and Wildcat Ranch Wind Project, LLC
(App No. 1186), September 14, 2017
Exhibit 1

*Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2016)*

EXHIBIT 1

Map of Cochran County Wildcat Ranch Wind Project Reinvestment Zone



Agreement for Limitation on Appraised Value
Between Whiteface CISD and Wildcat Ranch Wind Project, LLC
(App No. 1186), September 14, 2017
Exhibit 1

*Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2016)*

EXHIBIT 2

DESCRIPTION OF LAND

All Qualified Property owned by the Applicant is located within the boundaries of both the Whiteface Consolidated Independent School District and the Cochran County Wildcat Ranch Wind Project Reinvestment Zone, and is located in an area more particularly described **EXHIBIT 1**.

Draft

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Wildcat Ranch Wind Project, LLC plans to construct a 150 MW wind farm in Cochran County.

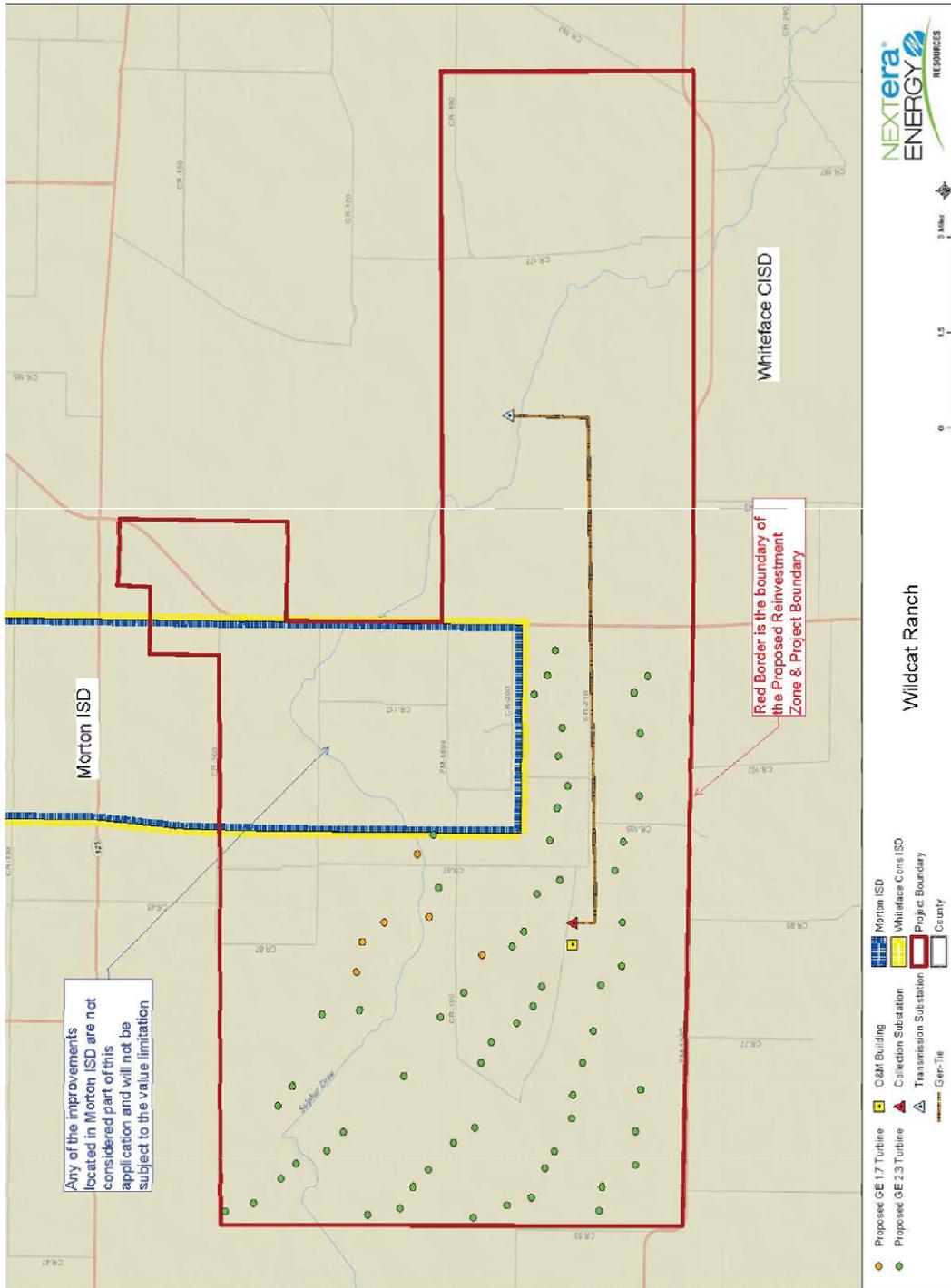
This agreement covers all qualified property within Whiteface CISD necessary for the commercial operations of the proposed wind farm. One hundred and fifty megawatts (150 MW) will be located in Whiteface CISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 60 of the 2.3 MW turbines and 7 of the 1.715 MW turbines manufactured by GE. Wildcat Ranch Wind is also constructing approximately 5.5 miles of generation transmission tie line that will be in Whiteface CISD.

This agreement covers all qualified investment and qualified property necessary for the commercial operations of the wind farm.

Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, buildings and offices, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.

MAP OF QUALIFIED INVESTMENT

11) Vicinity Map of Qualified Investment, Qualified Property & Reinvestment Zone



Agreement for Limitation on Appraised Value
 Between Whiteface CISD and Wildcat Ranch Wind Project, LLC
 (App No. 1186), September 14, 2017
 Exhibit 3

Texas Economic Development Act Agreement
 Comptroller Form 50-826 (Jan 2016)

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

See **EXHIBIT 3.**

Draft

EXHIBIT 5

AGREEMENT SCHEDULE

	<u>Year of Agreement</u>	<u>Date of Appraisal</u>	<u>School Year</u>	<u>Tax Year</u>	<u>Summary Description</u>
Limitation Pre-Year	1	January 1, 2017	2017-18	2017	Limitation Pre-Year
	2	January 1, 2018	2018-19	2018	Limitation Pre-Year, QTP begins January 1, 2018
Limitation Period (10 Years)	3	January 1, 2019	2019-20	2019	\$20 million appraisal limitation, QTP ends December 31, 2019
	4	January 1, 2020	2020-21	2020	\$20 million appraisal limitation
	5	January 1, 2021	2021-22	2021	\$20 million appraisal limitation
	6	January 1, 2022	2022-23	2022	\$20 million appraisal limitation
	7	January 1, 2023	2023-24	2023	\$20 million appraisal limitation
	8	January 1, 2024	2024-25	2024	\$20 million appraisal limitation
	9	January 1, 2025	2025-26	2025	\$20 million appraisal limitation
	10	January 1, 2026	2026-27	2026	\$20 million appraisal limitation
	11	January 1, 2027	2027-28	2027	\$20 million appraisal limitation
	12	January 1, 2028	2028-29	2028	\$20 million appraisal limitation
Maintain a Viable Presence (5 Years)	13	January 1, 2029	2029-30	2029	No appraisal limitation; must maintain a viable presence
	14	January 1, 2030	2030-31	2030	No appraisal limitation; must maintain a viable presence
	15	January 1, 2031	2031-32	2031	No appraisal limitation; must maintain a viable presence
	16	January 1, 2032	2032-33	2032	No appraisal limitation; must maintain a viable presence
	17	January 1, 2033	2033-34	2033	No appraisal limitation; must maintain a viable presence

Agreement for Limitation on Appraised Value
 Between Whiteface CISD and Wildcat Ranch Wind Project, LLC
 (App No. 1186), September 14, 2017
 Exhibit 5

*Texas Economic Development Act Agreement
 Comptroller Form 50-826 (Jan 2016)*



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 13, 2017

Dr. Cassidy McBrayer
Whiteface Consolidated School District
401 Antelope Blvd.
P.O. Box 7
Whiteface, TX 79379

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Whiteface Consolidated Independent School District and Wildcat Ranch Wind Project, LLC, Application 1186

Dear Superintendent McBrayer:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Whiteface Consolidated Independent School District and Wildcat Ranch Wind Project, LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

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

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at desiree.caufield@cpa.texas.gov or by phone at 1-800-531-5441, ext. 6-8597, or at 512-936-8597.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Counihan", is written over a light blue horizontal line.

Will Counihan
Director
Data Analysis & Transparency Division

cc: Audie Sciumbato, Underwood Law Firm, P.C.
John Di Donato, NextEra Energy Holdings, Inc
Shanelle Wilson, NextEra Energy Holdings, Inc
Wes Jackson, Cummings Westlake, LLC

CUMMINGS WESTLAKE LLC

12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

April 3, 2017

Dr. Cassidy McBrayer
Whiteface Consolidated Independent School District
401 Antelope Blvd.
Whiteface, TX 79379

Re: Chapter 313 Job Waiver Request

Dear Dr. McBrayer,

Wildcat Ranch Wind Project, LLC (Wildcat) requests that the Whiteface Consolidated Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the tax code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Wildcat requests that the Whiteface Consolidated Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Wildcat has committed to create 5 total jobs for the project, all of which will be in Whiteface CISD.

Wind projects create a large number of full and part-time, but temporary jobs during the construction phase of the project and require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The number of jobs specified in this application is in line with the industry standards for a wind farm of this scope and size. The industry standard for employment is typically one full-time employee for approximately every 15 turbines. This number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. This is evidenced by previously filed limitation agreement applications by wind developers who also requested a waiver of the job requirements.

Sincerely,



J. Weston Jackson
Partner