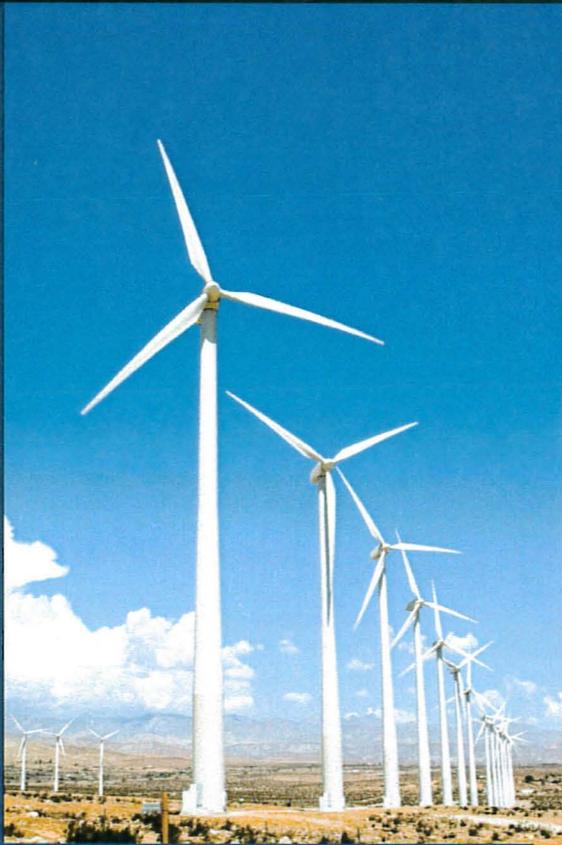


**FINDINGS OF THE CROWELL
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
FOARD CITY WIND, LLC (#1231)**



May 9, 2018

**FINDINGS
OF THE
CROWELL INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
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MAY 9, 2018

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DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
FOARD CITY WIND, LLC (#1231)

STATE OF TEXAS §

COUNTY OF FOARD §

On the 9th day of May 2018, a public meeting of the Board of Trustees of the Crowell Independent School District (“District”) was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Foard City Wind, LLC (“Applicant”) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District’s administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On December 11, 2017, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts (“Comptroller”) received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32061561216), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

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

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Foard Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054. On February 13, 2018, the Comptroller determined the Application to be complete.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on April 19, 2018 in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

The Board of Trustees has previously directed that a specific financial analysis be conducted concerning the impact of the proposed value limitation on the finances of District. A copy of the report prepared by Moak, Casey & Associates, Inc., is attached to these findings as **Attachment D**.

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

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

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

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

Board Finding Number 1.

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

In support of Finding 1, the Application indicates that:

Foard City Wind, LLC (Foard City) is requesting an appraised value limitation from Crowell Independent School District (ISD) for the Foard City Wind Project (the "Project"), a proposed wind powered electric generating facility in Foard County. The proposed Project is anticipated to have a capacity of approximately 350 MW located in Crowell ISD.

Property used for renewable energy electric generation is eligible for a limitation under §313.024(b)(5).

Board Finding Number 2.

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

Board Finding Number 3.

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

Board Finding Number 4.

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

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

Board Finding Number 5.

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

In its Application, Applicant has committed to creating seven (7) new qualifying jobs. The average salary level of qualifying jobs will be at least \$55,230 per year. The review of the application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

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

Board Finding Number 6.

Based upon the information provided to the District with regard to the industry standard for staffing ratios of similar projects in the State of Texas, the District has determined that if the job creation requirement set

forth in Texas Tax Code § 313.021(2)(A)(iv)(b) was applied, for the size and scope of the project described in the Application, the required number of jobs meets or exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

Board Finding Number 7.

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

In its Application, Applicant has indicated that it does not intend to create any non-qualifying jobs. For all non-qualifying jobs, the Applicant should create the Applicant will be required to pay at least the county average wage of \$28,315 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

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, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$370.6 million to the tax base that would be available for debt service purposes at the peak investment level for the 2020-21 school year.

Board Finding Number 9.

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

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will be little to no impact on school facilities created by the new project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in the District as stated in **Attachment F**.

Board Finding Number 10.

The Board finds that with the adoption of District Policy CCG (Local), implemented in conformance with both Comptroller and Texas Education Agency Rules governing Chapter 313 Agreements, it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.

Board Finding Number 11.

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

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

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

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

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

Board Finding Number 12.

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

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller's Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2015 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F. The total industrial value for the District is \$2.2 million. The District is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. The District is classified as a "rural" district due to its demographic characteristics. Given that the value of industrial property is more than \$1 million but less than \$90 million, it is classified as a Category III district which can offer a minimum value limitation of \$20 million.

Board Finding Number 13.

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

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

Board Finding Number 14.

The Applicant (Taxpayer No. 32061561216) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32061561216), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise tax payer by the Comptroller. See Attachment B. The Board also finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 15.

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

Board Finding Number 16.

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

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the first and subsequent years that the value limitation

is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. The Agreement contains adequate revenue protection measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (**Attachment H**)

Board Finding Number 17.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.

Board Finding Number 18.

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

The Board finds that with the adoption of District Policies BBFA and BBFB, both (Legal) and (Local), set forth at <https://pol.tasb.org/Home/Index/480>, that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

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

The Board finds that with the adoption of District Policies DBD, DGA, DH, and BBFB, both (Legal) and (Local) that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that

such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

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

Board Finding Number 19.

The Board directs that a link on its Web site to the Comptroller's Office's Web site where appraisal limitation related documents are made available to the public.

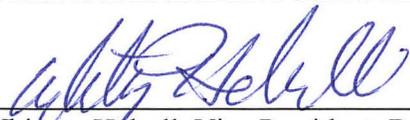
Board Finding Number 20.

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

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

Dated the 9th day of May 2018.

CROWELL INDEPENDENT SCHOOL DISTRICT

By: 
Whitney Halsell, Vice President, Board of Trustees

ATTEST:
By: 
Ruby Manney, Secretary, Board of Trustees

Attachment A

Application

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

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

December 14, 2017

Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78711-3528

RE: Application to the Crowell Independent School District from Foard City Wind, LLC

(First Qualifying Year 2018; First Limitation Year 2020)

Application and Confidential Materials

To the Local Government Assistance & Economic Analysis Division:

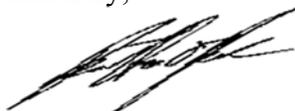
By copy of this letter transmitting the application for review to the Comptroller's Office, the Crowell Independent School District is notifying Foard City Wind, LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. The electronic copy is identical to the hard copy that will be hand delivered.

The Applicant submitted the Application to the school district on December 11, 2017. The Board voted to accept the application on December 11, 2017. The application has been determined complete as of December 14, 2017. Please prepare the economic impact report.

The Applicant has requested portions of Tab 11 of the Application be kept confidential. In accordance with 34 TAC 9.1053, the information that is the subject of this request is segregated from the supplemental materials submitted contemporaneously with this application, that is, the proprietary commercial information regarding the specific location of the possible project. The confidential materials are being submitted separately to protect against unintended disclosure. The public release of this information would reveal information which the company considers to be a trade secret. Furthermore, the public production of this information would cause the company to suffer substantial competitive harm and weaken its position in competitive siting decisions. This information is submitted confidential pursuant to Tex. Gov't Code Section 552.104 and Tex. Gov't Code Section 552.110.

A copy of the application will be submitted to the Foard County Appraisal District.

Sincerely,

A handwritten signature in black ink, appearing to be the name of an attorney, written over a horizontal line.

Letter to Local Government Assistance & Economic Analysis Division

December 15, 2017

Page 2 of 2

Kevin O'Hanlon

School District Consultant

Cc: Foard County Appraisal District
Foard City Wind, LLC

TAB 1

Pages 1 through 9 of application.

Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

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 comptroller.texas.gov/economy/local/ch313/. 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

December 11, 2017

Date Application Received by District

Pam

First Name

Norwood

Last Name

Superintendent

Title

Crowell ISD

School District Name

400 E. Logan

Street Address

P.O. Box 239

Mailing Address

Crowell

City

940-684-1403

Phone Number

TX

State

940-684-1616

Fax Number

79227-0239

ZIP

pam.norwood@crowellisd.net

Email Address

Mobile Number (optional)

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

Yes

No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

<u>Dan</u> First Name	<u>Casey</u> Last Name
<u>Partner</u> Title	
<u>Moak Casey And Associates</u> Firm Name	
<u>512-485-7878</u> Phone Number	<u>512-485-7888</u> Fax Number
	<u>dcasey@moakcasey.com</u> Email Address
<u>Mobile Number (optional)</u>	

December 14, 2017

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

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

<u>Paul</u> First Name	<u>Rapp</u> Last Name
<u>Vice President</u> Title	<u>Foard City Wind, LLC</u> Organization
<u>c/o Alterra Power Corp., 1100-888 Dunsmuir St.</u> Street Address	
<u>c/o Alterra Power Corp., 1100-888 Dunsmuir St.</u> Mailing Address	
<u>Vancouver</u> City	<u>BC</u> State
<u>604-235-6711</u> Phone Number	<u>V6C 3K4</u> ZIP
<u>Mobile Number (optional)</u>	<u>PRapp@alterrapower.ca</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>General Counsel</u> First Name	<u>Foard City Wind, LLC</u> Last Name
<u>c/o Alterra Power Corp., 1100-888 Dunsmuir St.</u> Street Address	<u>Foard City Wind, LLC</u> Organization
<u>c/o Alterra Power Corp., 1100-888 Dunsmuir St.</u> Mailing Address	
<u>Vancouver</u> City	<u>BC</u> State
<u>604-669-4999</u> Phone Number	<u>V6C 3K4</u> ZIP
<u>Mobile Number (optional)</u>	<u>generalcounsel@alterrapower.ca</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 x-2 _____ 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? _____ Foard City Wind, LLC _____
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) _____ 32061561216 _____
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? *Company has 312 agreement with Foard County* 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? *Company has 312 agreement with Foard County* 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 April 2018
- 2. Commencement of construction Q1 2019
- 3. Beginning of qualifying time period January 2, 2018
- 4. First year of limitation 2020
- 5. Begin hiring new employees Q4 2019
- 6. Commencement of commercial operations Q4 2019
- 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (*date your application is finally determined to be complete*)? Yes No
Note: Improvements made before that time may not be considered qualified property.
- 8. When do you anticipate the new buildings or improvements will be placed in service? Q4 2019

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Foard
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Foard 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: Foard; 100%, \$.9350 <i>(Name, tax rate and percent of project)</i>	City: N/A <i>(Name, tax rate and percent of project)</i>
Hospital District: Foard County Hospital, 100%, \$.318706 <i>(Name, tax rate and percent of project)</i>	Water District: Gateway GCD, 100%, \$.010 <i>(Name, tax rate and percent of project)</i>
Other (<i>describe</i>): N/A <i>(Name, tax rate and percent of project)</i>	Other (<i>describe</i>): N/A <i>(Name, tax rate and percent of project)</i>
- 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 comptroller.texas.gov/economy/local/ch313/.

- 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? _____

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.

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? 7
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 544.50
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 205.70
Manufacturing Data is Only Available for 4Q 2011
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,061.99
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? 55,223.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 55,230.00
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**.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

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

TAB 2

Proof of Payment of Application Fee

Please find on the attached page, copy of the check for the \$75,000 application fee to Crowell Independent School District.

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

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

TAB 3

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

See Attached

Franchise Tax

2016 Annual EZ Computation Report

Confirmation

You Have Filed Successfully

Please do NOT send a paper form

[Print this page for your records](#)

Submission ID: 34568815

Date and Time of Filing: 11/15/2016 03:34:13 PM

Taxpayer ID: 32057644778

Taxpayer Name: ALTERRA MANAGEMENT SERVICES, LLC

Taxpayer Address: 2711 CENTERVILLE RD STE 400 WILMINGTON, DE 19808 - 1645

Entered By: Aly Sheriff

Email Address: asheriff@alterrapower.ca

Telephone Number: (604) 235-6723

IP Address: 209.153.208.234

Total Amount Due and Payable = 0.00

Additional Reports

Is this the reporting entity of a combined group?	Yes
Do any of the entities in the combined group have a temporary business loss preserved?	No
Will your total revenue be adjusted for the Tiered Partnership Election?	No

EZ Computation Report

SIC Code:		NAICS Code: 551114
Accounting Year Begin Date: 01/01/2015		Accounting Year End Date: 12/31/2015
Gross receipts or sales:		463,909
Dividends:		0
Interest:		48,607
Rents:		0
Royalties:		0
Gains/losses:		-23,370,157
Other income:	+	1,599,398
Total Gross Revenue:		-21,258,243
Exclusions from Revenue:	-	0
Total Revenue:		0
Gross receipts in Texas:	1,191,619	
Gross receipts everywhere:	÷ 2,111,914	
Apportionment Factor:	0.5642	x 0.5642
Apportioned Revenue:		0.00
Tax rate:	x	0.00331
Tax Due:		0.00
Prior Payment:	-	3,950.00
Total Tax Due:		-3,950.00

No payment for tax is due because the Total Tax Due is less than \$1,000.

Mailing Address

Street Address: 2711 CENTERVILLE RD STE 400
City: WILMINGTON
State: DE
Zip Code: 19808 - 1645

Country: USA

Affiliate 1

Legal Name of Affiliate: ALTERRA MANAGEMENT SERVICES, LLC

Affiliate Taxpayer Number: 32057644778

SOS File Number or Comptroller File Number: 0802243147

Affiliate NAICS Code: 551114

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? Yes

Affiliate Reporting Begin Date: 04/22/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 1,191,619

Gross receipts in Texas: 1,191,619

Cost of goods sold or compensation: 375,115

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 2711 CENTERVILLE RD STE 400
WILMINGTON, DE 19808-1645

Principal Office:

Principal Place Of Business:

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: JOHN CARSON

Title: PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Name: LYNDA FREEMAN

Title: CFO

Director? No

Term Expiration Date:

Mailing Address:

Name: PAUL RAPP

Title: VICE PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)

Owned Entity(s)

State of Formation

TX SOS File #

Percentage of Ownership

None entered.

Owners

Owned Entity(s)

State of Formation

TX SOS File #

Percentage of Ownership

MAGMA ENERGY (U.S.)
CORP.

NV

100.0

Registered Agent and Office

Agent: CSC SERVICES OF DELAWARE, INC

Office: 2711 CENTERVILLE RD, STE 400

WILMINGTON, DE 19808-1645

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 2

Legal Name of Affiliate: ALTERRA RENEWABLE HOLDINGS III CORP.

Affiliate Taxpayer Number: 981191217

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 551112

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 38,240

Gross receipts in Texas: 0

Cost of goods sold or compensation: 92

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 600-888 DUNSMUIR STREET
VANCOUVER, BC V6C3K4
CANADA

Principal Office:

Principal Place Of Business:

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: JOHN CARSON

Title: PRESIDENT

Director? Yes

Term Expiration Date:

Mailing Address:

Name: LYNDA FREEMAN

Title: CFO

Director? Yes

Term Expiration Date:

Mailing Address:

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
MAGMA ENERGY (U.S.) CORP.	NV		100.0

Owners

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
ALTERRA RENEWABLE HOLDINGS CORP.	BC, CANADA		100.0

Registered Agent and Office

Agent:

Office:

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 3

Legal Name of Affiliate: MAGMA ENERGY (U.S.) CORP.

Affiliate Taxpayer Number: 262656199

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 221118

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 418,146

Gross receipts in Texas: 0

Cost of goods sold or compensation: 9,134

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 2218 RENAISSANCE DR, STE B
LAS VEGAS, NV 89119

Principal Office:
Principal Place Of Business:
Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: JOHN CARSON
Title: DIRECTOR Director? Yes Term Expiration Date:
Mailing Address:

Name: ROSS BEATY
Title: PRESIDENT Director? Yes Term Expiration Date:
Mailing Address:

Name: SHANNON WEBBER
Title: SECRETARY Director? No Term Expiration Date:
Mailing Address:

Name: LYNDA FREEMAN
Title: TREASURER Director? No Term Expiration Date:
Mailing Address:

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
ALTERRA MANAGEMENT SERVICES, LLC	DE	802243147	100.0
ALTERRA SHANNON INVESTMENTS, LLC	DE		100.0
ALTERRA TEXAS HOLDINGS, LLC	DE		100.0
SODA LAKE SOLAR, LLC	DE		100.0

Owners

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
ALTERRA RENEWABLE HOLDINGS III CORP.	BC, CANADA		100.0

Registered Agent and Office

Agent: CORPORATION TRUST COMPANY OF NEVADA, INC.
Office: 2215 RENAISSANCE DR, ST B
LAS VEGAS, NV 89119

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 4

Legal Name of Affiliate: ALTERRA SHANNON INVESTMENTS, LLC
Affiliate Taxpayer Number: 352561263
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 551112
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 03/31/2015
Affiliate Reporting End Date: 12/31/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address:

2711 CENTERVILLE RD STE 400
WILMINGTON, DE 19808-1645

Principal Office:
Principal Place Of Business:
Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: JOHN CARSON
Title: PRESIDENT Director? No Term Expiration Date:
Mailing Address:

Name: LYNDA FREEMAN
Title: CFO Director? No Term Expiration Date:
Mailing Address:

Name: PAUL RAPP
Title: VICE PRESIDENT Director? No Term Expiration Date:
Mailing Address:

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
ALTERRA SHANNON HOLDINGS, LLC	DE		100.0

Owners

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
MAGMA ENERGY (U.S.) CORP.	NV		100.0

Registered Agent and Office

Agent: CSC SERVICES OF DELAWARE, INC
Office: 2711 CENTERVILLE RD, STE 400
WILMINGTON, DE 19808

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 5

Legal Name of Affiliate: ALTERRA SHANNON HOLDINGS, LLC

Affiliate Taxpayer Number: 611742921

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 551112

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 32

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 2711 CENTERVILLE RD STE 400
WILMINGTON, DE 19808-1645

Principal Office:
Principal Place Of Business:
Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: JOHN CARSON
Title: PRESIDENT Director? No Term Expiration Date:
Mailing Address:

Name: LYNDA FREEMAN

Title: CFO

Director? No

Term Expiration Date:

Mailing Address:

Name: PAUL RAPP

Title: VICE PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
SHANNON GROUP HOLDINGS, LLC	DE		100.0

Owners

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
ALTERRA SHANNON INVESTMENTS, LLC	DE		100.0

Registered Agent and Office

Agent: CSC SERVICES OF DELAWARE, INC

Office: 2711 CENTERVILLE RD, STE 400
WILMINGTON, DE 19808

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 6

Legal Name of Affiliate: SHANNON GROUP HOLDINGS, LLC

Affiliate Taxpayer Number: 473885839

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 551112

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 03/11/2015

Affiliate Reporting End Date: 06/28/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 2711 CENTERVILLE RD STE 400
WILMINGTON, DE 19808-1645

Principal Office:

Principal Place Of Business:

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: JOHN CARSON

Title: PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Name: LYNDA FREEMAN

Title: CFO

Director? No

Term Expiration Date:

Mailing Address:

Name: PAUL RAPP

Title: VICE PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
SHANNON PARTNERSHIP HOLDINGS, LLC	DE		100.0

Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
ALTERRA SHANNON HOLDINGS, LLC	DE		100.0

Registered Agent and Office
Agent: CSC SERVICES OF DELAWARE, INC
Office: 2711 CENTERVILLE RD, STE 400
WILMINGTON, DE 19808

Declaration Statement
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 7

Legal Name of Affiliate: SHANNON PARTNERSHIP HOLDINGS, LLC

Affiliate Taxpayer Number: 471586321

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 551112

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 06/28/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 2711 CENTERVILLE RD, STE 400
WILMINGTON, DE 19808-1645

Principal Office:

Principal Place Of Business:

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: JOHN CARSON

Title: PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Name: LYNDA FREEMAN

Title: CFO

Director? No

Term Expiration Date:

Mailing Address:

Name: PAUL RAPP

Title: VICE PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
SHANNON WIND HOLDINGS, LLC	DE	801939240	100.0

Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
	DE		100.0

SHANNON GROUP
HOLDINGS, LLC

Registered Agent and Office

Agent: CSC SERVICES OF DELAWARE, INC
Office: 2711 CENTERVILLE RD, STE 400
WILMINGTON, DE 19808

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 8

Legal Name of Affiliate: SHANNON WIND HOLDINGS, LLC

Affiliate Taxpayer Number: 32053272947

SOS File Number or Comptroller File Number: 0801939240

Affiliate NAICS Code: 551112

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? Yes

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 06/28/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 2711 CENTERVILLE RD STE 400
WILMINGTON, DE 19808-1645

Principal Office:

Principal Place Of Business:

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: PAUL RAPP

Title: VICE PRESI

Director? No

Term Expiration Date:

Mailing Address:

Name: JOHN CARSON

Title: PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Name: LYNDA FREEMAN

Title: CHIEF FINA

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
SHANNON WIND, LLC	DE	801939244	100.0

Owners

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
SHANNON PARTNERSHIP HOLDINGS, LLC	DE		100.0

Registered Agent and Office

Agent: CSC SERVICES OF DELAWARE, INC
Office: 2711 CENTERVILLE RD, STE 400
WILMINGTON, DE 19808

Declaration Statement

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named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 9

Legal Name of Affiliate: SHANNON WIND, LLC

Affiliate Taxpayer Number: 32053272905

SOS File Number or Comptroller File Number: 0801939244

Affiliate NAICS Code: 221115

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? Yes

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 06/28/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 62

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 2711 CENTERVILLE RD STE 400
WILMINGTON, DE 19808-1645

Principal Office: 4130 COBB RD, WINDHORST, TX, 76389

Principal Place Of Business: 4130 COBB RD, WINDHORST, TX, 76389

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: PAUL RAPP

Title: VICE PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Name: LYNDA FREEMAN

Title: CFO

Director? No

Term Expiration Date:

Mailing Address:

Name: JOHN CARSON

Title: PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
SOUTH CLAY WIND FARM, LLC	TX	801223529	100.0
SHANNON-1 WIND FARM, LLC	TX	801123286	100.0

Owners

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
SHANNON WIND HOLDINGS, LLC	DE	801939240	100.0

Registered Agent and Office

Agent: CSC SERVICES OF DELAWARE, INC

Office: 2711 CENTERVILLE RD, STE 400

WILMINGTON, DE 19808-1645

Declaration Statement

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Affiliate 10

Legal Name of Affiliate: SODA LAKE SOLAR, LLC

Affiliate Taxpayer Number: 300938972

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 551112

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 1209 ORANGE ST.
WILMINGTON, DE 19801

Principal Office:

Principal Place Of Business:

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: MAGMA ENERGY (U.S.) CORP.

Title: SOLE MEMBER

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)

Owned Entity(s)

State of Formation

TX SOS File #

Percentage of Ownership

None entered.

Owners

Owned Entity(s)

State of Formation

TX SOS File #

Percentage of Ownership

MAGMA ENERGY (U.S.)
CORP.

NV

100.0

Registered Agent and Office

Agent: THE CORPORATE TRUST COMPANY

Office: 1209 ORANGE ST.
WILMINGTON, DE 19801

Declaration Statement

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Affiliate 11

Legal Name of Affiliate: SODA LAKE HOLDINGS I, LLC

Affiliate Taxpayer Number: 263853625

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 551112

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 01/30/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 1

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 5500 SODA LAKE ROAD
FALLON, NV 89406

Principal Office:

Principal Place Of Business:

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: MAGMA ENERGY (U.S.) CORP.

Title: MANAGER

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
SODA LAKE HOLDINGS II, LLC	DE		100.0
SODA LAKE RESOURCES PARTNERSHIP	NV		50.0

Owners

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
MAGMA ENERGY (U.S.) CORP.	NV		100.0

Registered Agent and Office

Agent:

Office:

Declaration Statement

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Affiliate 12

Legal Name of Affiliate: SODA LAKE HOLDINGS II, LLC

Affiliate Taxpayer Number: 263896763

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 551112

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 01/30/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 5500 SODA LAKE ROAD
FALLON, NV 89406

Principal Office:

Principal Place Of Business:

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: MAGMA ENERGY (U.S.) CORP.

Title: MANAGER

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
AMOR IX, LLC	DE		100.0
SODA LAKE LIMITED PARTNERSHIP	NV		99.0
SODA LAKE RESOURCES PARTNERSHIP	NV		50.0

Owners

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
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SODA LAKE HOLDINGS I,
LLC

DE

100.0

Registered Agent and Office

Agent:
Office:

Declaration Statement

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Affiliate 13

Legal Name of Affiliate: AMOR IX, LLC

Affiliate Taxpayer Number: 263896834

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 221116

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 01/30/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 463,909

Gross receipts in Texas: 0

Cost of goods sold or compensation: 713,850

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 5500 SODA LAKE ROAD
FALLON, NV 89406

Principal Office: 5500 SODA LAKE ROAD, FALLON, NV, 89406

Principal Place Of Business: 5500 SODA LAKE ROAD, FALLON, NV, 89406

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: MAGMA ENERGY (U.S.) CORP.

Title: MANAGER

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)

Owned Entity(s)

State of Formation

TX SOS File #

Percentage of Ownership

None entered.

Owners

Owned Entity(s)

State of Formation

TX SOS File #

Percentage of Ownership

SODA LAKE HOLDINGS II,
LLC

DE

100.0

Registered Agent and Office

Agent:
Office:

Declaration Statement

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Affiliate 14

Legal Name of Affiliate: SOUTH CLAY WIND FARM, LLC

Affiliate Taxpayer Number: 32041118301

SOS File Number or Comptroller File Number: 0801223529

Affiliate NAICS Code: 221115

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? Yes
 Affiliate Reporting Begin Date: 01/01/2015
 Affiliate Reporting End Date: 05/21/2015
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? Yes

Public Information Report			
Mailing Address: 219 VIRGIE LANE WINDTHORST, TX 76389			
Principal Office: Principal Place Of Business: Changes from previous year?: Yes			
Officers, Directors, Managers, Member or General Partner			
Name: LYNDA FREEMAN			
Title: CFO	Director? No	Term Expiration Date:	
Mailing Address:			
Name: JOHN CARSON			
Title: PRESIDENT	Director? No	Term Expiration Date:	
Mailing Address:			
Name: PAUL RAPP			
Title: VICE PRESIDENT	Director? No	Term Expiration Date:	
Mailing Address:			
Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			
Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
SHANNON WIND, LLC	DE	801939244	100.0
Registered Agent and Office			
Agent:			
Office:			
Declaration Statement			
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.			

Affiliate 15

Legal Name of Affiliate: SHANNON-1 WIND FARM, LLC
 Affiliate Taxpayer Number: 32039528115
 SOS File Number or Comptroller File Number: 0801123286
 Affiliate NAICS Code: 221115
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? Yes
 Affiliate Reporting Begin Date: 01/01/2015
 Affiliate Reporting End Date: 05/21/2015
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 11614 FM 2244, Suite 260
AUSTIN, TX 78738

Principal Office:
Principal Place Of Business:
Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: JOHN CARSON
Title: PRESIDENT Director? No Term Expiration Date:
Mailing Address:

Name: LYNDA FREEMAN
Title: CFO Director? No Term Expiration Date:
Mailing Address:

Name: PAUL RAPP
Title: VICE PRESIDENT Director? No Term Expiration Date:
Mailing Address:

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			

Owners

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
SHANNON WIND, LLC	DE	801939244	100.0

Registered Agent and Office

Agent:
Office:

Declaration Statement

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Affiliate 16

Legal Name of Affiliate: ALTERRA TEXAS HOLDINGS, LLC

Affiliate Taxpayer Number: 611786937

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 551112

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 10/22/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 2711 CENTERVILLE RD, STE 400
WILMINGTON, DE 19808-1645

Principal Office:
Principal Place Of Business:
Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: JOHN CARSON
Title: PRESIDENT Director? No Term Expiration Date:
Mailing Address:

Name: LYNDA FREEMAN

Title: CFO

Director? No

Term Expiration Date:

Mailing Address:

Name: PAUL RAPP

Title: VICE PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
BYERS WIND HOLDINGS, LLC	DE		100.0
BLUEGROVE WIND HOLDINGS, LLC	DE		100.0

Owners

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
MAGMA ENERGY (U.S.) CORP.	NV		100.0

Registered Agent and Office

Agent: CSC SERVICES OF DELAWARE, INC

Office: 2711 CENTERVILLE RD, STE 400

WILMINGTON, DE 19808

Declaration Statement

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Affiliate 17

Legal Name of Affiliate: BYERS WIND HOLDINGS, LLC

Affiliate Taxpayer Number: 811912648

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 551112

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 10/22/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 2711 CENTERVILLE RD, STE 400

WILMINGTON, DE 19808-1645

Principal Office:

Principal Place Of Business:

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: JOHN CARSON

Title: PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Name: LYNDA FREEMAN

Title: CFO

Director? No

Term Expiration Date:

Mailing Address:

BYERS WIND HOLDINGS,
LLC

DE

100.0

Registered Agent and Office

Agent: CSC SERVICES OF DELAWARE, INC
Office: 2711 CENTERVILLE RD, STE 400
WILMINGTON, DE 19808-1645

Declaration Statement

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Affiliate 19

Legal Name of Affiliate: BLUEGROVE WIND HOLDINGS, LLC

Affiliate Taxpayer Number: 811936674

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 551112

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 10/22/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 2711 CENTERVILLE RD, STE 400
WILMINGTON, DE 19808-1645

Principal Office:

Principal Place Of Business:

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: JOHN CARSON

Title: PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Name: LYNDA FREEMAN

Title: CFO

Director? No

Term Expiration Date:

Mailing Address:

Name: PAUL RAPP

Title: VICE PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
BLUEGROVE WIND, LLC	DE	802352688	100.0
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
ALTERRA TEXAS HOLDINGS, LLC	DE		100.0

Registered Agent and Office

Agent: CSC SERVICES OF DELAWARE, INC
Office: 2711 CENTERVILLE RD, STE 400
WILMINGTON, DE 19808

Declaration Statement

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named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 20

Legal Name of Affiliate: BLUEGROVE WIND, LLC

Affiliate Taxpayer Number: 32059089881

SOS File Number or Comptroller File Number: 0802352688

Affiliate NAICS Code: 221115

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? Yes

Affiliate Reporting Begin Date: 10/22/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas:

Cost of goods sold or compensation:

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 2711 CENTERVILLE RD STE 400
WILMINGTON, DE 19808-1645

Principal Office:

Principal Place Of Business:

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: JOHN CARSON

Title: PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Name: LYNDA FREEMAN

Title: CFO

Director? No

Term Expiration Date:

Mailing Address:

Name: PAUL RAPP

Title: VICE PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)

Owned Entity(s)

State of Formation

TX SOS File #

Percentage of Ownership

None entered.

Owners

Owned Entity(s)
BLUEGROVE WIND
HOLDINGS, LLC

State of Formation

DE

TX SOS File #

Percentage of Ownership

100.0

Registered Agent and Office

Agent: CSC SERVICES OF DELAWARE, INC

Office: 2711 CENTERVILLE RD, STE 400

WILMINGTON, DE 19808-1645

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 21

Legal Name of Affiliate: SODA LAKE LIMITED PARTNERSHIP

Affiliate Taxpayer Number: 000000000

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 551112

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 01/30/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation:

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 5500 SODA LAKE ROAD
FALLON, NV 89406

Principal Office:

Principal Place Of Business:

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: SODA LAKE HOLDINGS I, LLC

Title: GENERAL PARTNER

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)

Owned Entity(s)

State of Formation

TX SOS File #

Percentage of Ownership

None entered.

Owners

Owned Entity(s)

State of Formation

TX SOS File #

Percentage of Ownership

SODA LAKE HOLDINGS II,
LLC

DE

100.0

Registered Agent and Office

Agent: CSC SERVICES OF DELAWARE, INC

Office: 2711 CENTERVILLE RD, STE 400

WILMINGTON, DE 19808

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 22

Legal Name of Affiliate: SODA LAKE RESOURCES PARTNERSHIP

Affiliate Taxpayer Number: 000000000

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 551112

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 01/30/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 2711 CENTERVILLE RD, STE 400
FALLON, NV 89406-1645

Principal Office:

Principal Place Of Business:

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: SODA LAKE HOLDINGS I, LLC

Title: GENERAL PARTNER

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			
Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
SODA LAKE HOLDINGS I, LLC	DE		50.0
SODA LAKE HOLDINGS II, LLC	DE		50.0
Registered Agent and Office			
Agent: CSC SERVICES OF DELAWARE, INC Office: 2711 CENTERVILLE RD, STE 400 WILMINGTON, DE 19808			
Declaration Statement			
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.			

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Franchise Tax

2016 Annual Long Form Report

Confirmation

You Have Filed Successfully

Please do NOT send a paper form

[Print this page for your records](#)

Submission ID: 34582658

Date and Time of Filing: 11/15/2016 05:51:15 PM

Taxpayer ID: 32053272905

Taxpayer Name: SHANNON WIND, LLC

Taxpayer Address: 2711 CENTERVILLE RD STE 400 WILMINGTON, DE 19808 - 1645

Entered By: Aly Sheriff

Email Address: asheriff@alterrorpower.ca

Telephone Number: (604) 235-6723

IP Address: 209.153.208.234

Total Amount Due and Payable = 0.00

Additional Reports

Is this the reporting entity of a combined group?	Yes
Do any of the entities in the combined group have a temporary business loss preserved?	No
Will your total revenue be adjusted for the Tiered Partnership Election?	No

Long Form Report

SIC Code:

NAICS Code: 221115

Accounting Year Begin Date: 01/01/2015

Accounting Year End Date: 12/31/2015

Margin Calculation

Gross receipts or sales:	647,045
Dividends:	0
Interest:	0
Rents:	0
Royalties:	0
Gains/losses:	0
Other income:	+ 2,075,702
Total Gross Revenue:	2,722,747
Exclusions from Revenue:	- 0
Total Revenue:	2,722,747
Cost of Goods Sold:	12,155,368
Indirect or administrative overhead costs:	8,926
Other:	+ 0
Total Cost of Goods Sold:	12,164,294
Wages and cash compensation:	0
Employee benefits:	0
Other:	+ 0
Total Compensation:	0
<i>Total Revenue x 70%:</i>	1,905,923
<i>Total Revenue - Total Cost of Goods Sold:</i>	0
<i>Total Revenue - Total Compensation:</i>	2,722,747
<i>Total Revenue - One Million:</i>	1,722,747
Margin (lowest of four above):	0

Tax Calculation

Margin:			0
Gross receipts in Texas:	2,722,747		
Gross receipts everywhere:	÷ 2,722,747		
Apportionment Factor:	1.0000	x	1.0000
Apportioned Margin:			0
Allowable deductions:		-	0
Taxable Margin:			0
Tax rate:		x	.007500
Tax Due:			0.00
Tax Credits:		-	0.00
Total Tax Due:			0.00

No payment for tax is due because the Total Tax Due is less than \$1,000.

Mailing Address

Street Address: 2711 CENTERVILLE RD STE 400
 City: WILMINGTON
 State: DE
 Zip Code: 19808 - 1645
 Country: USA

Affiliate 1

Legal Name of Affiliate: SHANNON WIND, LLC
 Affiliate Taxpayer Number: 32053272905
 SOS File Number or Comptroller File Number: 0801939244
 Affiliate NAICS Code: 551112
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? Yes
 Affiliate Reporting Begin Date: 06/29/2015
 Affiliate Reporting End Date: 12/31/2015
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 2,722,747
 Gross receipts in Texas: 2,722,747
 Cost of goods sold or compensation: 12,201,257
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 2711 CENTERVILLE RD STE 400
 WILMINGTON, DE 19808-1645
 Principal Office: 4130 COBB RD, WINDHORST, TX, 76389
 Principal Place Of Business: 4130 COBB RD, WINDHORST, TX, 76389
 Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: JOHN CARSON
 Title: PRESIDENT Director? No Term Expiration Date:
 Mailing Address:

Name: LYNDA FREEMAN
 Title: CFO Director? No Term Expiration Date:
 Mailing Address:

Name: PAUL RAPP
 Title: VICE PRESIDENT Director? No Term Expiration Date:
 Mailing Address:

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			

Owners

Office: 2711 CENTERVILLE RD, STE 400
WILMINGTON, DE 19808

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 3

Legal Name of Affiliate: SHANNON PARTNERSHIP HOLDINGS, LLC

Affiliate Taxpayer Number: 471586321

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 551112

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 06/29/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 11

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 2711 CENTERVILLE RD, STE 400
WILMINGTON, DE 19808-1645

Principal Office:

Principal Place Of Business:

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: JOHN CARSON

Title: PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Name: LYNDA FREEMAN

Title: CFO

Director? No

Term Expiration Date:

Mailing Address:

Name: PAUL RAPP

Title: VICE PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
SHANNON WIND HOLDINGS, LLC	DE	801939240	100.0

Owners

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
SHANNON GROUP HOLDINGS, LLC	DE		100.0

Registered Agent and Office

Agent: CSC SERVICES OF DELAWARE, INC

Office: 2711 CENTERVILLE RD, STE 400
WILMINGTON, DE 19808

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 4

Legal Name of Affiliate: SHANNON GROUP HOLDINGS, LLC

Affiliate Taxpayer Number: 473885839

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 551112

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 06/29/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 1,166

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 2711 CENTERVILLE RD, STE 400
WILMINGTON, DE 19808-1645

Principal Office:

Principal Place Of Business:

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: JOHN CARSON

Title: PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Name: LYNDA FREEMAN

Title: CFO

Director? No

Term Expiration Date:

Mailing Address:

Name: PAUL RAPP

Title: VICE PRESIDENT

Director? No

Term Expiration Date:

Mailing Address:

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
SHANNON PARTNERSHIP HOLDINGS, LLC	DE		100.0

Owners

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
ALTERRA SHANNON HOLDINGS, LLC	DE		50.0
SHANNON GREENWICH HOLDINGS, LLC	DE		50.0

Registered Agent and Office

Agent: CSC SERVICES OF DELAWARE, INC

Office: 2711 CENTERVILLE RD, STE 400
WILMINGTON, DE 19808

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

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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.

Foard City Wind, LLC (Foard City) is requesting an appraised value limitation from Crowell Independent School District (ISD) for the Foard City Wind Project (the "Project"), a proposed wind powered electric generating facility in Foard County. The proposed Crowell ISD Project (this application) will be constructed within a Reinvestment Zone that as created by resolution of the Foard County Commissioners Court on August 14, 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 350 MW located in Crowell ISD. 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 plans are to install 101 3.45 MW wind turbines, all turbines located in Crowell ISD. Turbine selection is not finalized at the time of filing this application and as such, the type and number of wind turbines are subject to change. Foard City is also planning to construct a transmission generation tie line in Crowell ISD which is estimated to be approximately 3.7 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, operations and maintenance building, 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 1st Quarter of 2019 with completion by December 31, 2019.

**NOTE:* The map in TAB 11 shows the potential locations of 101 of the wind turbines, a collector substation within Crowell ISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

TAB 5*Documentation to assist in determining if limitation is a determining factor.*

Alterra Power Corp., together with its affiliates, "Alterra", is a global renewable energy company that manages eight power plants totaling 825 MW of hydro, wind, geothermal and solar generation capacity in Canada, the USA and Iceland. Alterra owns a 363 MW share of this capacity, generating over 1,500 GWh of clean power annually. Alterra produces the majority of its electricity from clean and renewable sources, including wind and solar. Alterra has a long-term commitment to both wind and solar with an outlook to significantly expand our fleet of clean energy generating capacity.

Alterra is keen to develop and build the proposed Foard City 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. Alterra is active in states throughout the United States and globally, 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. Alterra is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Alterra currently has ongoing project developments in many states, including but not limited to, California, Colorado, Nebraska, Oklahoma and Wyoming.

Due to the extremely competitive power market in ERCOT 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 a 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.

Foard City Wind, LLC has an executed Tax Abatement Agreement with Foard County with regards to this project. As stated above, this project will need both the agreement with the County and the 313 Value Limitation with Crowell ISD to make it economically viable. This project could not move forward without the value limitation from Crowell ISD.

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) Foard County | - 100% |
| 2) Foard County Hospital | - 100% |
| 3) Gateway GCD | - 100% |
| 4) Crowell ISD | - 100% |

TAB 7

Description of Qualified Investment

Foard City Wind, LLC plans to construct an approximate 350 MW wind farm in Foard County.

This application covers all qualified property within Crowell ISD necessary for the commercial operations of the proposed wind farm described in Tab 4. All of the approximate three hundred and fifty megawatts (350 MW) will be located in Crowell ISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 101 of the 3.45 MW turbines. Foard City Wind is also planning to construct approximately 3.7 miles of generation transmission tie line that will be in Crowell ISD.

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, operations and maintenance building, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.

**NOTE:* The map in TAB 11 shows the potential locations of 101 of the wind turbines, a collector substation within Crowell ISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

TAB 8

Description of Qualified Property

Foard City Wind, LLC plans to construct an approximate 350 MW wind farm in Foard County.

This application covers all qualified property within Crowell ISD necessary for the commercial operations of the proposed wind farm described in Tab 4. All of the approximate three hundred and fifty megawatts (350 MW) will be located in Crowell ISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 101 of the 3.45 MW turbines. Foard City Wind is also planning to construct approximately 3.7 miles of generation transmission tie line that will be in Crowell ISD.

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, operations and maintenance building, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.

**NOTE:* The map in TAB 11 shows the potential locations of 101 of the wind turbines, a collector substation within Crowell ISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

TAB 9

Description of Land

Not Applicable

TAB 10

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

None

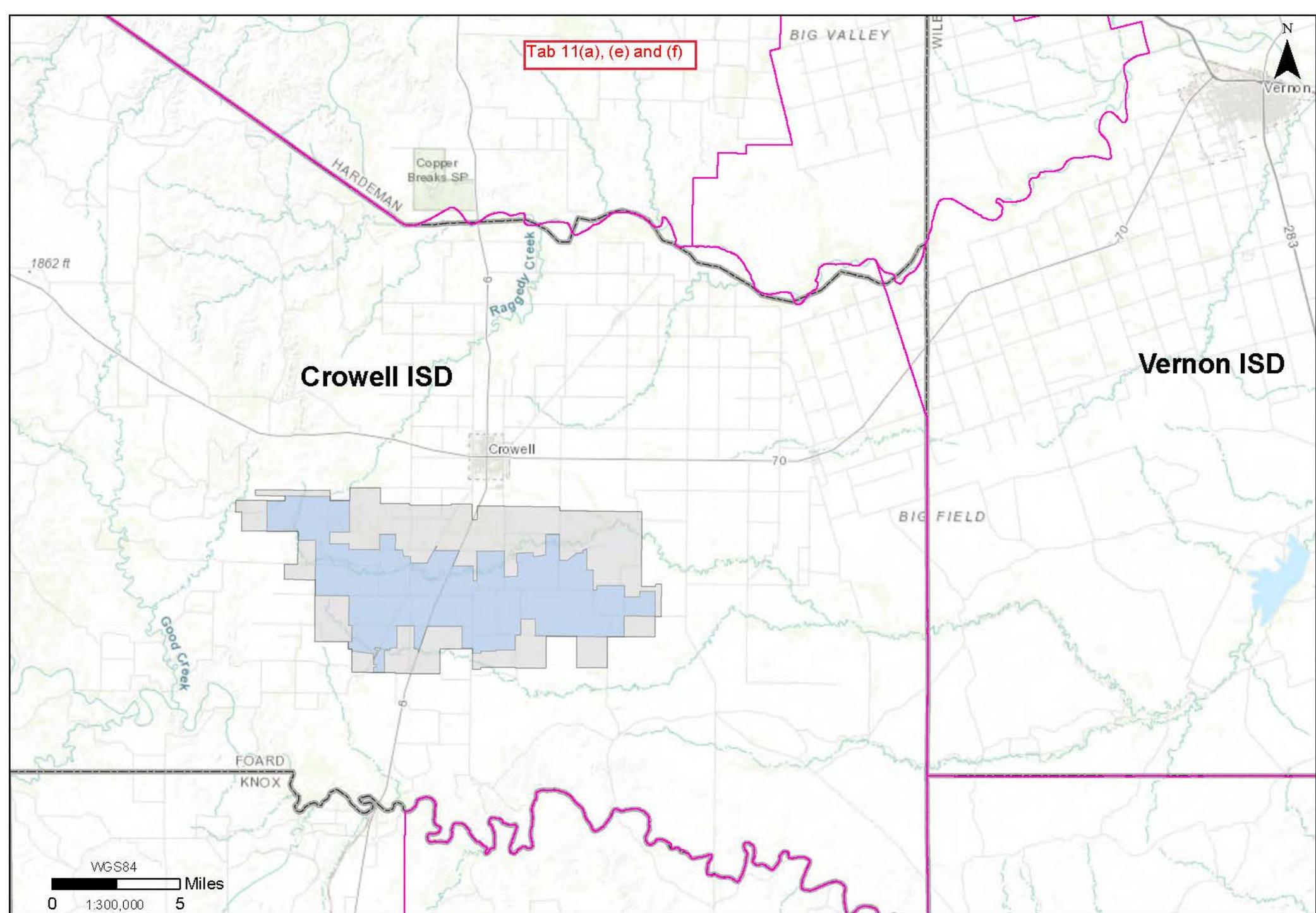
TAB 11

MAP 11(b) and 11(c) ARE CONFIDENTIAL INFORMATION

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

MAP 11(b) and 11(c) ARE CONFIDENTIAL INFORMATION



- Project Area
- ISD Boundary
- Reinvestment Zone
- County Boundary

Project: Foard City Wind
 Location: Foard County, Texas
 Date: 10/18/2017

Attachment 11b

Specific Tab 11 information is submitted under separate cover due to confidential information pursuant to Tex. Gov't Code Section 552.104 and Tex. Gov't Code Section 552.110

Attachment 11c

Specific Tab 11 information is submitted under separate cover due to confidential information pursuant to Tex. Gov't Code Section 552.104 and Tex. Gov't Code Section 552.110

TAB 12

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

See Attached

FOARD CITY WIND, LLC

October 18, 2017

Pam Norwood
Crowell Independent School District
400 E. Logan
Crowell, TX 79227

Re: Chapter 313 Job Waiver Request

Dear Ms. Norwood,

Foard City Wind, LLC (Foard City Wind) requests that the Crowell 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.

Foard City Wind requests that the Crowell 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, Foard City Wind has committed to create 7 total jobs for the project, all of which will be in Crowell ISD.

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,



Paul Rapp
Vice President

TAB 13

Calculation of three possible wage requirements with TWC documentation

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

**FOARD CITY WIND, LLC
TAB 13 TO CHAPTER 313 APPLICATION - CROWELL ISD**

CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2017	\$ 533	\$ 27,716
SECOND	2017	\$ 537	\$ 27,924
THIRD	2016	\$ 553	\$ 28,756
FOURTH	2016	\$ 555	\$ 28,860
AVERAGE		\$ 545	\$ 28,314

CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FOURTH	2011	\$ 187	\$ 9,724
		X 110%	
AVERAGE		\$ 206	\$ 10,696

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

REGION	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
NORTEX	2016	\$ 965	\$ 50,203
		X 110%	110%
		\$ 1,062	\$ 55,223

** SEE ATTACHED TWC DOCUMENTATION*

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2017	1st Qtr	Foard County	Total All	00	0	10	Total, all industries	\$533
2017	2nd Qtr	Foard County	Total All	00	0	10	Total, all industries	\$537
2016	3rd Qtr	Foard County	Total All	00	0	10	Total, all industries	\$553
2016	4th Qtr	Foard County	Total All	00	0	10	Total, all industries	\$555

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2011	4th Qtr	Foard County	Private	31	2	31-33	Manufacturing	\$187

**2016 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$25.41	\$52,850
<u>1. Panhandle Regional Planning Commission</u>	\$22.52	\$46,834
<u>2. South Plains Association of Governments</u>	\$18.27	\$38,009
<u>3. NORTEX Regional Planning Commission</u>	\$24.14	\$50,203
<u>4. North Central Texas Council of Governments</u>	\$26.06	\$54,215
<u>5. Ark-Tex Council of Governments</u>	\$19.07	\$39,663
<u>6. East Texas Council of Governments</u>	\$20.52	\$42,677
<u>7. West Central Texas Council of Governments</u>	\$20.31	\$42,242
<u>8. Rio Grande Council of Governments</u>	\$19.32	\$40,188
<u>9. Permian Basin Regional Planning Commission</u>	\$26.00	\$54,079
<u>10. Concho Valley Council of Governments</u>	\$18.78	\$39,066
<u>11. Heart of Texas Council of Governments</u>	\$21.14	\$43,962
<u>12. Capital Area Council of Governments</u>	\$30.06	\$62,522
<u>13. Brazos Valley Council of Governments</u>	\$17.66	\$36,729
<u>14. Deep East Texas Council of Governments</u>	\$18.06	\$37,566
<u>15. South East Texas Regional Planning Commission</u>	\$33.42	\$69,508
<u>16. Houston-Galveston Area Council</u>	\$27.52	\$57,246
<u>17. Golden Crescent Regional Planning Commission</u>	\$26.38	\$54,879
<u>18. Alamo Area Council of Governments</u>	\$21.67	\$45,072
<u>19. South Texas Development Council</u>	\$15.02	\$31,235
<u>20. Coastal Bend Council of Governments</u>	\$27.85	\$57,921
<u>21. Lower Rio Grande Valley Development Council</u>	\$17.55	\$36,503
<u>22. Texoma Council of Governments</u>	\$20.98	\$43,648
<u>23. Central Texas Council of Governments</u>	\$18.65	\$38,783
<u>24. Middle Rio Grande Development Council</u>	\$23.05	\$47,950

110% x \$50,203 = \$55,223

Source: Texas Occupational Employment and Wages

Data published: July 2017

Data published annually, next update will be July 31, 2018

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

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

Data intended for TAC 313 purposes only.

TAB 14

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		Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2018	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	--			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	2019	0	0	0	0	0
	QTP2	2019-2020	2020	384,000,000	1,000,000	0	0	385,000,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				384,000,000	1,000,000	0	0	385,000,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				385,000,000				

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.

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		384,000,000	1,000,000	0	0	385,000,000
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	2018-2019	2018	0	0	0	0	0
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2019-2020	2019	0	0	0	0	0
Value limitation period***	1	2020-2021	2020	0	0	0	0	0
	2	2021-2022	2021	0	0	0	0	0
	3	2022-2023	2022	0	0	0	0	0
	4	2023-2024	2023	0	0	0	0	0
	5	2024-2025	2024	0	0	0	0	0
	6	2025-2026	2025	0	0	0	0	0
	7	2026-2027	2026	0	0	0	0	0
	8	2027-2028	2027	0	0	0	0	0
	9	2028-2029	2028	0	0	0	0	0
	10	2029-2030	2029	0	0	0	0	0
Total Investment made through limitation				384,000,000	1,000,000	0	0	385,000,000
Continue to maintain viable presence	11	2030-2031	2030			0		0
	12	2031-2032	2031			0		0
	13	2032-2033	2032			0		0
	14	2033-2034	2033			0		0
	15	2034-2035	2034			0		0
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035			0		0
	17	2036-2037	2036			0		0
	18	2037-2038	2037			0		0
	19	2038-2039	2038			0		0
	20	2039-2040	2039			0		0
	21	2040-2041	2040			0		0
	22	2041-2042	2041			0		0
	23	2042-2043	2042			0		0
	24	2043-2044	2043			0		0
	25	2044-2045	2044			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

10/5/2017

Applicant Name

Foard City Wind, LLC

Form 50-296A

ISD Name

Crowell ISD

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	2018-2019	2018	0	0	0	0	0	0
	0	2019-2020	2019	0	0	0	0	0	0
Value Limitation Period	1	2020-2021	2020	0	980,000	369,600,000	370,580,000	370,580,000	20,000,000
	2	2021-2022	2021	0	955,500	340,032,000	340,987,500	340,987,500	20,000,000
	3	2022-2023	2022	0	931,613	312,829,440	313,761,053	313,761,053	20,000,000
	4	2023-2024	2023	0	908,323	287,803,085	288,711,408	288,711,408	20,000,000
	5	2024-2025	2024	0	885,615	264,778,838	265,664,453	265,664,453	20,000,000
	6	2025-2026	2025	0	863,475	243,596,531	244,460,006	244,460,006	20,000,000
	7	2026-2027	2026	0	841,888	224,108,809	224,950,697	224,950,697	20,000,000
	8	2027-2028	2027	0	820,841	206,180,104	207,000,945	207,000,945	20,000,000
	9	2028-2029	2028	0	800,320	189,685,696	190,486,016	190,486,016	20,000,000
	10	2029-2030	2029	0	780,312	174,510,840	175,291,152	175,291,152	20,000,000
Continue to maintain viable presence	11	2030-2031	2030	0	760,804	160,549,973	161,310,777	161,310,777	161,310,777
	12	2031-2032	2031	0	741,784	147,705,975	148,447,759	148,447,759	148,447,759
	13	2032-2033	2032	0	723,239	135,889,497	136,612,736	136,612,736	136,612,736
	14	2033-2034	2033	0	705,158	125,018,337	125,723,495	125,723,495	125,723,495
	15	2034-2035	2034	0	687,529	115,016,870	115,704,399	115,704,399	115,704,399
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035	0	670,341	105,815,520	106,485,861	106,485,861	106,485,861
	17	2036-2037	2036	0	653,582	97,350,278	98,003,860	98,003,860	98,003,860
	18	2037-2038	2037	0	637,242	89,562,256	90,199,498	90,199,498	90,199,498
	19	2038-2039	2038	0	621,311	82,397,276	83,018,587	83,018,587	83,018,587
	20	2039-2040	2039	0	605,778	75,805,494	76,411,272	76,411,272	76,411,272
	21	2040-2041	2040	0	590,634	69,741,054	70,331,688	70,331,688	70,331,688
	22	2041-2042	2041	0	575,868	64,161,770	64,737,638	64,737,638	64,737,638
	23	2042-2043	2042	0	561,471	59,028,828	59,590,299	59,590,299	59,590,299
	24	2043-2044	2043	0	547,434	54,306,522	54,853,956	54,853,956	54,853,956
	25	2044-2045	2044	0	533,748	49,962,000	50,495,748	50,495,748	50,495,748

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 10/5/2017
 Applicant Name Foard City Wind, LLC
 ISD Name Crowell ISD

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	2018-2019	2018	50 FTE	45,000	0	0	0
	0	2019-2020	2019	250 FTE	45,000	0	2	55,230
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2020-2021	2020	N/A	N/A	0	7	55,230
	2	2021-2022	2021	N/A	N/A	0	7	55,230
	3	2022-2023	2022	N/A	N/A	0	7	55,230
	4	2023-2024	2023	N/A	N/A	0	7	55,230
	5	2024-2025	2024	N/A	N/A	0	7	55,230
	6	2025-2026	2025	N/A	N/A	0	7	55,230
	7	2026-2027	2026	N/A	N/A	0	7	55,230
	8	2027-2028	2027	N/A	N/A	0	7	55,230
	9	2028-2029	2028	N/A	N/A	0	7	55,230
	10	2029-2030	2029	N/A	N/A	0	7	55,230
Years Following Value Limitation Period	11 through 25	2030-2045	2030-2044	N/A	N/A	0	7	55,230

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 10/5/2017
 Applicant Name Foard City Wind, LLC
 ISD Name Crowell ISD

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: Foard County	2020	10 Years	Avg. \$2,657,000	100%	724,500
	City:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
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. \$2,657,000		724,500

Additional information on incentives for this project:

Foard County Terms: 10 years at 100% abated with a PILOT payment of \$2,100 per installed MW

TAB 15

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

None

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**

16 a) Not Applicable

16 b) Legal Description is Included in Order Establishing the Reinvestment Zone

16 c) See Attached

16 d) See Attached

**FOARD COUNTY COMMISSIONERS COURT
ORDER DESIGNATING THE FOARD CITY WIND ENERGY
REINVESTMENT ZONE**

**AN ORDER OF THE COMMISSIONERS COURT OF FOARD COUNTY,
TEXAS MAKING CERTAIN FINDINGS OF FACT AND DESIGNATING THE FOARD
CITY WIND ENERGY REINVESTMENT ZONE.**

WHEREAS, on November 28, 2016 the Commissioners Court of Foard County, Texas (sometimes hereinafter referred to as the "Commissioners Court") adopted a resolution or order electing to participate in tax abatement and adopted guidelines and criteria for any tax abatement that is granted by the Commissioners Court; and

WHEREAS, the Commissioners Court, on July 24, 2017 beginning at 9:00 a.m., held a public hearing (the "July 24, 2017 Public Hearing") on the advisability of designating the following tracts of land (hereinafter referred to as the "Subject Lands") as a reinvestment zone pursuant to TEX. TAX CODE §312.401 in the Commissioners Courtroom located at 101 South Main Street, Crowell, Texas but final action on the designation of a reinvestment zone was tabled to the August 14, 2017 meeting of the Commissioners Court; and

WHEREAS, notice of the July 24, 2017 Public Hearing was published in the Foard County News, a newspaper of general circulation in the area where the Subject Lands are located, on July 7, 2017, which publication date is not later than the seventh day before the July 24, 2017 Public Hearing, and evidence of such publication is shown by the publisher's affidavit and clipping from said newspaper which is attached to this order as Exhibit A; and

WHEREAS, notice of the July 24, 2017 Public Hearing was also delivered in writing to the presiding officer of the governing body of each of the following taxing entities: the Crowell Independent School District, the Foard County Hospital District and the Rolling Plains Groundwater Conservation District, as shown by the notice letter and return receipts which are attached hereto as Exhibit B; and

WHEREAS, the Crowell Independent School District, the Foard County Hospital District and the Gateway Groundwater Conservation District are the only taxing units, other than Foard County, that include the Subject Lands in their boundaries; and

WHEREAS, the Subject Lands are those parcels or tracts of land, all located in Foard County, Texas and are more particularly described by reference to their abstract and survey names as follows:

<u>Abstract Nos.</u>	<u>Section Names</u>
1	Isaac Aldridge
5	S. Armour
15	J. Bowie
16	N. Box
81	B. Epperson
83	E.T. R.R. CO., No. 1

<u>Abstract Nos.</u>	<u>Section Names</u>
127	D. M. Hallmark
129	N. A. Horton
130	P. Hinds
158	H. & T. C. R.R. CO. Survey Block A, No. 525
206	H. & T. C. RR. CO. Survey, No. 345
217	H. & T. C. RR. CO. Survey, Block A
250	H. & T. C. R.R. CO. Survey, Block A, No. 449
255	H. & T. C. R.R. CO. Survey, Block A, No. 459
256	H. & T. C. R.R. CO. Survey Block A, No. 461
268	H. & T. C. R.R. CO. Survey, Block A, No. 487
272	H. & T. C. R.R. CO. Survey, Block A, No. 495
274	H. & T. C. R.R. CO. Survey Block A, No. 499
338	H. & T. C. R.R. CO. Survey, Block No. 44
379	H. & T. B. R.R. CO. Survey, No. 1
393	A. Killough
418	Abb Luce Sr. (including Henry Trust land)
433	J. Montez
457	J.Oswalt
488	J. M. Seaton
492	H. Sanches
494	W. J. Sims
497	East half of J. Sinclair (near J.V. Barker)
534	Sul. Fork Iron Works Co. Survey, No. 1
552	E. Taylor
637	Mathew Earl
915	C. Duffel
921	J. Eubank
931	J. Greening Survey, No. 524
965	L. Johnsoon
971	H. Kenner
972	H. Kenner (No. 498)
974	W. Kinsey
994	J. Meason
1056	M. K. Womack, No. 460
1124	H. Kenner
1128	G. McLarty
1193	J. Greening
1194	J. Greening
1214	L. Thompson
1254	E.T. R.R. CO., No. 2

<u>Abstract Nos.</u>	<u>Section Names</u>
1352	C. Robason
1368	G. Little
1369	G. Little
1390	H. & T. B. R.R. CO. Survey, No. 1
1407	J. Olds
1431	G. Armstrong
1477	C. Duffel
1496	J. Hill Survey, No. 498
1504	Christopher Knolle
71	L. David
157	H. & T. C. R.R. CO. Survey Block A, No. 523(south 50%, approx 315ac)
159	H. & T. C. RR. CO. Survey, No. 527
267	H. & T. C. R.R. CO. Survey, Block A, No. 485
273	H. & T. C. R.R. CO. Survey, Block A, No. 497
330	H. & T. C. RR. CO. Survey, No. 11
331	H. & T. C. RR. CO. Survey, No. 13 (East 50% of abstract, approx 250ac)
390	W. Irwin
535	Sul. Fork Iron Works Co. Survey, No. 1
815	L. Hart
864	C. Barnett
960	V. Johnson
961	C. Johnson
1045	J. Wishon (H. & T. C. RR. CO. Survey, No. 10)
1181	S. Bishop
1226	H. & T. C. RR. CO. Survey, No. 12 (I. Wishon)
1275	M. Womack
1284	W. Long
1317	Sul. Fork Iron Works Co. Survey, No. 2 (I. Wishon)
1388	H. & T. C. RR. CO. Survey, No. 528
1489	G. Crowell (H. & T. C. RR. CO. Survey, No. 486)
1531	T. Welch (H. & T. C. RR. CO. Survey, No. 528)

WHEREAS, the Subject Lands are not in the taxing jurisdiction of a municipality; and

WHEREAS, the Commissioners Court, on January 23, 2017 and March 27, 2017, adopted orders (the "Prior Reinvestment Zone Orders") designating various portions of the Subject Lands as a reinvestment zone; and

WHEREAS, the Commissioners Court has determined that the Prior Reinvestment Zone Orders should be repealed by this order and replaced by the designation of reinvestment zone contained in this order; and

WHEREAS, based upon the information available to it, including information presented at the July 24, 2017 Public Hearing and at prior meetings of the Commissioners Court, the Commissioners Court has determined, and hereby finds and concludes:

(1) that the erection of wind powered electric generating facilities on the Subject Lands is feasible and practical and would be a benefit to the Subject Lands and to Foard County, Texas during the course of, and after the expiration of, a tax abatement agreement entered by Foard County, Texas pursuant to Chapter 312 of the Texas Tax Code;

(2) that the designation of the Subject Lands as a reinvestment zone will attract major investment in the zone that will be a benefit to the Subject Lands and will contribute to the economic development of Foard County, Texas;

(3) that the designation of the Subject Lands as a reinvestment zone is consistent with the County's Tax Abatement Guidelines and Criteria;

(4) that this order was approved by a majority of the Commissioners Court at a meeting held on the date set forth below, which meeting was open to the public, was preceded by proper notice, as required by Chapter 551 of the Texas Government Code (the Open Meetings Act) and the other notices relating to the July 24, 2017 Public Hearing which are described above, and at which a quorum of the members of the Commissioners Court were present;

(5) that the action of the Commissioners Court in approving this order followed the July 24, 2017 Public Hearing on the advisability of designating the Subject Lands as a reinvestment zone referred to above at which all persons desiring to speak on the subject were allowed to do so;

(6) that all recitals set forth above are hereby adopted as additional findings of fact and conclusions of law by the Commissioners Court; and

(7) that the following orders should be enacted in lieu of the Prior Reinvestment Zone Orders:

IT IS ORDERED, BY THE COMMISSIONERS COURT OF FOARD COUNTY, TEXAS:

1. That the Prior Reinvestment Zone Orders are hereby repealed and will be replaced by the designation of reinvestment zone contained in Paragraph 2 of this order.

2. That the Subject Lands located in Foard County, Texas be, and such tracts hereby are, designated as the Foard City Wind Energy Reinvestment Zone and are hereby declared eligible for property tax abatement as authorized by the County's Tax Abatement Guidelines and Criteria and Chapter 312 of the Texas Tax Code.

3. The designation of the Foard City Wind Energy Reinvestment Zone provided by this order shall be effective for a period of five (5) years from the date of this order; provided that such designation may be renewed by appropriate action of the Commissioners Court at a future date.

PASSED AND APPROVED on the 14th day of August, 2017.

ATTEST:



Debra Hopkins, County Clerk



Mark Christopher, County Judge



Ricky Hammonds, Commissioner, Precinct 1



Rockne Wisdom, Commissioner, Precinct 2



Larry Wright, Commissioner, Precinct 3



Anthony Hinsley, Commissioner, Precinct 4

EXHIBIT A

to

ORDER DESIGNATING THE FOARD CITY WIND ENERGY REINVESTMENT ZONE

PUBLISHER'S AFFIDAVIT

"I solemnly swear that this notice, a clipping of which is attached to this affidavit, was published in the Foard County News, a newspaper published in Foard County, Texas, on July 7th, 2017.

Lisa Hopkins
PUBLISHER

SWORN TO AND SUBSCRIBED BEFORE ME BY Chelsea Hopkins ON
THIS THE 18 DAY OF July, 2017.



Chelsea Hopkins
NOTARY PUBLIC, STATE OF TEXAS

NOTICE OF PUBLIC HEARING

The Commissioners Court of Foard County, Texas will hold a public hearing at 9:00 a.m. on July 24, 2017 in the Commissioner's Courtroom at 101 S. Main Street, Crowell, Texas, and will take action as a result of that public hearing, on the proposed designation of the following tracts or parcels of land in Foard County, Texas as the Foard City Wind Energy Reinvestment Zone:

<u>Abstract Nos.</u>	<u>Section Names</u>
1	Isaac Aldridge
5	S. Armour
15	J. Bowie
16	N. Box
81	B. Epperson
83	E.T. R.R. CO., No. 1
127	D. M. Hallmark
129	N. A. Horton
130	P. Hinds
158	H. & T. C. R.R. CO. Survey Block A, No. 525
206	H. & T. C. RR. CO. Survey, No. 345
217	H. & T. C. RR. CO. Survey, Block A
250	H. & T. C. R.R. CO. Survey, Block A, No. 449
255	H. & T. C. R.R. CO. Survey, Block A, No. 459
256	H. & T. C. R.R. CO. Survey Block A, No. 461
268	H. & T. C. R.R. CO. Survey, Block A, No. 487
272	H. & T. C. R.R. CO. Survey, Block A, No. 495
274	H. & T. C. R.R. CO. Survey Block A, No. 499
338	H. & T. C. R.R. CO. Survey, Block No. 44
379	H. & T. B. R.R. CO. Survey, No. 1
393	A. Killough
418	Abb Luce Sr. (including Henry Trust land)
433	J. Montez
457	J. Oswald
488	J. M. Seaton
489	G. Crowell & J. Cue
492	H. Sanches
494	W. J. Sims
497	East half of J. Sinclair (near J.V. Barker)
534	Sul. Fork Iron Works Co. Survey, No. 1
552	B. Taylor
637	Mathew Earl
915	C. Duffel
921	
931	J. Greening Survey, No. 52A

EXHIBIT B

to

ORDER DESIGNATING THE FOARD CITY WIND ENERGY REINVESTMENT ZONE

JAY A. CANTRELL

A Professional Corporation

ATTORNEY AT LAW

Telephone: (940) 766-3305
Fax No. (940) 322-3462

807 Eighth Street, Suite 810
Wichita Falls, Texas 76301-3319

email: jay@jaycantrell.com

June 28, 2017

Mr. John Thomas, President
Board of Trustees
Crowell Independent School District
P.O. Box 239
Crowell, Texas 79227

Via Certified Mail
Return Receipt Requested
Return Receipt No.
7016 0910 0002 3109 0847

Mr. Mike Shaw, President
Foard County Hospital District
P.O. Box 355
Crowell, Texas 79227

Via Certified Mail
Return Receipt Requested
Return Receipt No.
7016 0910 0002 3109 0854

Mr. Johnny Kjas, President
Board of Trustees
Gateway Groundwater Conservation District
109 W. 11th Street
Quanah, Texas 79252

Via Certified Mail
Return Receipt Requested
Return Receipt No.
7016 0910 0002 3109 0861

Re: Notice of Public Hearing by the County Commissioners of Foard County,
Texas on the Designation of Reinvestment Zone

Gentlemen:

I represent Foard County in connection with its consideration of a request for tax abatement for a proposed wind farm to be located within the County. On Monday, July 24, 2017 the Commissioners Court will conduct a public hearing on whether it should designate the parcels of land shown on the enclosed notice as a reinvestment zone under Chapter 312 of the Texas Tax Code. Designation of an area as a reinvestment zone is required by the Texas Tax Code before a county can consider, and act on, a request for tax abatement in that area. The hearing will be at the following date, time and location:

Date: Monday, July 24, 2017
Time: 9:00 a.m.
Location: Commissioners Courtroom, Foard County Courthouse, 101 S. Main Street, Crowell, Texas.

June 28, 2017

Notice of Hearing on Designation of Reinvestment Zone by Foard County Commissioners

Page 2 of 2 Pages

As you know, the County previously conducted two hearings on the designation of different portions of the tracts described on the enclosed notice as a reinvestment zone. The July 24 hearing is being conducted so that the Commissioners can consider designation of all tracts on the enclosed list as a reinvestment zone at one public hearing. No tracts other than those that were the subject of the two prior hearings are being considered for designation in a reinvestment zone.

Following the public hearing the Commissioners will take action on the designation of a reinvestment zone.

If you have any questions on this matter, please do not hesitate to contact me or the County Judge.

Sincerely,



Jay A. Cantrell

Enclosure - Notice of Public Hearing (with list of parcels being considered to be designated as a reinvestment zone)

Copy via *First Class Mail* to:

Ms. Pam Norwood, Superintendent
Crowell Independent
P.O. Box 239
Crowell, Texas 79227
(w/enclosure)

Ms. Denise Holley, Administrator
Crowell County Hospital District
P.O. Box 355
Crowell, Texas 79227
(w/enclosure)

Mr. Jack Campsey, Manager
Gateway Groundwater Conservation District
109 W. 11th Street
Quanah, Texas 79252
(w/enclosure)

NOTICE OF PUBLIC HEARING

The Commissioners Court of Foard County, Texas will hold a public hearing at 9:00 a.m. on July 24, 2017 in the Commissioner's Courtroom at 101 S. Main Street, Crowell, Texas, and will take action as a result of that public hearing, on the proposed designation of the following tracts or parcels of land in Foard County, Texas as the Foard City Wind Energy Reinvestment Zone:

<u>Abstract Nos.</u>	<u>Section Names</u>
1	Isaac Aldridge
5	S. Armour
15	J. Bowie
16	N. Box
81	B. Epperson
83	E.T. R.R. CO., No. 1
127	D. M. Hallmark
129	N. A. Horton
130	P. Hinds
158	H. & T. C. R.R. CO. Survey Block A, No. 525
206	H. & T. C. RR. CO. Survey, No. 345
217	H. & T. C. RR. CO. Survey, Block A
250	H. & T. C. R.R. CO. Survey, Block A, No. 449
255	H. & T. C. R.R. CO. Survey, Block A, No. 459
256	H. & T. C. R.R. CO. Survey Block A, No. 461
268	H. & T. C. R.R. CO. Survey, Block A, No. 487
272	H. & T. C. R.R. CO. Survey, Block A, No. 495
274	H. & T. C. R.R. CO. Survey Block A, No. 499
338	H. & T. C. R.R. CO. Survey, Block No. 44
379	H. & T. B. R.R. CO. Survey, No. 1
393	A. Killough
418	Abb Luce Sr. (including Henry Trust land)
433	J. Montez
457	J.Oswalt
488	J. M. Seaton
489	G. Crowell & J. Cue
492	H. Sanches
494	W. J. Sims
497	East half of J. Sinclair (near J.V. Barker)
534	Sul. Fork Iron Works Co. Survey, No. 1
552	E. Taylor
637	Mathew Earl
915	C. Duffel
921	
931	J. Greening Survey, No. 524

<u>Abstract Nos.</u>	<u>Section Names</u>
965	L. Johnson
971	H. Kenner
972	H. Kenner (No. 498)
974	W. Kinsey
994	J. Meason
1056	M. K. Womack, No. 460
1124	
1128	G. McLarty
1193	J. Greening
1194	J. Greening
1214	L. Thompson
1217	H. & T. C. RR. CO. Survey B, No. 84 (A-943 J. Shearer)
1254	E.T. R.R. CO., No. 2
1352	C. Robason
1368	G. Little
1369	G. Little
1390	H. & T. B. R.R. CO. Survey, No. 1
1407	
1431	G. Armstrong
1477	C. Duffel
1496	J. Hill Survey, No. 498
1504	Christopher Knolle
71	L. David
74	Day Land & Cattle, No. 1 (East 10% of abstract, approx 120ac)
157	H. & T. C. R.R. CO. Survey Block A, No. 523 (south 50%, approx 315ac)
159	H. & T. C. RR. CO. Survey, No. 527
267	H. & T. C. R.R. CO. Survey, Block A, No. 485
273	H. & T. C. R.R. CO. Survey, Block A, No. 497
330	H. & T. C. RR. CO. Survey, No. 11
331	H. & T. C. RR. CO. Survey, No. 13 (East 50% of abstract, approx 250ac)
390	W. Irwin
535	Sul. Fork Iron Works Co. Survey, No. 1
815	L. Hart
864	C. Barnett
960	V. Johnson
961	C. Johnson
1045	J. Wishon (H. & T. C. RR. CO. Survey, No. 10)
1181	S. Bishop
1226	H. & T. C. RR. CO. Survey, No. 12 (I. Wishon)
1275	M. Womack
1284	W. Long

<u>Abstract Nos.</u>	<u>Section Names</u>
1317	Sul. Fork Iron Works Co. Survey, No. 2 (I. Wishon)
1388	H. & T. C. RR. CO. Survey, No. 528
1489	G. Crowell (H. & T. C. RR. CO. Survey, No. 486)
1531	T. Welch (H. & T. C. RR. CO. Survey, No. 528)

TAX ABATEMENT GUIDELINES AND CRITERIA

FOARD COUNTY, TEXAS

PURPOSE

The purpose of this document is to establish guidelines and a uniform policy of Tax Abatement for owners or lessees of Eligible Property seeking a Tax Abatement Agreement with Foard County, Texas (the "County").

SECTION 1. DEFINITIONS

As used in in these guidelines and criteria, any term not defined herein but which is defined in Chapter 312 or other provisions of the Texas Tax Code shall have the meaning assigned to it in the Texas Tax Code. The following terms shall have the respective meanings assigned to them below:

- A. "Base Year Value" means the assessed value on the Eligible Property as of January 1 of the year in which a Tax Abatement Agreement is executed.
- B. "Commissioners Court" shall refer to the Commissioners Court of Foard County, Texas.
- C. "Eligible Property" means real property, including leasehold estates, improvements to real property and leasehold estates and tangible personal property for which Tax Abatement is permitted under applicable law.
- D. "Tax Abatement Agreement" means a contractual agreement between a property owner and/or lessee and the County with respect to the full or partial exemption from *ad valorem* taxes of certain property in a Reinvestment Zone designated by the County for economic development purposes in accordance with Chapter 312 of the Texas Tax Code.

SECTION 2. GENERAL CRITERIA

A. Criteria. In order to be eligible for designation as a Reinvestment Zone and receive Tax Abatement, the planned improvements:

1. Must include the addition of Eligible Property;
2. Must add at least \$150,000.00 of Eligible Property to the County's tax rolls;
3. Must be reasonably expected to have an increase in positive net economic benefit

to the County of at least \$150,000.00 over the life of any Tax Abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement and other economic benefits to the County; and

4. Must not be expected to solely or primarily have the effect of transferring employment from one part of the County to another.

B. Value Eligible for Abatement. Only the increase in the fair market value of the property over the Base Year Value directly resulting from the development, redevelopment and improvements specified in a Tax Abatement Agreement will be eligible for tax abatement, and then only to the extent that such increase exceeds any reduction to the fair market value of the other property of the applicant located within the County.

C. Consistent Abatement Terms. It is the goal of the 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 Commissioners Court to consider, adopt, modify or refine any Tax Abatement request.

D. Effect of These Guidelines and Criteria. The adoption of these guidelines and criteria by the Commissioners Court does not:

1. Limit the discretion of the Commissioners Court to decide whether to enter into a Tax Abatement Agreement;

2. Shall not limit the ability of the Commissioners Court to waive any particular guideline or criteria, if, in the judgment of the Commissioners Court, such waiver is necessary to facilitate economic development, is required to effectively compete with other communities and is otherwise consistent with applicable law;

3. Limit the discretion of the Commissioners Court to delegate to its employees or any officer of the County the authority to determine whether or not the Commissioners Court should consider a particular application or request for Tax Abatement; or

4. Create any property, contract or other legal right in any person to have the Commissioners Court consider or grant a specific application or request for Tax Abatement.

SECTION 3. TAX ABATEMENT AUTHORIZED

A. Eligible Facilities. Upon application, Eligible Property may be considered by the Commissioners Court for tax abatement as hereinafter provided.

B. Creation of New Value. Tax abatement may only be granted for the additional value of

Eligible Property made subsequent to Base Year Value which value may be created in the form of improvement(s) made to existing real property, the addition of fixed personal property or the purchase and installation of new equipment.

C. Eligible Property. Tax Abatement may be extended to the value of new, expanded, or modernized buildings, structures, fixed machinery and new equipment, site improvements, and related fixed improvements necessary to the operation and administration of the business or endeavors proposed by the property owner to the extent that tax abatement is permitted with respect to such items by Chapter 312 of the Texas Tax Code.

D. Ineligible Property. Non-taxable property shall be ineligible for tax abatement.

E. Factors to be Considered in Determining Whether to Grant Tax Abatement. The following factors, among others, will be considered in determining whether to grant a Tax Abatement Agreement:

- (1) Value of existing improvements, if any;
- (2) Type and value of proposed improvements or new equipment;
- (3) Productive life of proposed improvements or new equipment;
- (4) Number of existing jobs to be retained by proposed improvements or new equipment;
- (5) Number and type of new jobs to be created by proposed improvements or new equipment;
- (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 by which property tax base valuation will be increased during and after the term of a Tax Abatement Agreement;
- (9) The costs to be incurred, by the County to provide any infrastructure required for the improvements or new equipment;
- (10) The amount of *ad valorem* taxes to be paid to the County during the Tax Abatement period considering (a) the existing values, (b) the percentage of new value abated, (c) the period of the Tax Abatement Agreement, and (d) the value after expiration of the Tax Abatement

Agreement;

(11) The population growth of the County that occurs directly as a result of new improvements or new equipment;

(12) The types and values of public improvements, if any, to be made by applicant seeking a Tax Abatement Agreement;

(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 business;

(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 has the necessary permits from the applicable governmental agencies.

Each request for a Tax Abatement Agreement shall be reviewed on its merits utilizing the factors provided above. After such review, Tax Abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation in the sole and absolute discretion of the Commissioners Court.

F. Denial of Tax Abatement. Neither the designation of a reinvestment zone nor the approval of a Tax Abatement Agreement shall be authorized if it is determined, based upon information presented to the Commissioners Court, 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) The activities of the applicant would be in violation of any applicable law or governmental regulations; or

(4) the designation of a Reinvestment Zone or the approval of a Tax Abatement Agreement would not be in the best interests of the County or its citizens for any other reason, as determined by the Commissioners Court in its sole and absolute discretion.

H. Taxability. From the beginning of the period of tax abatement provided in a Tax Abatement Agreement to the end of the tax abatement period, taxes shall be payable as follows:

- (1) The value of Ineligible Property shall be fully taxable; and
- (2) The Base Year Value of existing Eligible Property as determined each year shall be fully taxable; and
- (3) The additional value of new Eligible Property shall be fully taxable at the end of the Tax Abatement period specified in the Tax Abatement Agreement.

SECTION 4. APPLICATION PROCESS

A. Who May Request Abatement. Any present or potential owner of taxable property in the County may request the creation of a Reinvestment Zone and Tax Abatement by filing a written application with the County Judge of Foard County.

B. Contents of Application; Administrative Fee. The application shall consist of a general description of the new improvements to be undertaken or the new equipment to be added; a descriptive list of the improvements or new equipment for which a Tax Abatement Agreement is requested; a list of the kind, number and location of all proposed improvements of a property and new equipment; a map and property description; and a time schedule for undertaking and completing the proposed improvements. In the case of modernization, a statement of the assessed value of the facilities, 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. Unless waived or reduced by the Commissioners Court, the completed application must be accompanied by the payment of a nonrefundable application fee of \$1,000.00 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 the County.

C. If a City Has Granted Abatement. If a city within the County designates a Reinvestment Zone within its corporate limits and enters 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 the County by following the same application process described in Section 4(A) hereof.

SECTION 5. AGREEMENT

A. Terms. The Commissioners Court shall memorialize the approval of any Tax Abatement Agreement by the adoption of an order or resolution authorizing execution of the Tax Abatement Agreement and making findings of fact and conclusions of law consistent with its action,

The Tax Abatement Agreement may contain any other provisions deemed necessary by the Commissioners Court and shall include those provisions required by applicable law including the following:

- (1) 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 insure compliance with the Tax Abatement 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 Tax Abatement Agreement;
- (5) Include each term that was agreed upon with the property owner and require the owner to annually certify compliance with the terms of the Tax Abatement Agreement to each taxing unit;
- (6) Allow the taxing unit to cancel or modify the Tax Abatement Agreement at any time if the property owner fails to comply with the terms of the Tax Abatement Agreement; and
- (7) All other terms and conditions not inconsistent with applicable law which are, in the judgment of the Commissioners Court, necessary or prudent.

SECTION 6. RECAPTURE OF ABATEMENT ON DEFAULT BY OWNER

A. Termination of Tax Abatement Agreement on Default. In the event that the applicant or its assignee (1) allows its ad valorem taxes owed the 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 Tax Abatement Agreement and fails to cure within any applicable cure period, the Tax Abatement Agreement then maybe terminated and all taxes previously abated by virtue of the Tax Abatement Agreement will be recaptured and paid within thirty (30) days of the termination.

B. Notice: Cure Period. Should the County determine that the applicant or its assignee is in default according to the terms and conditions of its Tax Abatement Agreement, the County shall notify the company or individual in writing at the address stated in the Tax Abatement Agreement, and if such is not cured within the time set forth in such notice (the "Cure Period"), then the Tax Abatement Agreement may he terminated.

C. Assignment to Non-taxable Entity; Recapture. In the event all or any portion of a

property for which tax abatement granted under a Tax Abatement Agreement is assigned to a non-taxable entity, the County shall be entitled to recapture all property tax abated under that Tax Abatement Agreement unless the Commissioners Court and the applicant have agreed to some compromised provision with respect to the recapture of taxes abated under these circumstances.

SECTION 7. ADMINISTRATION

A. Appraisal During Abatement Period. The Chief Appraiser of the Foard County Appraisal District will annually determine an assessment of the real and personal property which is the subject of a Tax Abatement Agreement. Each year, the company or individual receiving tax abatement shall furnish the appraiser with such information as required by applicable law. Once value has been established, the Chief Appraiser will notify the Commissioners' Court of the amount of the assessment in the manner required by the Texas Tax Code.

B. Inspections. The County may execute a contract with firms or other jurisdiction(s) to inspect the property which is the subject of a Tax Abatement Agreement to determine if the terms and conditions of the Tax Abatement Agreement are being met. The Abatement Agreement shall stipulate that employees and/or designated representatives of the County will have access to such property during the term of the Tax Abatement Agreement for that purpose. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the owner's business. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.

SECTION 8. ASSIGNMENT

A Tax Abatement Agreement may be transferred and assigned by the holder to a new owner or lessee upon the approval by resolution of the Commissioners Court, or in accordance with the terms of an existing Tax Abatement Agreement. No assignment or transfer shall be approved if the parties to the existing Tax Abatement Agreement, the current or new owner or new lessee owes, to the federal or state government or any taxing jurisdiction within the County, past due taxes, penalties, interests, attorney's fees or other charges. Approval shall not be unreasonably delayed or withheld. Notice shall be given to the Commissioners Court thirty (30) days in advance of any transfer or assignment. Notwithstanding any of the provisions in this Section 8, the County shall not, under any circumstances, be required to approve an assignment to a non-taxable entity of all or any portion of the property which is the subject of a Tax Abatement Agreement.

SECTION 9. SUNSET PROVISION

These Guidelines and Criteria are effective upon the date of their adoption, and shall supersede and replace any and all prior guidelines and criteria for the County. These Guidelines and Criteria shall remain in force for two (2) years, unless amended within that two year period by three

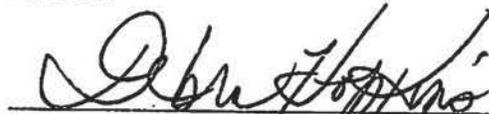
quarters vote of the Commissioners Court; provided, however, no modification or elimination of the Guidelines and Criteria shall affect any existing Tax Abatement Agreement that has been previously approved.

ADOPTED AND APPROVED on the 28th day of November, 2016.

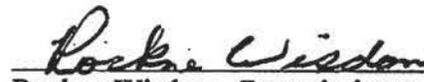
APPROVED:

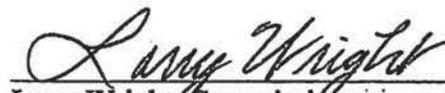

Mark Christopher, County Judge

ATTEST:


Debra Hopkins, County Clerk


Ricky Hammonds, Commissioner
Precinct 1


Rockne Wisdom, Commissioner
Precinct 2


Larry Wright, Commissioner
Precinct 3


Anthony Hinsley, Commissioner
Precinct 4

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 ▶ Pam Norwood Superintendent
Print Name (Authorized School District Representative) Title

sign here ▶ *Pam Norwood* 12-11-17
Signature (Authorized School District Representative) Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here ▶ Paul Rapp Vice President
Print Name (Authorized Company Representative (Applicant)) Title

sign here ▶ *Paul Rapp* 8 November 2017
Signature (Authorized Company Representative (Applicant)) Date

GIVEN under my hand and seal of office this, the

8th day of November, 2017

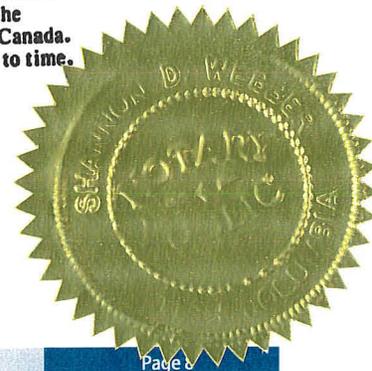
[Signature]
 Notary Public in and for the State of Texas Province of British Columbia, Canada

(Notary Seal)

My Commission expires: unlimited

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.

SHANNON D. WEBBER
 Notary Public in and for the
 Province of British Columbia, Canada.
 My commission is unlimited as to time.



O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW

808 WEST AVE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILIE: (512) 494-9919

February 7, 2018

Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78711-3528

RE: Amended Application to the Crowell Independent School District from Foard City
Wind, LLC

To the Local Government Assistance & Economic Analysis Division:

I have enclosed for you the Amended Application to the Crowell Independent School District
from Foard City Wind, LLC.

A copy of the application will be submitted to the Foard County Appraisal District.

Please do not hesitate to call with any questions.

Sincerely,

William Eggleston
Assistant to Kevin O'Hanlon
School District Consultant

Cc: Foard County Appraisal District

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

<p><u>Dan</u> First Name</p> <p><u>Partner</u> Title</p> <p><u>Moak Casey And Associates</u> Firm Name</p> <p><u>512-485-7878</u> Phone Number</p> <p>Mobile Number (optional)</p>	<p><u>Casey</u> Last Name</p> <p><u>512-485-7888</u> Fax Number</p> <p><u>dcasey@moakcasey.com</u> Email Address</p>
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4. On what date did the district determine this application complete?
5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

<p><u>Paul</u> First Name</p> <p><u>Vice President</u> Title</p> <p><u>c/o Alterra Power Corp., 1100-888 Dunsmuir St.</u> Street Address</p> <p><u>c/o Alterra Power Corp., 1100-888 Dunsmuir St.</u> Mailing Address</p> <p><u>Vancouver</u> City</p> <p><u>604-235-6711</u> Phone Number</p> <p>Mobile Number (optional)</p>	<p><u>Rapp</u> Last Name</p> <p><u>Foard City Wind, LLC</u> Organization</p> <p><u>BC</u> State</p> <p><u>V6C 3K4</u> ZIP</p> <p>Fax Number</p> <p><u>PRapp@alterrapower.ca</u> Business Email Address</p>
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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.

<p><u>General Counsel</u> Title</p> <p><u>c/o Alterra Power Corp., 1100-888 Dunsmuir St.</u> Street Address</p> <p><u>c/o Alterra Power Corp., 1100-888 Dunsmuir St.</u> Mailing Address</p> <p><u>Vancouver</u> City</p> <p><u>604-669-4999</u> Phone Number</p> <p>Mobile Number (optional)</p>	<p><u>Foard City Wind, LLC</u> Organization</p> <p><u>BC</u> State</p> <p><u>V6C 3K4</u> ZIP</p> <p>Fax Number</p> <p><u>generalcounsel@alterrapower.ca</u> Business Email Address</p>
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3. Does the applicant authorize the consultant to provide and obtain information related to this application? Yes No

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

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

Pam Norwood

Print Name (Authorized School District Representative)

Superintendent

Title

sign here


Signature (Authorized School District Representative)

2-6-2018
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

Paul Rapp

Print Name (Authorized Company Representative (Applicant))

Vice President

Title

sign here


Signature (Authorized Company Representative (Applicant))

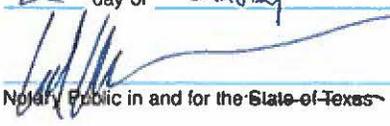
22 January 2018
Date

GIVEN under my hand and seal of office this, the

22 day of January, 2018

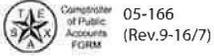
LUKE PANGMAN
Notary Public in and for the
Province of British Columbia, Canada.
My commission is unlimited as to time.

(Notary Seal)


Notary Public in and for the ~~State of Texas~~ Province of BC

My Commission expires: N/A

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.



Texas Franchise Tax Affiliate Schedule

■ Tcode 13253 Annual Franchise

■ Reporting entity taxpayer number <div style="display: flex; justify-content: space-between;"> <div style="border: 1px solid black; padding: 2px;">3 2 0 5 7 6 4 4 7 7 8</div> <div style="border: 1px solid black; padding: 2px;">2 0 1 7</div> </div>	■ Report year 2 0 1 7	Reporting entity taxpayer name <div style="border: 1px solid black; padding: 2px; text-align: center;">ALTERRA MANAGEMENT SERVICES, LLC</div>
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Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

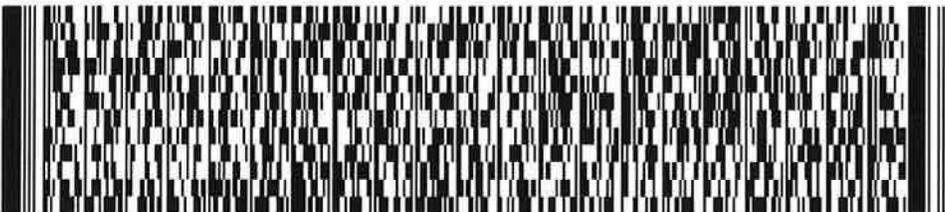
1. Legal name of affiliate ALTERRA SHANNON HOLDINGS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 6 1 1 7 4 2 9 2 1		3. Affiliate NAICS code 5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 1 0 1 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0		9. Gross receipts everywhere (before eliminations) 0 0			
10. Gross receipts in Texas (before eliminations) 0 0		11. Cost of goods sold or compensation (before eliminations) 2 4 0 0			

1. Legal name of affiliate ALTERRA MANAGEMENT SERVICES, LLC		2. Affiliate taxpayer number (if none, use FEI number) 3 2 0 5 7 6 4 4 7 7 8		3. Affiliate NAICS code 5 5 1 1 1 4	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 1 0 1 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0		9. Gross receipts everywhere (before eliminations) 5 3 9 3 7 2 0 0			
10. Gross receipts in Texas (before eliminations) 5 3 9 3 7 2 0 0		11. Cost of goods sold or compensation (before eliminations) 5 4 0 1 0 7 0 0			

1. Legal name of affiliate SODA LAKE SOLAR, LLC		2. Affiliate taxpayer number (if none, use FEI number) 3 0 0 9 3 8 9 7 2		3. Affiliate NAICS code 5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 1 0 1 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0		9. Gross receipts everywhere (before eliminations) 0 0			
10. Gross receipts in Texas (before eliminations) 0 0		11. Cost of goods sold or compensation (before eliminations) 0 0			

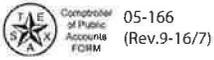
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Texas Franchise Tax Affiliate Schedule

■ Tcode 13253 Annual Franchise

■ Reporting entity taxpayer number <div style="display: flex; justify-content: space-between;"> 3 2 0 5 7 6 4 4 7 7 8 2 0 1 7 </div>	■ Report year 2 0 1 7	Reporting entity taxpayer name ALTERRA MANAGEMENT SERVICES, LLC
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Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

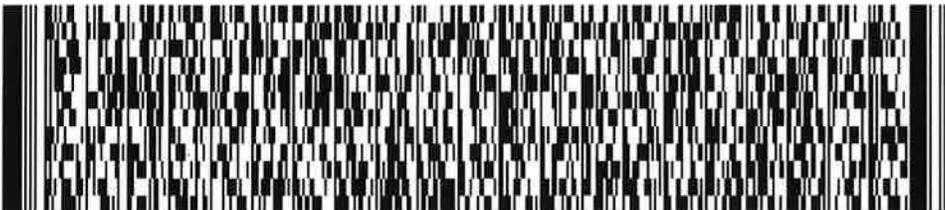
1. Legal name of affiliate ALTERRA RENEWABLE HOLDINGS III CORP.	2. Affiliate taxpayer number (if none, use FEI number) 9 8 1 1 9 1 2 1 7	3. Affiliate NAICS code 5 5 1 1 1 2
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 1 0 1 1 6
		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6
8. Gross receipts subject to throwback in other states (before eliminations) 0 0		9. Gross receipts everywhere (before eliminations) 4 4 2 3 6 4 2 0 0
10. Gross receipts in Texas (before eliminations) 0 0		11. Cost of goods sold or compensation (before eliminations) 1 0 0

1. Legal name of affiliate ALTERRA POWER USA CORP. (FKA: MEUSC)	2. Affiliate taxpayer number (if none, use FEI number) 2 6 2 6 5 6 1 9 9	3. Affiliate NAICS code 5 5 1 1 1 2
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 1 0 1 1 6
		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6
8. Gross receipts subject to throwback in other states (before eliminations) 0 0		9. Gross receipts everywhere (before eliminations) 4 8 7 2 5 1 0 0
10. Gross receipts in Texas (before eliminations) 0 0		11. Cost of goods sold or compensation (before eliminations) 2 6 9 4 5 5 0 0

1. Legal name of affiliate ALTERRA SHANNON INVESTMENTS, LLC	2. Affiliate taxpayer number (if none, use FEI number) 3 5 2 5 6 1 2 6 3	3. Affiliate NAICS code 5 5 1 1 1 2
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 1 0 1 1 6
		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6
8. Gross receipts subject to throwback in other states (before eliminations) 0 0		9. Gross receipts everywhere (before eliminations) 0 0
10. Gross receipts in Texas (before eliminations) 0 0		11. Cost of goods sold or compensation (before eliminations) 2 4 0 0

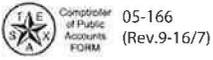
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Texas Franchise Tax Affiliate Schedule

■ **Tcode** 13253 Annual Franchise

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
3 2 0 5 7 6 4 4 7 7 8	2 0 1 7	ALTERRA MANAGEMENT SERVICES, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

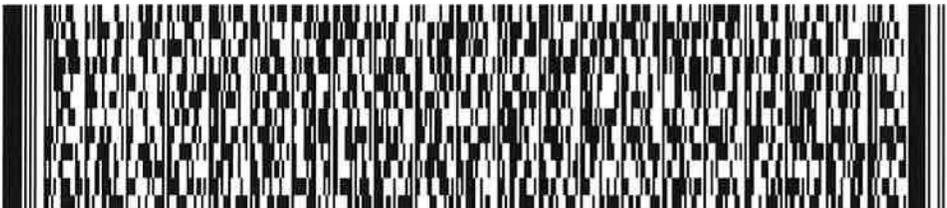
1. Legal name of affiliate ALTERRA FLAT TOP INVESTMENTS, LLC		■ 2. Affiliate taxpayer number (if none, use FEI number) 3 2 0 4 9 8 8 7 5		■ 3. Affiliate NAICS code 5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	■ 6. Affiliate reporting begin date m m d d y y 0 6 1 3 1 6		■ 7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
■ 8. Gross receipts subject to throwback in other states (before eliminations) 0 0		■ 9. Gross receipts everywhere (before eliminations) 0 0			
■ 10. Gross receipts in Texas (before eliminations) 0 0		■ 11. Cost of goods sold or compensation (before eliminations) 0 0			

1. Legal name of affiliate ALTERRA FLAT TOP HOLDINGS, LLC		■ 2. Affiliate taxpayer number (if none, use FEI number) 8 1 3 0 4 1 7 5 3		■ 3. Affiliate NAICS code 5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	■ 6. Affiliate reporting begin date m m d d y y 0 6 1 3 1 6		■ 7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
■ 8. Gross receipts subject to throwback in other states (before eliminations) 0 0		■ 9. Gross receipts everywhere (before eliminations) 0 0			
■ 10. Gross receipts in Texas (before eliminations) 0 0		■ 11. Cost of goods sold or compensation (before eliminations) 0 0			

1. Legal name of affiliate FLAT TOP GROUP HOLDINGS, LLC		■ 2. Affiliate taxpayer number (if none, use FEI number) 3 5 2 5 6 5 1 2 8		■ 3. Affiliate NAICS code 5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	■ 6. Affiliate reporting begin date m m d d y y 0 6 1 3 1 6		■ 7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
■ 8. Gross receipts subject to throwback in other states (before eliminations) 0 0		■ 9. Gross receipts everywhere (before eliminations) 0 0			
■ 10. Gross receipts in Texas (before eliminations) 0 0		■ 11. Cost of goods sold or compensation (before eliminations) 0 0			

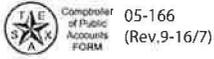
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Texas Franchise Tax Affiliate Schedule

■ **Tcode** 13253 Annual Franchise

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
3 2 0 5 7 6 4 4 7 7 8	2 0 1 7	ALTERRA MANAGEMENT SERVICES, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

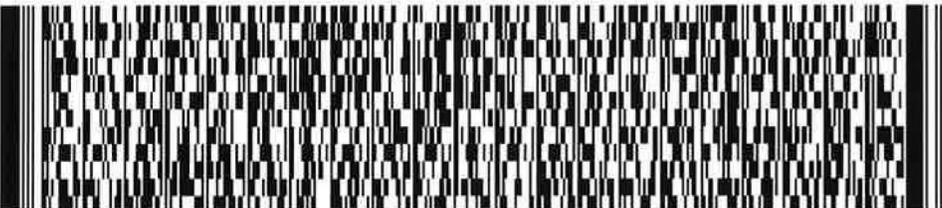
1. Legal name of affiliate		■ 2. Affiliate taxpayer number (if none, use FEI number)		■ 3. Affiliate NAICS code	
ALTERRA TEXAS HOLDINGS, LLC		6 1 1 7 8 6 9 3 7		5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax	5. Blacken circle if this affiliate does NOT have NEXUS in Texas	■ 6. Affiliate reporting begin date		■ 7. Affiliate reporting end date	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	m m d d y y 0 1 0 1 1 6		m m d d y y 1 2 3 1 1 6	
■ 8. Gross receipts subject to throwback in other states (before eliminations)		■ 9. Gross receipts everywhere (before eliminations)			
0 0		0 0			
■ 10. Gross receipts in Texas (before eliminations)		■ 11. Cost of goods sold or compensation (before eliminations)			
0 0		6 0 2 4 0 0			

1. Legal name of affiliate		■ 2. Affiliate taxpayer number (if none, use FEI number)		■ 3. Affiliate NAICS code	
BYERS WIND HOLDINGS, LLC		8 1 1 9 1 2 6 4 8		5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax	5. Blacken circle if this affiliate does NOT have NEXUS in Texas	■ 6. Affiliate reporting begin date		■ 7. Affiliate reporting end date	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	m m d d y y 0 1 0 1 1 6		m m d d y y 1 2 3 1 1 6	
■ 8. Gross receipts subject to throwback in other states (before eliminations)		■ 9. Gross receipts everywhere (before eliminations)			
0 0		0 0			
■ 10. Gross receipts in Texas (before eliminations)		■ 11. Cost of goods sold or compensation (before eliminations)			
0 0		2 4 0 0			

1. Legal name of affiliate		■ 2. Affiliate taxpayer number (if none, use FEI number)		■ 3. Affiliate NAICS code	
BYERS WIND, LLC		3 2 0 5 9 0 8 9 8 6 5		2 2 1 1 1 5	
4. Blacken circle if entity is disregarded for franchise tax	5. Blacken circle if this affiliate does NOT have NEXUS in Texas	■ 6. Affiliate reporting begin date		■ 7. Affiliate reporting end date	
<input type="checkbox"/>	<input type="checkbox"/>	m m d d y y 0 1 0 1 1 6		m m d d y y 1 2 3 1 1 6	
■ 8. Gross receipts subject to throwback in other states (before eliminations)		■ 9. Gross receipts everywhere (before eliminations)			
0 0		0 0			
■ 10. Gross receipts in Texas (before eliminations)		■ 11. Cost of goods sold or compensation (before eliminations)			
0 0		4 5 9 3 3 0 0			

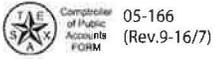
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Texas Franchise Tax Affiliate Schedule

■ **Tcode** 13253 Annual Franchise

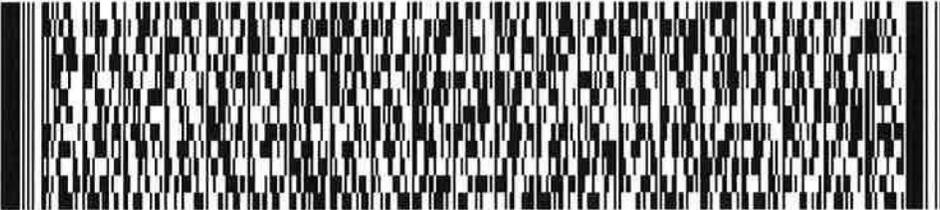
■ Reporting entity taxpayer number <div style="display: flex; justify-content: space-between;"> 3 2 0 5 7 6 4 4 7 7 8 2 0 1 7 </div>	■ Report year 2 0 1 7	Reporting entity taxpayer name ALTERRA MANAGEMENT SERVICES, LLC
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Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate BLUEGROVE WIND HOLDINGS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 8 1 1 9 3 6 6 7 4		3. Affiliate NAICS code 5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 1 0 1 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0		9. Gross receipts everywhere (before eliminations) 0 0			
10. Gross receipts in Texas (before eliminations) 0 0		11. Cost of goods sold or compensation (before eliminations) 2 4 0 0			
1. Legal name of affiliate BLUEGROVE WIND, LLC		2. Affiliate taxpayer number (if none, use FEI number) 3 2 0 5 9 0 8 9 8 8 1		3. Affiliate NAICS code 2 2 1 1 1 5	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 1 0 1 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0		9. Gross receipts everywhere (before eliminations) 0 0			
10. Gross receipts in Texas (before eliminations) 0 0		11. Cost of goods sold or compensation (before eliminations) 3 4 6 5 9 0 0			
1. Legal name of affiliate ALTERRA SOLAR MANAGEMENT SERVICES		2. Affiliate taxpayer number (if none, use FEI number) 3 2 0 5 0 4 6 5 6		3. Affiliate NAICS code 5 5 1 1 1 4	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 8 1 6 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0		9. Gross receipts everywhere (before eliminations) 2 0 4 2 0 0			
10. Gross receipts in Texas (before eliminations) 0 0		11. Cost of goods sold or compensation (before eliminations) 0 0			

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Texas Franchise Tax Affiliate Schedule

■ **Tcode** 13253 Annual Franchise

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
3 2 0 5 7 6 4 4 7 7 8	2 0 1 7	ALTERRA MANAGEMENT SERVICES, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

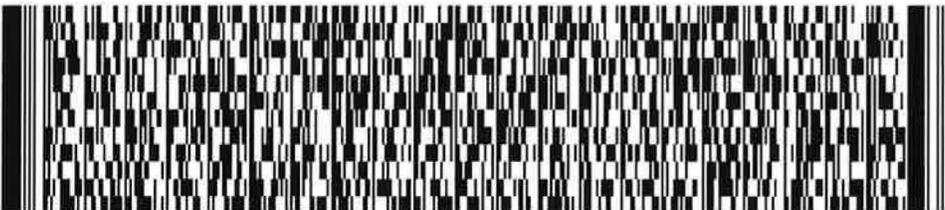
1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
ALTERRA BOSWELL INVESTMENTS, LLC		3 5 2 5 8 0 2 3 4		5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax	5. Blacken circle if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date <i>m m d d y y</i>		7. Affiliate reporting end date <i>m m d d y y</i>	
■ <input type="radio"/>	■ <input checked="" type="radio"/>	1 2 1 4 1 6		1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
0 0 0		0 0 0			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
0 0 0		0 0 0			

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
ALTERRA BOSWELL HOLDINGS, LLC		8 1 4 8 0 0 8 3 8		5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax	5. Blacken circle if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date <i>m m d d y y</i>		7. Affiliate reporting end date <i>m m d d y y</i>	
■ <input type="radio"/>	■ <input checked="" type="radio"/>	1 2 1 4 1 6		1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
0 0 0		0 0 0			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
0 0 0		0 0 0			

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
ALTERRA BOSWELL GROUP HOLDINGS, LLC		8 1 4 8 1 4 0 4 1		5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax	5. Blacken circle if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date <i>m m d d y y</i>		7. Affiliate reporting end date <i>m m d d y y</i>	
■ <input type="radio"/>	■ <input checked="" type="radio"/>	1 2 1 4 1 6		1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
0 0 0		0 0 0			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
0 0 0		0 0 0			

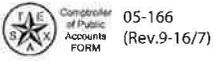
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Texas Franchise Tax Affiliate Schedule

■ **Tcode** 13253 Annual Franchise

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
3 2 0 5 7 6 4 4 7 7 8	2 0 1 7	ALTERRA MANAGEMENT SERVICES, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

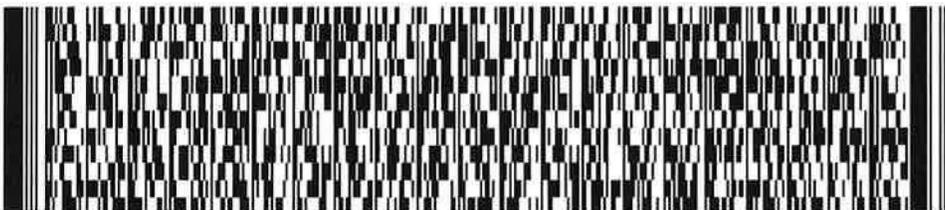
1. Legal name of affiliate				■ 2. Affiliate taxpayer number (if none, use FEI number)				■ 3. Affiliate NAICS code			
BOSWELL WIND PARTNERSHIP HOLDINGS, L				8 1 4 8 3 8 3 5 6				5 5 1 1 1 2			
4. Blacken circle if entity is disregarded for franchise tax		5. Blacken circle if this affiliate does NOT have NEXUS in Texas		■ 6. Affiliate reporting begin date				■ 7. Affiliate reporting end date			
<input type="checkbox"/>		<input checked="" type="checkbox"/>		m m d d y y 1 2 1 4 1 6				m m d d y y 1 2 3 1 1 6			
■ 8. Gross receipts subject to throwback in other states (before eliminations)						■ 9. Gross receipts everywhere (before eliminations)					
0 0 0						0 0 0					
■ 10. Gross receipts in Texas (before eliminations)						■ 11. Cost of goods sold or compensation (before eliminations)					
0 0 0						0 0 0					

1. Legal name of affiliate				■ 2. Affiliate taxpayer number (if none, use FEI number)				■ 3. Affiliate NAICS code			
BOSWELL WIND HOLDINGS, LLC				8 1 4 8 5 7 7 4 8				5 5 1 1 1 2			
4. Blacken circle if entity is disregarded for franchise tax		5. Blacken circle if this affiliate does NOT have NEXUS in Texas		■ 6. Affiliate reporting begin date				■ 7. Affiliate reporting end date			
<input type="checkbox"/>		<input checked="" type="checkbox"/>		m m d d y y 1 2 1 4 1 6				m m d d y y 1 2 3 1 1 6			
■ 8. Gross receipts subject to throwback in other states (before eliminations)						■ 9. Gross receipts everywhere (before eliminations)					
0 0 0						0 0 0					
■ 10. Gross receipts in Texas (before eliminations)						■ 11. Cost of goods sold or compensation (before eliminations)					
0 0 0						0 0 0					

1. Legal name of affiliate				■ 2. Affiliate taxpayer number (if none, use FEI number)				■ 3. Affiliate NAICS code			
BOSWELL WIND, LLC				8 1 4 8 7 9 2 2 5				2 2 1 1 1 5			
4. Blacken circle if entity is disregarded for franchise tax		5. Blacken circle if this affiliate does NOT have NEXUS in Texas		■ 6. Affiliate reporting begin date				■ 7. Affiliate reporting end date			
<input type="checkbox"/>		<input checked="" type="checkbox"/>		m m d d y y 1 2 1 4 1 6				m m d d y y 1 2 3 1 1 6			
■ 8. Gross receipts subject to throwback in other states (before eliminations)						■ 9. Gross receipts everywhere (before eliminations)					
0 0 0						0 0 0					
■ 10. Gross receipts in Texas (before eliminations)						■ 11. Cost of goods sold or compensation (before eliminations)					
0 0 0						0 0 0					

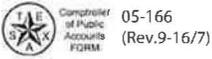
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Texas Franchise Tax Affiliate Schedule

■ Tcode 13253 Annual Franchise

■ Reporting entity taxpayer number <div style="display: flex; justify-content: space-between;"> 3 2 0 5 7 6 4 4 7 7 8 2 0 1 7 </div>	■ Report year 2 0 1 7	Reporting entity taxpayer name ALTERRA MANAGEMENT SERVICES, LLC
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Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

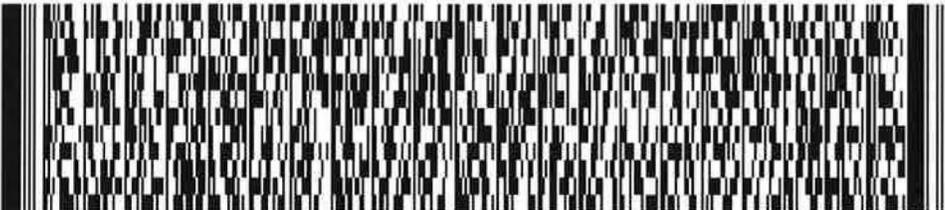
1. Legal name of affiliate BOSWELL WIND PROJECT I, LLC		2. Affiliate taxpayer number (if none, use FEI number) 8 1 4 8 9 6 5 4 3		3. Affiliate NAICS code 2 2 1 1 1 5	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 1 2 1 4 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0 0		9. Gross receipts everywhere (before eliminations) 0 0 0			
10. Gross receipts in Texas (before eliminations) 0 0 0		11. Cost of goods sold or compensation (before eliminations) 0 0 0			

1. Legal name of affiliate BOSWELL WIND PROJECT II, LLC		2. Affiliate taxpayer number (if none, use FEI number) 8 1 4 9 1 5 9 8 6		3. Affiliate NAICS code 2 2 1 1 1 5	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 1 2 1 4 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0 0		9. Gross receipts everywhere (before eliminations) 0 0 0			
10. Gross receipts in Texas (before eliminations) 0 0 0		11. Cost of goods sold or compensation (before eliminations) 0 0 0			

1. Legal name of affiliate BOSWELL WIND PROJECT III, LLC		2. Affiliate taxpayer number (if none, use FEI number) 8 1 4 9 3 3 8 6 1		3. Affiliate NAICS code 2 2 1 1 1 5	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 1 2 1 4 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0 0		9. Gross receipts everywhere (before eliminations) 0 0 0			
10. Gross receipts in Texas (before eliminations) 0 0 0		11. Cost of goods sold or compensation (before eliminations) 0 0 0			

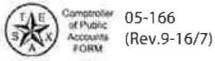
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Texas Franchise Tax Affiliate Schedule

■ Tcode 13253 Annual Franchise

■ Reporting entity taxpayer number <div style="display: flex; justify-content: space-between;"> 3 2 0 5 7 6 4 4 7 7 8 2 0 1 7 </div>	■ Report year	Reporting entity taxpayer name ALTERRA MANAGEMENT SERVICES, LLC
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Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

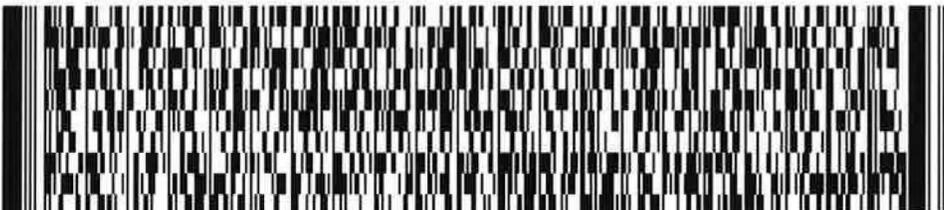
1. Legal name of affiliate BOSWELL WIND PROJECT IV, LLC		2. Affiliate taxpayer number (if none, use FEI number) 8 1 4 9 5 1 5 6 1		3. Affiliate NAICS code 2 2 1 1 1 5	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 1 2 1 4 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0 0		9. Gross receipts everywhere (before eliminations) 0 0 0			
10. Gross receipts in Texas (before eliminations) 0 0 0		11. Cost of goods sold or compensation (before eliminations) 0 0 0			

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input type="radio"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0		9. Gross receipts everywhere (before eliminations) 0 0			
10. Gross receipts in Texas (before eliminations) 0 0		11. Cost of goods sold or compensation (before eliminations) 0 0			

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input type="radio"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0		9. Gross receipts everywhere (before eliminations) 0 0			
10. Gross receipts in Texas (before eliminations) 0 0		11. Cost of goods sold or compensation (before eliminations) 0 0			

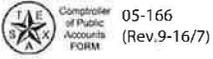
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Texas Franchise Tax Affiliate Schedule

■ **Tcode** 13253 Annual Franchise

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
3 2 0 5 7 6 4 4 7 7 8	2 0 1 7	ALTERRA MANAGEMENT SERVICES, LLC

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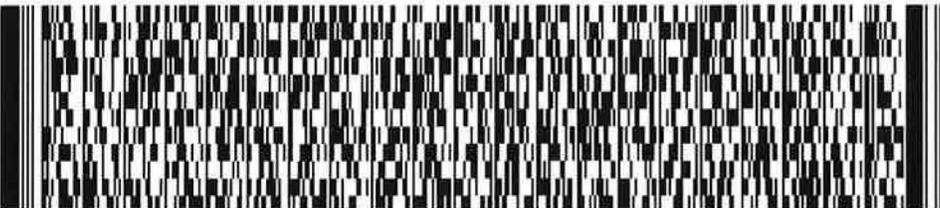
1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
MUKO PARTNERSHIP HOLDINGS, LLC		8 1 2 8 2 8 6 7 8		5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax	5. Blacken circle if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date <i>m m d d y y</i>		7. Affiliate reporting end date <i>m m d d y y</i>	
<input type="radio"/>	<input checked="" type="radio"/>	1 0 1 1 1 6		1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
0 0		0 0			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
0 0		4 8 0 0 0			

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
MUKO HOLDINGS, LLC		8 1 2 8 1 1 0 4 8		5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax	5. Blacken circle if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date <i>m m d d y y</i>		7. Affiliate reporting end date <i>m m d d y y</i>	
<input type="radio"/>	<input checked="" type="radio"/>	1 0 1 1 1 6		1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
0 0		0 0			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
0 0		1 0 0			

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
KOKOMO SOLAR 1, LLC		3 2 0 4 6 8 1 3 9		2 2 1 1 1 4	
4. Blacken circle if entity is disregarded for franchise tax	5. Blacken circle if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date <i>m m d d y y</i>		7. Affiliate reporting end date <i>m m d d y y</i>	
<input type="radio"/>	<input checked="" type="radio"/>	1 0 1 1 1 6		1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
0 0		1 8 7 1 8 0 0			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
0 0		1 4 2 5 9 1 0 0			

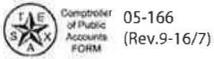
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Texas Franchise Tax Affiliate Schedule

■ Tcode 13253 Annual Franchise

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
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Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

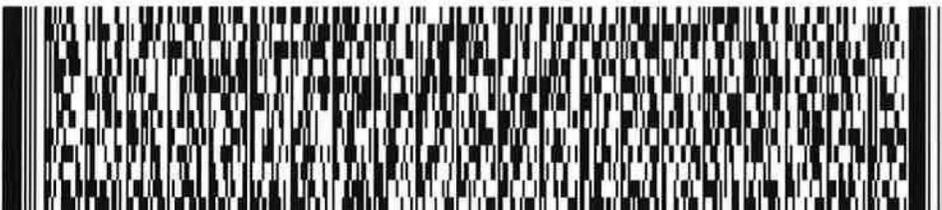
1. Legal name of affiliate ALTERRA FOARD CITY INVESTMENTS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 3 7 1 8 3 3 2 5 8		3. Affiliate NAICS code 5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 6 3 0 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0 0		9. Gross receipts everywhere (before eliminations) 0 0 0			
10. Gross receipts in Texas (before eliminations) 0 0 0		11. Cost of goods sold or compensation (before eliminations) 0 0 0			

1. Legal name of affiliate ALTERRA FOARD CITY HOLDINGS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 8 1 3 5 1 2 0 7 4		3. Affiliate NAICS code 5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 6 3 0 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0 0		9. Gross receipts everywhere (before eliminations) 0 0 0			
10. Gross receipts in Texas (before eliminations) 0 0 0		11. Cost of goods sold or compensation (before eliminations) 0 0 0			

1. Legal name of affiliate FOARD CITY GROUP HOLDINGS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 3 8 4 0 1 0 8 9 4		3. Affiliate NAICS code 5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 6 3 0 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
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10. Gross receipts in Texas (before eliminations) 0 0 0		11. Cost of goods sold or compensation (before eliminations) 0 0 0			

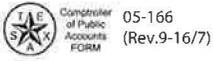
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Texas Franchise Tax Affiliate Schedule

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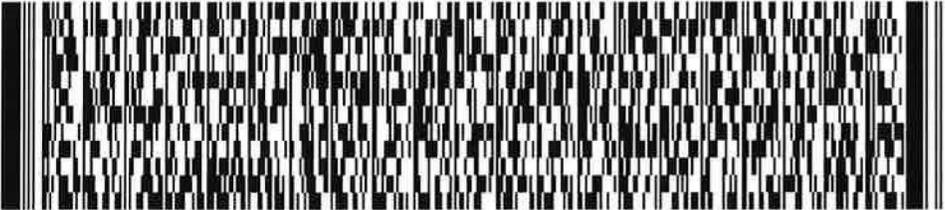
■ Reporting entity taxpayer number <div style="display: flex; justify-content: space-between;"> 3 2 0 5 7 6 4 4 7 7 8 2 0 1 7 </div>	■ Report year 2 0 1 7	Reporting entity taxpayer name <div style="border: 1px solid black; padding: 2px; text-align: center; font-weight: bold;">ALTERRA MANAGEMENT SERVICES, LLC</div>
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1. Legal name of affiliate FOARD CITY PARTNERSHIP HOLDINGS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 8 1 3 5 9 8 5 2 2		3. Affiliate NAICS code 5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 6 3 0 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
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10. Gross receipts in Texas (before eliminations) 0 0 0		11. Cost of goods sold or compensation (before eliminations) 0 0 0			
1. Legal name of affiliate FOARD CITY HOLDINGS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 3 6 4 8 4 4 6 3 1		3. Affiliate NAICS code 5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 6 3 0 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
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10. Gross receipts in Texas (before eliminations) 0 0 0		11. Cost of goods sold or compensation (before eliminations) 0 0 0			
1. Legal name of affiliate FOARD CITY WIND, LLC		2. Affiliate taxpayer number (if none, use FEI number) 3 2 0 6 1 5 6 1 2 1 6		3. Affiliate NAICS code 2 2 1 1 1 5	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 6 3 0 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
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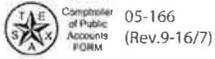
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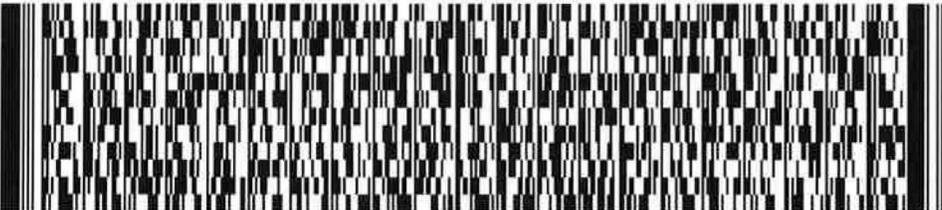
1. Legal name of affiliate GRIFFIN TRAIL WIND HOLDINGS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 8 1 4 7 6 2 7 2 4		3. Affiliate NAICS code 5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 1 2 2 0 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
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1. Legal name of affiliate GRIFFIN TRAIL WIND, LLC		2. Affiliate taxpayer number (if none, use FEI number) 3 2 0 6 2 4 0 0 4 0 6		3. Affiliate NAICS code 2 2 1 1 1 5	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input type="radio"/>	6. Affiliate reporting begin date m m d d y y 1 2 2 0 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
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10. Gross receipts in Texas (before eliminations) 0 0		11. Cost of goods sold or compensation (before eliminations) 2 2 6 6 0 0			

1. Legal name of affiliate ALTERRA SOLAR, LLC		2. Affiliate taxpayer number (if none, use FEI number) 3 2 0 5 0 1 7 0 1		3. Affiliate NAICS code 5 5 1 1 1 2	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 6 0 9 1 6		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 6	
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Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of : 05/02/2018 08:48:30

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

FOARD CITY WIND, LLC	
Texas Taxpayer Number	32061561216
Mailing Address	2711 CENTERVILLE RD STE 400 WILMINGTON, DE 19808-1645
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	09/14/2016
Texas SOS File Number	0802542249
Registered Agent Name	CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

April 19, 2018

Pam Norwood
Superintendent
Crowell Independent School District
P. O. Box 239
Crowell, Texas 79227-0239

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Crowell Independent School District and Foard City Wind, LLC, Application 1231

Dear Superintendent Norwood:

On February 13, 2018, the Comptroller issued written notice that Foard City Wind, LLC (applicant) submitted a completed application (Application 1231) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on December 11, 2017, to the Crowell Independent School District (school district) by the applicant.

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

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

Determination required by 313.025(h)

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

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

- Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
- Sec. 313.024(d-2) Not applicable to Application 1231.

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).

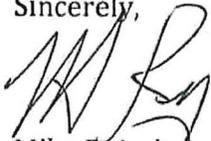
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed 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, 2018.

Note that any building or improvement existing as of the application review start date of February 13, 2018, 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 Foard City Wind, LLC (project) applying to Crowell 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 Foard City Wind, LLC.

Applicant	Foard City Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Crowell ISD
2016-2017 Average Daily Attendance	196
County	Foard
Proposed Total Investment in District	\$385,000,000
Proposed Qualified Investment	\$385,000,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2019-2020
Number of new qualifying jobs committed to by applicant	7*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,062
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$1,061.99
Minimum annual wage committed to by applicant for qualified jobs	\$55,230
Minimum weekly wage required for non-qualifying jobs	\$545
Minimum annual wage required for non-qualifying jobs	\$28,315
Investment per Qualifying Job	\$55,000,000
Estimated M&O levy without any limit (15 years)	\$38,723,401
Estimated M&O levy with Limitation (15 years)	\$10,387,250
Estimated gross M&O tax benefit (15 years)	\$28,336,151

* 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 Foard City Wind, LLC (modeled).

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2018	50	44	93.75	\$2,250,000	\$3,487,300	\$5,737,300	\$289,900	-\$183,100	\$473,000
2019	252	225	477	\$11,360,460	\$19,279,140	\$30,639,600	\$1,548,800	-\$816,300	\$2,365,100
2020	7	1,116	1123	\$386,610	\$92,386,790	\$92,773,400	\$13,473,500	\$618,000	\$12,855,500
2021	7	1,554	1561	\$386,610	\$133,402,490	\$133,789,100	\$14,801,000	\$2,342,200	\$12,458,800
2022	7	1,811	1818	\$386,610	\$164,042,090	\$164,428,700	\$15,846,300	\$4,226,700	\$11,619,600
2023	7	1,936	1943	\$386,610	\$185,404,390	\$185,791,000	\$16,502,400	\$6,111,100	\$10,391,300
2024	7	1,972	1979	\$386,610	\$198,832,190	\$199,218,800	\$16,914,400	\$7,888,800	\$9,025,600
2025	7	1,950	1957	\$386,610	\$206,644,690	\$207,031,300	\$17,059,300	\$9,536,700	\$7,522,600
2026	0	1,877	1877	\$0	\$209,350,600	\$209,350,600	\$16,853,300	\$10,986,300	\$5,867,000
2027	7	1,782	1789	\$386,610	\$208,353,590	\$208,740,200	\$16,532,900	\$12,138,400	\$4,394,500
2028	7	1,667	1674	\$386,610	\$204,935,690	\$205,322,300	\$16,052,200	\$13,084,400	\$2,967,800
2029	7	1,556	1563	\$386,610	\$200,052,890	\$200,439,500	\$15,625,000	\$13,816,800	\$1,808,200
2030	7	1,044	1051	\$386,610	\$148,783,290	\$149,169,900	\$9,948,700	\$14,350,900	-\$4,402,200
2031	7	751	758	\$386,610	\$118,998,190	\$119,384,800	\$8,682,300	\$14,061,000	-\$5,378,700
2032	7	552	559	\$386,610	\$96,293,090	\$96,679,700	\$7,690,400	\$13,481,100	-\$5,790,700
2033	7	421	428	\$386,610	\$79,691,490	\$80,078,100	\$6,851,200	\$12,733,500	-\$5,882,300

Source: CPA REMI, Foard City Wind, 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*	Crowell ISD I&S Tax Levy	Crowell ISD M&O Tax Levy	Crowell M&O and I&S Tax Levies	Foard County Tax Levy	Foard County Hospital Tax Levy	Gateway GCD Tax Levy	Estimated Total Property Taxes
			0.0000	1.1700		0.9350	0.3187	0.0100		
2020	\$ 370,580,000.00	\$370,580,000.00		\$0	\$4,335,786	\$4,335,786	\$3,464,923	\$1,181,038	\$37,058	\$9,018,805
2021	\$ 340,987,500.00	\$340,987,500.00		\$0	\$3,989,554	\$3,989,554	\$3,188,233	\$1,086,727	\$34,099	\$8,298,613
2022	\$ 313,761,053.00	\$313,761,053.00		\$0	\$3,671,004	\$3,671,004	\$2,933,666	\$999,956	\$31,376	\$7,636,003
2023	\$ 288,711,408.00	\$288,711,408.00		\$0	\$3,377,923	\$3,377,923	\$2,699,452	\$920,123	\$28,871	\$7,026,370
2024	\$ 265,664,453.00	\$265,664,453.00		\$0	\$3,108,274	\$3,108,274	\$2,483,963	\$846,673	\$26,566	\$6,465,476
2025	\$ 244,460,006.00	\$244,460,006.00		\$0	\$2,860,182	\$2,860,182	\$2,285,701	\$779,094	\$24,446	\$5,949,423
2026	\$ 224,950,697.00	\$224,950,697.00		\$0	\$2,631,923	\$2,631,923	\$2,103,289	\$716,918	\$22,495	\$5,474,625
2027	\$ 207,000,945.00	\$207,000,945.00		\$0	\$2,421,911	\$2,421,911	\$1,935,459	\$659,712	\$20,700	\$5,037,782
2028	\$ 190,486,016.00	\$190,486,016.00		\$0	\$2,228,686	\$2,228,686	\$1,781,044	\$607,079	\$19,049	\$4,635,858
2029	\$ 175,291,152.00	\$175,291,152.00		\$0	\$2,050,906	\$2,050,906	\$1,638,972	\$558,653	\$17,529	\$4,266,061
2030	\$ 161,310,777.00	\$161,310,777.00		\$0	\$1,887,336	\$1,887,336	\$1,508,256	\$514,097	\$16,131	\$3,925,820
2031	\$ 148,447,759.00	\$148,447,759.00		\$0	\$1,736,839	\$1,736,839	\$1,387,987	\$473,103	\$14,845	\$3,612,773
2032	\$ 136,612,736.00	\$136,612,736.00		\$0	\$1,598,369	\$1,598,369	\$1,277,329	\$435,385	\$13,661	\$3,324,744
2033	\$ 125,723,495.00	\$125,723,495.00		\$0	\$1,470,965	\$1,470,965	\$1,175,515	\$400,681	\$12,572	\$3,059,733
2034	\$ 115,704,399.00	\$115,704,399.00		\$0	\$1,353,741	\$1,353,741	\$1,081,836	\$368,750	\$11,570	\$2,815,898
			Total	\$0	\$38,723,401	\$38,723,401	\$30,945,624	\$10,547,990	\$330,969	\$80,547,984

Source: CPA, Foard City Wind, LLC

*Tax Rate per \$100 Valuation

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

This represents the Comptroller’s determination that Foard City Wind, 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 and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2020	\$234,000	\$234,000	\$4,101,786	\$4,101,786
	2021	\$234,000	\$468,000	\$3,755,554	\$7,857,340
	2022	\$234,000	\$702,000	\$3,437,004	\$11,294,344
	2023	\$234,000	\$936,000	\$3,143,923	\$14,438,268
	2024	\$234,000	\$1,170,000	\$2,874,274	\$17,312,542
	2025	\$234,000	\$1,404,000	\$2,626,182	\$19,938,724
	2026	\$234,000	\$1,638,000	\$2,397,923	\$22,336,647
	2027	\$234,000	\$1,872,000	\$2,187,911	\$24,524,558
	2028	\$234,000	\$2,106,000	\$1,994,686	\$26,519,244
	2029	\$234,000	\$2,340,000	\$1,816,906	\$28,336,151
Maintain Viable Presence (5 Years)	2030	\$1,887,336	\$4,227,336	\$0	\$28,336,151
	2031	\$1,736,839	\$5,964,175	\$0	\$28,336,151
	2032	\$1,598,369	\$7,562,544	\$0	\$28,336,151
	2033	\$1,470,965	\$9,033,509	\$0	\$28,336,151
	2034	\$1,353,741	\$10,387,250	\$0	\$28,336,151
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$1,245,885	\$11,633,135	\$0	\$28,336,151
	2036	\$1,146,645	\$12,779,780	\$0	\$28,336,151
	2037	\$1,055,334	\$13,835,114	\$0	\$28,336,151
	2038	\$971,317	\$14,806,432	\$0	\$28,336,151
	2039	\$894,012	\$15,700,443	\$0	\$28,336,151
	2040	\$822,881	\$16,523,324	\$0	\$28,336,151
	2041	\$757,430	\$17,280,755	\$0	\$28,336,151
	2042	\$697,206	\$17,977,961	\$0	\$28,336,151
	2043	\$641,791	\$18,619,752	\$0	\$28,336,151
	2044	\$590,800	\$19,210,553	\$0	\$28,336,151

\$19,210,553 is less than **\$28,336,151**

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?	No

Source: CPA, Foard City Wind, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2018	50	44	93.75	\$2,250,000	\$3,487,300	\$5,737,300	\$289,900	-\$183,100	\$473,000
2019	252	225	477	\$11,360,460	\$19,279,140	\$30,639,600	\$1,548,800	-\$816,300	\$2,365,100
2020	7	1,116	1123	\$386,610	\$92,386,790	\$92,773,400	\$13,473,500	\$618,000	\$12,855,500
2021	7	1,554	1561	\$386,610	\$133,402,490	\$133,789,100	\$14,801,000	\$2,342,200	\$12,458,800
2022	7	1,811	1818	\$386,610	\$164,042,090	\$164,428,700	\$15,846,300	\$4,226,700	\$11,619,600
2023	7	1,936	1943	\$386,610	\$185,404,390	\$185,791,000	\$16,502,400	\$6,111,100	\$10,391,300
2024	7	1,972	1979	\$386,610	\$198,832,190	\$199,218,800	\$16,914,400	\$7,888,800	\$9,025,600
2025	7	1,950	1957	\$386,610	\$206,644,690	\$207,031,300	\$17,059,300	\$9,536,700	\$7,522,600
2026	0	1,877	1877	\$0	\$209,350,600	\$209,350,600	\$16,853,300	\$10,986,300	\$5,867,000
2027	7	1,782	1789	\$386,610	\$208,353,590	\$208,740,200	\$16,532,900	\$12,138,400	\$4,394,500
2028	7	1,667	1674	\$386,610	\$204,935,690	\$205,322,300	\$16,052,200	\$13,084,400	\$2,967,800
2029	7	1,556	1563	\$386,610	\$200,052,890	\$200,439,500	\$15,625,000	\$13,816,800	\$1,808,200
2030	7	1,044	1051	\$386,610	\$148,783,290	\$149,169,900	\$9,948,700	\$14,350,900	-\$4,402,200
2031	7	751	758	\$386,610	\$118,998,190	\$119,384,800	\$8,682,300	\$14,061,000	-\$5,378,700
2032	7	552	559	\$386,610	\$96,293,090	\$96,679,700	\$7,690,400	\$13,481,100	-\$5,790,700
2033	7	421	428	\$386,610	\$79,691,490	\$80,078,100	\$6,851,200	\$12,733,500	-\$5,882,300
2034	7	333	340	\$386,610	\$68,461,090	\$68,847,700	\$6,271,400	\$11,932,400	-\$5,661,000
2035	7	286	293	\$386,610	\$61,625,090	\$62,011,700	\$5,714,400	\$11,100,800	-\$5,386,400
2036	7	259	266	\$386,610	\$56,742,290	\$57,128,900	\$5,310,100	\$10,261,500	-\$4,951,400
2037	7	245	252	\$386,610	\$55,765,690	\$56,152,300	\$4,982,000	\$9,445,200	-\$4,463,200
2038	7	237	244	\$386,610	\$56,498,190	\$56,884,800	\$4,730,200	\$8,735,700	-\$4,005,500
2039	7	247	254	\$386,610	\$59,427,890	\$59,814,500	\$4,547,100	\$8,010,900	-\$3,463,800
2040	7	257	264	\$386,610	\$62,357,490	\$62,744,100	\$4,440,300	\$7,362,400	-\$2,922,100
2041	7	266	273	\$386,610	\$66,996,190	\$67,382,800	\$4,440,300	\$6,805,400	-\$2,365,100
2042	7	274	281	\$386,610	\$73,099,690	\$73,486,300	\$4,348,800	\$6,294,300	-\$1,945,500
2043	7	274	281	\$386,610	\$78,226,690	\$78,613,300	\$4,303,000	\$5,851,700	-\$1,548,700
2044	7	278	285	\$386,610	\$84,574,290	\$84,960,900	\$4,196,200	\$5,455,000	-\$1,258,800
Total							\$247,955,400	\$225,631,800	\$22,323,600
							\$41,534,153	is greater than	\$28,336,151

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, REMI, Foard City Wind, 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 Foard City Wind, 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:

- Alterra Power Corp. in Tab 5 of their Application for a Limitation on Appraised Value
 - A. “Due to the extremely competitive power market in ERCOT most ifnot all PP A's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. 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.”
 - B. “Alterra is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Alterra currently has ongoing project developments in many states, including but not limited to, California, Colorado, Nebraska, Oklahoma and Wyoming.”
- A November 9, 2016 *Times Record News* (Foard County) states that “Jimmy Horn, owner of Windthorst-based wind energy developer Horn Wind LLC, told the Times Record News in May that some landowners in Crowell had expressed interest in entering into lease agreements with Alterra Energy Corp., who would take ownership of the completed project. ‘We have a lot of interest from landowners and we have a lot of interest in developing. We have a lot of interest on all sides,’ he said at the time.”
- A May 26, 2016 *Times Record News* (Foard County) states that “In Foard County, Horn said he's completed some initial studies and has held a couple meetings with landowners. His company isn't ‘quite ready to move forward’ with signing leases and doing more comprehensive development work, he said. The county, which has a relatively low tax base of \$200 million, is primarily a wheat and cattle producer. A large wind development could more than double its tax base — for a short time, at least.”
- Alterra Power Corp, Management's Discussion & Analysis, for the Third Quarter ended – September 30, 2017, states: “The Foard City wind project's main transformer was purchased in 2016 and the

company expects the project to qualify for PTCs at the full rate. In, 2016, the Company also preformed certain construction activities (on-site and off-site) for the qualifying project is greater than 1,500 MW, including the Flat Top.”

- Supplemental information provided by the applicant stated the following:
 - A. The Foard City Wind Farm is not currently known by any other project name.
 - B. The ERCOT IGNR number is 191NR0019.

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 (complete Section 13)
<input type="checkbox"/> Expansion of existing operation on the land (complete Section 13)	<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
Company has 312 agreement with Foard County
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
Company has 312 agreement with Foard County
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**

FOARD CITY WIND, LLC

Chapter 313 Application to Crowell ISD

Cummings Westlake, LLC

TAB 5

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

Alterra Power Corp., together with its affiliates, "Alterra", is a global renewable energy company that manages eight power plants totaling 825 MW of hydro, wind, geothermal and solar generation capacity in Canada, the USA and Iceland. Alterra owns a 363 MW share of this capacity, generating over 1,500 GWh of clean power annually. Alterra produces the majority of its electricity from clean and renewable sources, including wind and solar. Alterra has a long-term commitment to both wind and solar with an outlook to significantly expand our fleet of clean energy generating capacity.

Alterra is keen to develop and build the proposed Foard City 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. Alterra is active in states throughout the United States and globally, 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. Alterra is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Alterra currently has ongoing project developments in many states, including but not limited to, California, Colorado, Nebraska, Oklahoma and Wyoming.

Due to the extremely competitive power market in ERCOT 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 a 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.

Foard City Wind, LLC has an executed Tax Abatement Agreement with Foard County with regards to this project. As stated above, this project will need both the agreement with the County and the 313 Value Limitation with Crowell ISD to make it economically viable. This project could not move forward without the value limitation from Crowell ISD.

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY
BY FOARD CITY WIND, LLC TO CROWELL ISD*

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

Foard County wind farm plans make headway

Christopher M. Collins, Times Record News Published 4:27 p.m. CT Nov. 29, 2016 | Updated 5:02 p.m. CT Nov. 29, 2016



Buy Photo

(Photo: TORIN HALSEY/TIMES RECORD NEWS)



Plans to build a wind energy development in Foard County are making headway with federal authorities, reports show.

This month, the Federal Aviation Administration approved the installation of three meteorological towers in the county - the towers

allow developers to measure an area's weather conditions, and their installation generally is heralded as an important introductory step in the construction of a wind farm.

Jimmy Horn, owner of Windthorst-based wind energy developer Horn Wind LLC, told the Times Record News in May that some landowners in Crowell had expressed interest in entering into lease agreements with Alterra Energy Corp., who would take ownership of the completed project.

"We have a lot of interest from landowners and we have a lot of interest in developing. We have a lot of interest on all sides," he said at the time. Horn did not return a phone call for this story Tuesday.

The installation of objects that could obstruct air traffic - a wind turbine or meteorological tower, for instance - must first be OK'd by the FAA before construction begins. The agency gave its approval for the installation of three towers on Nov. 8.

"This aeronautical study revealed that the structure does not exceed obstruction standards and would not be a hazard to air navigation" if it is properly lighted, the FAA report reads.

The timetable for a new wind farm in Foard County, or whether the project will every reach fruition, is unclear.



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BUSINESS | WIND FARMS

Foard County wind farm in the works



TORIN HALSEY/TIMES RECORD NEWS A group calling itself Clay County Against Wind Farms met Tuesday evening to share information about the many negative effects of wind turbines and to voice growing public opposition to additional wind farms in Clay County. The wind turbines pictured are in far southwest Clay County.

By Christopher Collins of the Times Record News

May 26, 2016

0

Foard County — a county of tiny population located about an hour-and-a-half west of Wichita Falls — could one day be the home of North Texas' newest wind energy development.

Jimmy Horn of Horn Wind LLC said this week that his company has been courting landowners near Crowell, population 905. Though "we're just getting going" on the project, the prospect of wind turbine

installation in Foard County looks promising at the moment, he said.

"We have a lot of interest from landowners and we have a lot of interest in developing. We have a lot of interest on all sides," said Horn, whose company is developing two potential projects in Clay County near the communities of Bluegrove and Byers.

Those projects are valued at a combined \$450 million and are expected to be constructed on more than 11,000 acres of rural ranch and farmland. They also have elicited warnings from activist group Clay County Against Wind Farms, Sheppard Air Force Base and the Wichita Falls Chamber of Commerce & Industry regarding ramifications the projects could have on the area's economy.

In Foard County, Horn said he's completed some initial studies and has held a couple meetings with landowners. His company isn't "quite ready to move forward" with signing leases and doing more comprehensive development work, he said.

The county, which has a relatively low tax base of \$200 million, is primarily a wheat and cattle producer. A large wind development could more than double its tax base — for a short time, at least.

Horn said he wasn't comfortable releasing specific details about the project until plans become more solidified.

About Christopher Collins

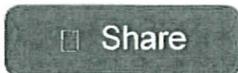
Christopher Collins is an investigative journalist leading in-depth and long-term projects for the Times Record News.



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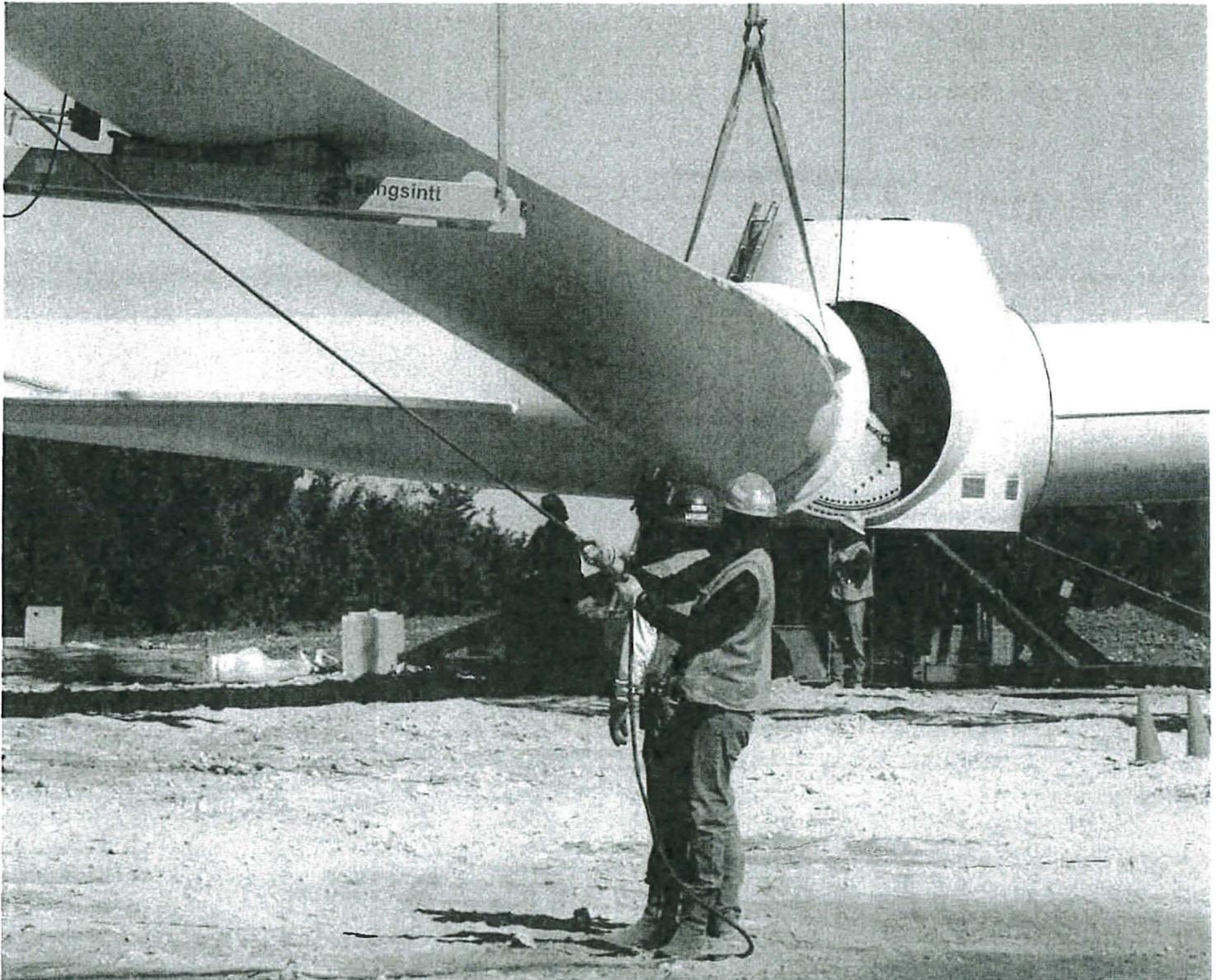
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MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE QUARTER ENDED – SEPTEMBER 30, 2017



FLAT TOP PROJECT (OCTOBER 2017)

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November 9, 2017

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the significant factors that have affected the performance of Alterra Power Corp. and its subsidiaries (the "Company" or "Alterra") and such factors that may affect its future performance. This MD&A has been prepared as of November 9, 2017 and it should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2017 prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, and with the audited consolidated financial statements of the Company for the year ended December 31, 2016 and the related notes thereto. All figures are expressed in United States ("USA") dollars and all tabular amounts are in \$000s, except where otherwise indicated. References to C\$ are to Canadian dollars and references to ISK are to Icelandic krona. The Company reports its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This MD&A refers to certain measures that are not standardized under IFRS, such as "net interest", by which the Company means the effective portion of operating results that the Company would have reported if each of HS Orka hf (66.6% through July 27, 2017 and 53.9% thereafter, "HS Orka"), the Toba Montrose General Partnership (40%, "Toba Montrose GP"), the Dokie General Partnership (25.5%, "Dokie GP"), Shannon Group Holdings, LLC (50% sponsor equity, "Shannon Group LLC"), the Jimmie Creek Limited Partnership (51%, "Jimmie Creek LP"), and MUKO Partnership Holdings, LLC (90% sponsor equity, "Kokomo LLC") had been reported in accordance with the Company's actual share ownership for the three and nine months ended September 30, 2017 (the "current quarter" and "current period", respectively) and for the three and nine months ended September 30, 2016 (the "comparative quarter" and "comparative period", respectively). This measure along with the use of adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), are non-IFRS measures used by Alterra to better manage and evaluate Company performance and to further assist the Company's shareholders in understanding the Company's holdings, but does not have standardized meaning. To facilitate a better understanding of these measures presented by the Company, qualifications, definitions and reconciliations have been provided in the section "Alternative Performance Measures".

Certain statements contained in this MD&A are forward-looking information within the meaning of applicable Canadian securities laws relating to the Company and its operations. Please refer to the cautionary note regarding the risks associated with forward-looking information at the back of this MD&A and under the heading "Risk Factors" in the Company's Annual Information Form on file with the Canadian securities regulatory authorities. Additional information and disclosure relating to the Company, can be found on the Company's website at www.alterrapower.ca and on the SEDAR website at www.sedar.com. Information contained in or otherwise accessible through our website does not form part of the MD&A.

CORE BUSINESS AND STRATEGY

The Company is engaged in the ownership, operation, development and acquisition of renewable power projects. The Company currently manages eight power plants totaling 825 megawatts ("MW") of capacity, with operations in Canada, USA and Iceland. The Company also has three projects, Spartan, Flat Top, and Brúarvirkjun that are in advanced construction and are expected to achieve commercial operations in late 2017, the first half of 2018, and 2019, respectively.

The Company's current portfolio of operating and advanced construction facilities is summarized as follows:

		Location	Type of generation	Capacity (MW)	Long-term annual electricity generation (MWh)	% Included in consolidated financial statements at September 30, 2017	Ownership entity	Alterra net interest
Operating	Reykjanes	Iceland	Geothermal	100	745,000	100%	HS Orka	53.9% ^(a)
	Svartsengi	Iceland	Geothermal	74	520,000	100%	HS Orka	53.9% ^(a)
	Toba Montrose	British Columbia, Canada	Run of river hydro	235 ^(a)	727,000	40%	Toba Montrose GP	40%
	Dokie 1	British Columbia, Canada	Wind	144	330,000	25.5%	Dokie GP	25.5%
	Shannon	Texas, USA	Wind	204	794,000	50% ^(b)	Shannon Group LLC	50% ^(b)
	Jimmie Creek	British Columbia, Canada	Run of river hydro	62	159,000	51%	Jimmie Creek LP	51%
	Kokomo	Indiana, USA	Solar	6	9,900	90% ^(b)	Kokomo LLC	90% ^(b)
Advanced Construction	Flat Top	Texas, USA	Wind	200	879,000	51%	Flat Top Group LLC	51%
	Spartan	Michigan, USA	Solar	11	14,000	100% ^(c)	Spartan LLC	100% ^(d)
	Brúarvirkjun	Iceland	Run of river hydro	10	82,000	100%	HS Orka	53.9% ^(e)

(a) Consists of the East Toba (147 MW) and Montrose Creek (88 MW) power plants, collectively "Toba Montrose"

(b) Unless otherwise specified, here and elsewhere, reflects Alterra's portion of sponsor equity ownership

(c) 100% owned by Alterra at September 30, 2017 and classified as held for sale (reflecting the Company's intention to sell partnership interests in the project). On November 6, 2017, the tax equity partner funded their first equity injection into the project, resulting in a loss of control by the Company

(d) Sponsor equity ownership expected to be in excess of 85%; final ownership allocation will vary depending on final project economics

(e) Here and elsewhere, Alterra's net interest in Reykjanes, Svartsengi and Brúarvirkjun reflects the Company's ownership in HS Orka reduced from 66.6% to 53.9%, pursuant to a settlement agreement signed on July 27, 2017

The Company also has development projects in several locations as follows:

Location	Project	Net ownership	Technology
USA	Boswell Springs	100%	Wind
	Jawbone	100%	Wind
	Foard City	100%	Wind
	Soda Lake Solar	100%	Solar
	Multiple other wind projects	100%	Wind
Iceland	Reykjanes 3-4 (potential expansion)	54%	Geothermal
	Eldvörp / Krýsuvík	54%	Geothermal
	Stóra Sandvík	54%	Geothermal
	VesturVerk hydro portfolio	38%	Hydro
	Búlandsvirkjun	27%	Hydro
	Multiple early stage projects	54%	Geothermal/Hydro
Canada	Tahumming	100%	Hydro
	Bute Inlet	100%	Hydro
	Dokie 2	51%	Wind
	South Toba projects	100%	Hydro
	Coastal wind projects	100%	Wind
	Multiple early stage projects	100%	Hydro
Chile	Mariposa	30%	Geothermal
Italy	Mensano / Roccastrada	45%	Geothermal

The Company was incorporated on January 22, 2008, pursuant to the *Business Corporations Act* (British Columbia) and effectively commenced operations in February 2008. The Company's head office is located in Vancouver, British Columbia ("BC"), Canada, it is a reporting issuer in all the provinces and territories of Canada except the Province of Quebec, and its common shares trade on the Toronto Stock Exchange under the symbol **AXY**.

The Company's mission is to responsibly and sustainably grow our renewable power portfolio through successful origination and development of new utility-scale projects, continued excellence in production and safety as a premier operator/manager, and opportunistic acquisitions of other renewable power projects and development assets.

To execute this strategy, the Company has assembled a team of professionals with deep development, construction, operating, and financial knowledge that allows the Company to advance early stage projects through development, construction, and into operation. The Company has a proven ability to develop and deliver large operating assets at greenfield locations, on-time and on-budget.

In addition to maximizing value for its shareholders, the core values of the Company include being responsible for the environment in which the Company operates, displacing carbon-generating power sources, contributing to the long-term development of host communities, ensuring that employees can work in a safe and secure manner, and maintaining positive relations with employees, local communities and government agencies, all of whom are viewed as partners.

HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND SUBSEQUENT EVENTS

Operations

- **Improved generation:** Quarterly generation was 95.5% of budget, up from 91.9% in the comparative quarter, reflecting a full quarter of generation at Jimmie Creek and strong production from the BC projects, partially offsetting low winds at Shannon.

Facility	Q3 2017 Generation (MWh)				
	Total		Net Interest		% of Budget
	Budget ^(a)	Actual	Budget ^(a)	Actual	
Reykjanes	125,560	120,873	70,902	68,459	96.6%
Svartsengi	127,919	121,906	74,010	70,659	95.5%
Toba Montrose	380,930	382,194	152,372	152,878	100.3%
Jimmie Creek	101,222	111,663	51,623	56,948	110.3%
Dokie 1 ^(b)	71,909	78,680	18,337	20,063	109.4%
Shannon	155,736	112,161	77,868	56,081	72.0%
Kokomo	3,040	2,736	2,736	2,462	90.0%
TOTAL	966,316	930,213	447,848	427,550	95.5%

(a) Budgeted amounts include planned maintenance outages

(b) Here and elsewhere, 2017 net interest generation for Dokie 1 includes 738 MWh of deemed/paid generation following a short-term curtailment by the utility

- **Strong generation by BC projects:** Toba Montrose and Jimmie Creek achieved 100% and 110% of plan respectively due to strong water flows over the summer months, while Dokie 1 achieved 109% of plan due to higher than expected winds.
- **Geothermal field improvement at Reykjanes:** Recent field enhancement efforts (including wellhead cleaning and adjustments to turbine pressure and reservoir levels) have resulted in increased generation. The Company expects further increases in plant output in 2018 from the drilling of planned new wells and well work-overs. Generation at Reykjanes has been above budget all year except for a plant maintenance outage in September, which resulted in lower than forecast generation during the quarter. The plant is currently generating at 76 MW, the highest output level since second quarter 2016.

Completion of Flat Top Financing and Partnership

- **Project financing completed:** On July 19, the Company closed a \$287.2 million non-recourse credit facility for Flat Top supplied by Citi, Santander and the Royal Bank of Canada, consisting of a \$216.7 million construction loan plus \$70.5 million in letters of credit. The loan facility is expected to be retired by a \$221.1 million tax equity investment to be supplied by subsidiaries of Berkshire Hathaway Energy and Citi (subject to typical conditions precedent). Alterra's total equity contribution for its 51% equity stake was \$43.2 million.
- **New partner:** On July 19, the Company entered into a partnership agreement under which a fund managed by BlackRock Real Assets ("BlackRock") acquired a 49% equity interest in the project. Alterra owns 51% and will continue to manage the project.
- **Construction update:** Construction continues on schedule and on budget. Access road construction, excavation and concrete work for turbine foundations, construction of the operations and maintenance building, and delivery and installation of the main power transformer are

complete. Construction of the transmission line is 75% complete, and construction of the substation is expected to be completed by the end of November. Turbine erection is now underway. The Company expects commercial operations to commence in the first half of 2018.

Other Project Developments and Acquisitions

- **Acquisition of Jawbone:** In September, the Company acquired Jawbone, a 40 MW wind development project located in Kern County, California that is fully zoned for wind-powered generation. The Company commenced construction of the project's main power transformer in 2016 in anticipation of acquiring the asset, and expects the project to qualify for federal production tax credits ("PTCs") at the full rate. New meteorological towers have been installed on the site.
- **Spartan update:**
 - **Project financing completed:** In August, the Company secured a non-recourse project financing for Spartan, an 11 MW solar project under construction in East Lansing, Michigan. The financing features a \$19.8 million construction loan, which will be retired upon commercial operations by a \$10.2 million term loan and a \$9.7 million tax equity investment provided by 1st Source Bank, a subsidiary of 1st Source Corporation ("1st Source") subject to typical conditions precedent and other factors.
 - **Initial tax equity funding:** On November 6, the first segment of the project achieved mechanical completion, resulting in payment of the first installment of tax equity funding (\$1.9 million), which was used to partially repay the construction loan.
 - **Construction update:** Construction for the project continues on schedule and on budget, with approximately 90% of overall construction complete. Commissioning and performance testing is expected to occur throughout November to early December. The project is expected to achieve commercial operations in December, at which point the 25 year power purchase agreement ("PPA") term will commence.

Financial / Other

- **\$119 million financing completed at HS Orka:** On September 14, HS Orka executed a \$133.2 million (€112.0 million) corporate loan, subsequently revised down to \$119.4 million. The new loan, provided by Arion Bank hf., carries an initial term of five years with options to extend the loan's term up to 18 years. Primary uses of loan proceeds include construction of the Brúarvirkjun project, drilling and other field development activities at Reykjanes, and the retirement of €40.5 million of HS Orka's previously outstanding loans (completed later in September).
- **Settlement of \$71 million Icelandic bond:** On July 27, the Company's subsidiary Magma Energy Sweden A.B. ("Magma Sweden") settled and extinguished the \$70.8 million liability associated with the Reykjanesbær bond. Under the settlement, Magma Sweden also delivered the bond collateral (a 12.7% ownership stake in HS Orka) to the bondholder Fagfjårfestasjóðurinn ORK. The Company recorded a gain of \$32.0 million on the debt settlement of which \$8.0 million was recorded in the statement of operations (\$3.6 million included in other income and \$4.4 million included in change in fair value of bond payable) and the remaining \$24.0 million was recorded directly in equity.
- **Expansion of AMP loan facility:** On July 19, the Company received \$21.1 million of new funding related to an expansion of its North American holding company loan (provided by affiliates of AMP Capital Investors Limited). The proceeds funded a portion of Alterra's equity contribution for Flat Top. The interest rate for the new tranche is London Interbank Offered Rate ("LIBOR") plus 5.75% and in conjunction with funding the loan expansion, the interest rate for existing two tranches of

the facility was reduced from Canadian Dollar Offered Rate ("CDOR") plus 6.5% to CDOR plus 5.75%.

- **Revenue:** Consolidated revenue increased by 19% to \$16.8 million in 2017, and net interest revenue increased by 14% to \$32.1 million predominantly due to a strengthening Icelandic krona, increased retail sales, an increase in aluminum prices during the quarter (25% of sales at HS Orka are linked to the price of aluminum), plus increased generation at Toba Montrose along with the inclusion of a full quarter of results from Jimmie Creek (comparative quarter only from August 1, 2016) and Kokomo.
- **Adjusted EBITDA:** Consolidated Adjusted EBITDA increased by 13% to \$24.2 million, and net interest Adjusted EBITDA increased by 9% to \$20.8 million, primarily due to increased generation at Toba Montrose and the full three months of results from Jimmie Creek.
- **Distributions declared/received:** The Company received distributions as follows:
 - **Toba Montrose:** Toba Montrose GP declared and paid equity distributions of C\$17.0 million on August 3, 2017, of which the Company's share was C\$6.8 million.
 - **Jimmie Creek:** Jimmie Creek declared and paid its first operating distribution of C\$3.1 million on November 1, 2017, of which the Company's share was C\$1.6 million. In addition to the operating distribution, C\$1.4 million in unused construction funds was distributed to Axiom Infrastructure Inc. ("Axiom") in accordance with the project partnership agreement.
 - **Dokie 1:** Dokie GP declared and paid equity distributions of C\$1.5 million on August 1, 2017, of which the Company's share was C\$0.4 million.
 - **HS Orka:** In October, the Company received \$2.3 million related to the HS Orka dividend declared in 2016.
- **Shareholder dividends:**
 - **Regular dividends:** On September 15, the Company paid its regular quarterly cash dividend of C\$0.0125 per common share, and subsequent to the quarter approved the next regular dividend (also C\$0.0125 per common share), which will be distributed in cash on or about December 15, 2017 to common shareholders of record as of the close of business on November 30, 2017. The Company's dividends are designated as eligible dividends for the purposes of the Income Tax Act (Canada), unless otherwise notified.
 - **Dividend suspension:** In light of the Innnergex Transaction (defined below), following the payment of the Company's regular dividend on or about December 15, 2017, the Company plans to suspend payment of regular dividends.
- **Acquisition by Innnergex Renewable Energy Inc.:** On October 30, 2017, the Company announced that it had entered into an arrangement agreement ("Arrangement Agreement") with Innnergex Renewable Energy Inc. ("Innnergex") pursuant to which Innnergex is offering to acquire all of the issued and outstanding common shares of the Company ("Alterra Common Shares") for an aggregate consideration of C\$1.1 billion, including the assumption of the Company's debt (the "Innnergex Transaction"). Pursuant to the Innnergex Transaction, the Company's shareholders will receive, at the election of each such shareholder, either (i) C\$8.25 in cash or (ii) 0.5563 common shares of Innnergex, for each Alterra Common Share, subject in each case to proration, such that the aggregate consideration paid to the Company's shareholders will consist of approximately 25% in cash and 75% in common shares of Innnergex ("Innnergex Common Shares"). Giving full

effect to proration, the consideration for each Alterra Common Share represents C\$2.06 in cash and 0.4172 Innergex Common Shares. The price of C\$8.25 per Alterra Common Share of the Company represents a premium of 58% to Alterra's 20-day volume weighted average price of C\$5.21 on the Toronto Stock Exchange as of October 27, 2017.

The Innergex Common Shares issuable to Company shareholders in connection with the Innergex Transaction represent a pro forma ownership of approximately 19% of the combined company.

Completion of the Innergex Transaction is subject to approval of at least 66.7% of the Alterra Common Shares represented in person or by proxy at a special meeting of the Company's shareholders to be called to consider the transaction (expected to be held on December 14, 2017), and satisfaction of other customary approvals, including key third party consents, regulatory, stock exchange and court approvals. Closing of the Innergex Transaction is expected to occur in the first quarter of 2018.

The Arrangement Agreement provides for customary non-solicitation covenants on the part of the Company and a right in favour of Innergex to match any unsolicited superior proposal. If Innergex does not exercise its right to match, Innergex would receive a termination fee of approximately C\$18.5 million from the Company in the event the Arrangement Agreement is terminated as a result of a superior proposal.

Under the terms of the revolving credit facility, all amounts owing under the facility will be immediately due and payable by the Company on the date of a change of control of the Company (including the Arrangement Agreement with Innergex). It is a condition to closing of the Arrangement Agreement that the Company's Chairman waive his entitlement to have all amounts owing under the revolving credit facility become immediately due and payable to him upon consummation of the Arrangement Agreement.

The Innergex Transaction may also trigger change of control payments for key management personnel.

The Company expects to refinance the current portion of the holding company bond (Sweden) with Orkuveita Reykjavíkur prior to the maturity date. Specifically, on delisting of the Company's shares, which is expected following closing of the Innergex Transaction, the bond immediately becomes payable and is expected to be settled in full.

More detailed information concerning the Innergex Transaction and the special meeting of the Company's shareholders will be included in a management information circular expected to be mailed to Alterra's shareholders on or about November 16, 2017.

OPERATIONS REVIEW

HS Orka (Reykjanes and Svartsengi geothermal facilities), Iceland

The Company holds a 53.9% economic interest in HS Orka, which produces and sells electricity from two operating geothermal plants (Reykjanes and Svartsengi) located in the Reykjanes peninsula of Iceland. On July 27, the Company's subsidiary Magma Sweden settled and extinguished the \$70.8 million liability associated with the Reykjanesbær bond. Under the settlement, Magma Sweden also delivered the bond collateral (a 12.7% ownership stake in HS Orka) to the bondholder, Fagfjárfestasjóðurinn ORK. At that time the Company's economic interest in HS Orka decreased from 66.6% to 53.9%. In October, following the completion of certain conditions precedent, legal title of the 12.7% HS Orka ownership stake was transferred to the bondholder. The Company continues to manage

HS Orka and consolidate its financial results. The remaining 33.4% economic interest in HS Orka is held by Jarðvarmi slhf, a consortium of Icelandic pension funds.

The Reykjanes plant has 100 MW of generation capacity and is expected to generate a long-term average of 745,000 MWh of electricity annually, while the Svartsengi plant has 74 MW of generation capacity and is expected to generate a long-term average of 520,000 MWh of electricity as well as 190 MW (thermal) of capacity for hot water for district heating. HS Orka sells power to a number of commercial and retail customers including power sold under long-term PPAs, with Landsvirkjun, Norðurál Helgúvík ehf (together with its affiliates "Norðurál") and Advania. The long-term contracts with Landsvirkjun and Norðurál (linked to the price of aluminum) expire in 2019 and 2026 respectively.

In 2015, HS Orka signed a long-term PPA with Thorsil ehf., which is planning to construct and operate a silicon metal plant in Helgúvík, Iceland. Thorsil's management continues to work towards final permitting and securing of full financing for the plant, however construction has been delayed. Consequently the conditions to the contract were unfulfilled and the agreement has lapsed, with HS Orka free to sell the power elsewhere. Both parties are working towards reinstatement of the agreement under which HS Orka would supply up to 44 MW of the plant's power needs commencing in 2020 or 2021.

Because of generation declines that occurred in 2016 at the Reykjanes plant, the Company deployed several methods of field enhancement to arrest the declines and to enhance future field output. The mitigation measures, including well-venting and other reservoir level adjustments, turbine pressure adjustments and wellhead cleaning, have achieved positive results, resulting in stabilized generation in the fourth quarter of 2016 and increased generation during 2017 (plant currently running at 76 MW, the highest level since second quarter 2016). Further field enhancement measures, including drilling new wells and well work-overs are planned as well as other potential activities in light of new information from the deep drilling project. Well RN 35, which is expected to produce 4-5 MW, has been successfully drilled and is currently heating up with the target to connect in early 2018. A second well (RN 36) is expected to be drilled during the fourth quarter, in the Stampar area outside the main field, where the Company successfully drilled RN 29 (well RN 29 is planned to be connected over the next 12 months).

In 2015, HS Orka was awarded grants related to a deep drilling program, that was funded by a consortium that included Norway's national energy company Statoil, two Icelandic power companies including the state-owned Landsvirkjun, the National Energy Authority of Iceland and several other European entities plus a €6.2 million grant from the European Union. Active drilling commenced in August 2016 and was completed in early 2017 reaching a depth of 4,650 meters, making it the deepest well in Iceland. Initial well readings (427°C temperature, 340 bars pressure) indicated supercritical conditions at the base of the well, comprising significantly higher energy content versus conventional high-temperature geothermal steam. Preliminary results also indicate a number of permeable and productive zones below 3,000 meters, which is a deeper producing zone than previously known in the Reykjanes field. The Company will eventually conduct further temperature, pressure and other tests to determine whether the well will best serve as a new production source for the Reykjanes plant or as a deep injection node, providing pressure support for the field from a sub-field location. The final outcome may not be known until late 2018.

HS Orka completed two production wells at the Svartsengi field in 2015 and 2016. The first well, SVA 25, is now supplying 2 to 3 MW of production steam to the Svartsengi plant. The second well, SVA 26, was drilled at a new easternmost location in the field and has now completed flow testing. The well is expected to be connected to the plant before the end of the year. Early estimates indicate the SVA 26 production potential to be 2 to 3 MW. Both wells extended the known area of the Svartsengi field, which has successfully supported geothermal production since 1978.

HS Orka also completed construction of a new discharge pipe at the Svartsengi plant in the third quarter of 2016, which is now in full operation. HS Orka expects the increased discharge capacity provided by

the pipe to facilitate increased production from the Svartsengi plant and enable further development from the joint Svartsengi-Eldvörp geothermal field (discussed below).

HS Orka also holds a 30% interest in Blue Lagoon hf. (a geothermal spa in Iceland), which draws over a million visitors annually. In May, the Company announced HS Orka's intention to examine strategic alternatives for its interest in the Blue Lagoon, up to and including a full sale of the interest. Multiple offers in excess of €90 million were received for the 30% stake held by HS Orka. However, HS Orka ended the process when Jarðvarmi slhf, whose consent was required, decided against selling the stake. The Company is reviewing various options with regards to the stake.

HS Orka, through its "Resource Park", also provides and sells various other geothermal-related products to companies located near the two power plants, including geothermal brine and steam, gas, fresh water, and warm sea water.

During 2017, a hearing date was scheduled for January 8, 2018 to settle the dispute with HS Veitur hf ("HS Veitur") regarding HS Veitur's share of the pension liability. The value of the long-term receivable from HS Veitur is \$6.8 million at September 30, 2017.

The operating results of HS Orka are shown below and reflect the Company's 66.6% interest in July and 53.9% interest thereafter and 66.6% interest in the comparative quarter. Due to the change in beneficial ownership of HS Orka on July 27, 2017, the results are not directly comparable. Adjusted information is also shown below which reflects what the results would have been had Alterra's interest been 66.6% of HS Orka for the current quarter:

	Three months ended September 30		
	2017	2017 Adjusted^(a)	2016
Generation (MWh)	139,118	161,691	180,159
Revenue	9,748	11,217	9,391
Adjusted EBITDA	3,602	4,678	4,693

(a) The adjusted operating results for HS Orka reflect what the results would have been if the Company's ownership had been 66.6% for the three months ended September 30, 2017 ("Adjusted")

Generation was at 96% of budget as a result of lower generation at Reykjanes in September due to plant curtailment, when one of the two turbines was off-line for repair work. Excluding September, production at Reykjanes has exceeded budget in 2017 as generation has generally continued to increase. Revenue increased due to foreign exchange as well as increased aluminum prices and strong retail sales. Adjusted EBITDA remained consistent as the increase in revenue was offset by the increase in maintenance costs.

Revenue from contracts linked to aluminum prices were 25% of total HS Orka revenue (23% in the comparative quarter).

Toba Montrose hydroelectric facility, British Columbia, Canada

The Company operates and holds a 40% economic interest (51% voting interest) in the 235 MW Toba Montrose project (consisting of the 147 MW East Toba and 88 MW Montrose Creek power plants), which is held by Toba Montrose GP and has been in operation since May 2010. The remaining 60% economic interest in the project is held by an investor consortium led by a fund managed by Axium. The Company's economic interest in the project will increase from 40% to 51% in May 2045 for no additional consideration.

Toba Montrose sells 100% of its electricity to the British Columbia Hydro and Power Authority ("BC Hydro") under a 35-year PPA that expires in May 2045. The facility is expected to generate a long term average of 727,000 MWh of electricity annually.

Toba Montrose is EcoLogo certified and receives funding under the Government of Canada's ecoENERGY for Renewable Power program (the "ecoENERGY program") of up to C\$72.7 million during its first ten years of operations (until 2020), at a rate of C\$10 per MWh. The Company anticipates the ten year restraint will come into effect rather than the C\$72.7 million cap.

Toba Montrose's annual long-term generation is projected to vary seasonally in the following proportions:

January - March	4%
April - June	32%
July - September	52%
October - December	12%

Alterra operates the Toba Montrose facility in cooperation with Klahoose First Nation, Tla'amin Nation and Sechelt Indian Band (shisháhlh Nation).

The operating results of Toba Montrose are shown below and reflect the Company's 40% interest:

	Three months ended September 30	
	2017	2016
Generation (MWh)	152,878	140,170
Revenue	13,510	11,852
Adjusted EBITDA	11,836	10,266

Generation increased against the comparative quarter due to stronger flows in the summer months which resulted in achievement of 100% of budget, in contrast to the comparative quarter which experienced unusually cool summer temperatures. Higher generation resulted in increased revenue and Adjusted EBITDA from the comparative quarter.

Dokie 1 wind farm, British Columbia, Canada

The Company operates and holds a 25.5% ownership interest in the 144 MW Dokie 1 project, which is held by Dokie GP and has been in operation since February 2011. The remaining 74.5% interest in the project is held by an investor consortium led by Axium. Dokie 1 is expected to generate a long-term average of 330,000 MWh of electricity annually.

Dokie 1 sells 100% of its electricity to BC Hydro under a 25-year PPA that expires in February 2036.

Dokie 1 is EcoLogo certified and receives funding under the ecoENERGY program of up to C\$33.3 million during its first ten years of operations (until 2021), at a rate of C\$10 per MWh. The Company anticipates the 10 year restraint will come into effect rather than the C\$33.3 million cap.

Dokie 1's annual long term generation is projected to vary seasonally in the following proportions:

January - March	28%
April - June	20%
July - September	22%
October - December	30%

Alterra operates the Dokie 1 facility in cooperation with Halfway River First Nation, West Moberly First Nations, Sauteau First Nations, and McLeod Lake Indian Band.

In December 2016, Dokie GP extended its service contract with Vestas Wind Systems A/S ("Vestas") to provide operations and maintenance services at Dokie 1 through 2031.

The operating results of Dokie 1 are shown below and reflect the Company's 25.5% interest:

	Three months ended September 30	
	2017	2016
Generation (MWh)	20,063	15,441
Revenue	1,711	1,337
Adjusted EBITDA	1,205	765

Generation increased against the comparative quarter due to higher winds which resulted in an increase in revenue and Adjusted EBITDA.

Shannon wind farm, Clay County, Texas, USA

The Company operates and owns a 50% sponsor equity interest in the 204 MW Shannon project, with the remainder held by Starwood Energy Group Global, LLC ("Starwood"). The tax equity interest is held by affiliates of Citi and Berkshire Hathaway Energy.

Shannon is expected to generate a long-term average of 794,000 MWh of electricity annually and sells the majority of its power under a 13-year power hedge with Citi, which commenced on June 1, 2016.

Shannon's annual long term generation is projected in the following proportions:

January - March	26%
April - June	28%
July - September	20%
October - December	26%

One of the primary incentives for renewable energy in the United States has been the PTC program, whereby companies that generate electricity from renewable energy sources, including wind, are eligible for tax credits which provide a tax benefit for each unit of generation for the first ten years of the facility's operation (until 2025). Shannon is expected to generate approximately \$19.1 million of tax credits annually.

The tax equity investors are allocated 99% of Shannon's PTCs and taxable income (losses) and a portion of the cash generated until they achieve an agreed after-tax investment return (the "Flip Point"). After the Flip Point, the tax equity investors will be allocated 5% of cash distributions and taxable income (losses), and the sponsors will be allocated 95% of all cash distributions and taxable income (losses). Due to exceptionally low winds at the project in certain portions of 2016 and 2017, there is currently a higher allocation of cash to the tax equity investors, which commenced in the first quarter of 2017. The cash allocations are based on a quarterly test measuring cumulative generation for the project since tax equity funding (December 14, 2015) with allocations to the sponsors and tax equity investors based on cumulative generation buckets. Should the project generate at budget going forward, a return to maximum cash allocation to the sponsors would occur in April 2020.

There is no project debt associated with Shannon, though the tax equity investors receive certain allocations of cash distributions, taxable income (losses) and tax credits.

The operating results of Shannon, shown below and elsewhere, reflect the Company's 50% share in sponsor equity:

	Three months ended September 30	
	2017	2016
Generation (MWh)	56,081	72,212
Revenue ^(a)	1,360	1,628
Adjusted EBITDA	369	190

(a) Here and elsewhere, Shannon revenue excludes power hedge accounting adjustments

Generation and revenue declined against the comparative quarter as a result of exceptionally low winds. Adjusted EBITDA increased due to additional one-time costs in the first full year of operations included in the comparative quarter.

Shannon generated approximately \$2.7 million of PTCs during the quarter (comparative quarter: \$3.3 million), which are 99% allocated to the tax equity investors.

Jimmie Creek hydroelectric facility, British Columbia, Canada

The Company owns 51% of the 62 MW Jimmie Creek project, in partnership with Axiom. The project is located in close proximity to Toba Montrose and has a nameplate capacity of 62 MW and a projected annual output of 159,000 MWh. Construction was completed in 2016 on time and \$4.0 million below budget. Commercial operation was achieved on August 1, 2016, at which time the project began selling 100% of its power under a 40-year PPA with BC Hydro.

In accordance with the Jimmie Creek LP partnership agreement with Axiom, any unused construction funds are to be returned to the partners with the first C\$6.0 million to Axiom, the next C\$6.0 million to the Company, and any remaining amounts to be allocated based on ownership percentage (51% the Company and 49% Axiom). The total of estimated unused contingency funds to be returned to Axiom is C\$5.3 million, of which C\$4.7 million has been distributed to date. In 2016, the Company recognized a \$2.1 million reduction in its investment in Jimmie Creek LP as a result of this arrangement.

Jimmie Creek's generation is transmitted using excess capacity on the Toba Montrose transmission line that connects Toba Montrose to the BC Hydro substation at Saltery Bay. Jimmie Creek LP operates the project in partnership with Klahoose First Nation, Tla'amin Nation and the Sechelt Indian Band (shísháhlh Nation).

Jimmie Creek's annual long-term generation is projected to vary seasonally in the following proportions:

January - March	1%
April - June	27%
July - September	64%
October - December	8%

The operating results of Jimmie Creek are shown below and reflect the Company's 51% interest:

	Three months ended September 30	
	2017	2016^(a)
Generation (MWh)	56,948	33,043
Revenue	5,595	3,897
Adjusted EBITDA	5,112	3,580

(a) Jimmie Creek began commercial operations on August 1, 2016.

Jimmie Creek achieved 110% of plan (comparative stub quarter 106% of budget) as a result of higher than expected flows.

Kokomo solar project, Indiana, USA

The Company operates and owns a 90% sponsor equity interest in the 6 MW Kokomo project, with the remainder held by Inovateus and tax equity held by 1st Source.

On December 29, 2016, Kokomo commenced full commercial operations. The project sells 100% of its output under a 20-year PPA with Duke Energy Indiana, Inc.

In March 2017, the project achieved final completion and the Company's ownership was finalized at 90% (from 93.8% at December 31, 2016) following the receipt of the final tax equity payment of \$0.2 million.

The operating results of Kokomo are shown below and reflect the Company's 90% interest:

	Three months ended September 30	
	2017	2016
Generation (MWh)	2,462	—
Revenue	200	—
Adjusted EBITDA	146	—

Generation for the current quarter was 90% of plan and operating costs were in line with plan.

Summary Comparative Results and Adjusted EBITDA

The following results represent the Company's net interest in generation, revenue, gross profit (loss), and Adjusted EBITDA:

For the three months ended September 30, 2017	HS Orka	Toba Montrose	Dokie 1	Shannon	Jimmie Creek	Kokomo	Development and head office	Net interest total	Consolidated Results
	(53.9%) ^(a)	(40%)	(25.5%)	(50%)	(51%)	(90%)			
Generation (MWh)	139,118	152,878	20,063	56,081	56,948	2,462	—	427,550	242,779
Total revenue	9,748	13,510	1,711	1,360	5,595	200	—	32,124	16,842
Gross profit (loss)	615	11,193	916	(889)	4,765	76	—	16,676	1,255
Adjusted EBITDA	3,602	11,836	1,205	369	5,112	146	(1,509)	20,761	24,185

For the three months ended September 30, 2016	HS Orka	Toba Montrose	Dokie 1	Shannon	Jimmie Creek	Development and head office	Net interest total	Consolidated Results
	(66.6%)	(40%)	(25.5%)	(50%)	(51%)			
Generation (MWh)	180,159	140,170	15,441	72,212	33,043	—	441,025	270,509
Total revenue	9,391	11,852	1,337	1,628	3,897	—	28,105	14,100
Gross profit (loss)	1,516	9,693	472	(636)	3,388	—	14,433	2,323
Adjusted EBITDA	4,693	10,266	765	190	3,580	(483)	19,011	21,367

(a) The operating results for HS Orka reflect 66.6% ownership through July 27, 2017, and 53.9% ownership thereafter. For comparative purposes the adjusted results for HS Orka reflecting ownership at 66.6% for the full three months would have been generation of 161,691 MWh, revenue of \$11.2 million, gross profit of \$0.8 million and Adjusted EBITDA of \$4.7 million.

*USA**Flat Top wind project, Texas*

On July 19, 2017 the Company and BlackRock entered into a partnership agreement with BlackRock acquiring a 49% equity interest in the Flat Top project, with Alterra retaining a 51% equity interest, and continuing to manage the project. On the same day, the Company completed a \$287.2 million credit facility for the project. The facility was supplied by Citi, Santander, and the Royal Bank of Canada, and consists of a \$216.7 million loan plus \$70.5 million in letters of credit. The loan facility is expected to be retired by a \$221.1 million tax equity investment from Berkshire Hathaway Energy and Citi (subject to typical conditions precedent). The tax equity funding will occur and the loan facility is expected to be retired on or near the commercial operations date in the first half of 2018. The Company does not expect to make any further equity contributions towards the construction of Flat Top, which is now being funded by the construction loan facility and equity contributions by BlackRock.

As part of the project development program, the Company performed certain on- and off-site construction activities in 2016, some of which were related to PTC qualification. Construction activities completed or underway to date include:

- Completion of access roads
- Excavation and concrete work for turbine foundations completed
- 50% of the turbines have been delivered and are beginning to be erected
- Construction of the site office and two batch plants is underway
- Construction of the maintenance building is completed
- Installation of the substation equipment is expected to be completed by the end of November
- The main power transformer has been installed
- Construction of the transmission line is 75% completed

The project is on schedule and is expected to achieve commercial operations in the first half of 2018.

Flat Top is being constructed under an agreement with Blattner Energy, Inc., a top-tier construction contractor with local area familiarity. Vestas is supplying 100 V110-2.0 MW wind turbines, which are part of the Vestas 2 MW turbine platform, one of the most well-proven turbines in the industry. A 10-year service and maintenance agreement has been signed with Vestas, which also provides services at Alterra's Dokie 1 wind farm. The project will sell the majority of its power under a 13-year power hedge with Citi commencing August 1, 2018.

Spartan solar project, Michigan

In June 2017, the Company acquired the Spartan project, an 11 MW solar project in East Lansing, Michigan, in conjunction with completing a partnership agreement with Inovateus under which it will co-own the project. On August 7, 2017, the Company secured a non-recourse project financing for the project, featuring a \$19.8 million construction loan, which will be retired by a \$10.2 million term loan and a \$9.7 million tax equity investment provided by 1st Source, subject to typical conditions precedent. Upon completion of the project financing, the Company had contributed \$7.9 million of development expenditures and received a return of excess equity of \$4.5 million. The Company anticipates owning at least 85% of the project sponsor equity at term conversion. The project is located on the Michigan State University campus and will sell 100% of power generated under a 25 year PPA with Michigan State University. This is not considered a significant business combination.

On November 6, mechanical completion was achieved at the largest of five parking lots which shortly thereafter, resulted in the first installment of tax equity funding of \$1.9 million which was used to partially repay the construction loan.

Construction for the project continues on schedule and on budget, with approximately 90% of overall construction complete. Commissioning and performance testing is expected to occur throughout November to early December. The project is expected to achieve commercial operations in December, at which point the 25 year PPA term will commence.

Brúarvirkjun hydroelectric project, Iceland

The 9.9 MW Brúarvirkjun hydroelectric project is 100% owned by HS Orka. The project has received its Environmental Impact Assessment ("EIA"), and obtained all necessary water rights, land contracts, exploration permits, development license and municipal approvals. Construction of site access roads and laydown areas were completed during the quarter and installation of site services including water and electrical supply are expected to be completed by the end of the year. The Company has completed the design of the intake, penstock and powerhouse, and received tenders for the turbine-generator and all other major contracts. The tendering process is expected to be finalized by the end of 2017. The project has been fully funded by the new HS Orka loan, and both the project and the loan are held in the Company's Icelandic subsidiary, HS Orka.

DEVELOPMENT PROJECTS - INFORMATION, UPDATES AND OUTLOOK

USA

Boswell Springs wind project, Wyoming

In April 2017, the Company acquired Boswell Springs, a 320 MW portfolio of wind development projects located in Albany County, Wyoming. The Company acquired Boswell Springs for cash consideration and transaction costs totaling \$2.8 million. The Company expects the project to achieve commercial operations in 2020, selling 100% of its output under four 20-year PPAs with PacifiCorp. The Company commenced construction of the project's main power transformers in 2016 in anticipation of closing the acquisition in 2017, and the project is expected to qualify for PTCs at the full rate. The Company anticipates capital costs to be in-line with current industry standard for a project of this size and will be advancing the project in the normal course. During the quarter, the Company continued to advance various permitting, transmission and other development initiatives related to the project.

Jawbone wind project, California

In September 2017, the Company acquired the 40 MW Jawbone project, a wind development project located in Kern County, California that is fully zoned for wind-powered generation. The Company commenced construction of the project's main power transformer in 2016 in anticipation of acquiring the project, and expects the project to qualify for PTCs at the full rate. Early development work has commenced including the construction of meteorological towers.

Foard City wind project, Texas

The Company is advancing its wholly-owned Foard City wind project, a 350 MW greenfield wind project in Foard County, Texas. The project's main power transformer was purchased in 2016, and the Company expects the project to qualify for PTCs at the full rate. The Company is currently working to secure an offtake arrangement and continuing customary development activities.

Other USA development projects

During the period, the Company continued advancement of several other wind projects in its USA development portfolio (comprised of projects that are owned and projects subject to cooperation with other developers), including resource and transmission studies, meteorological tower procurement, submissions into offtake requests for proposals and other development activities.

In 2016, the Company also performed certain construction activities (on-site and off-site) intended to ensure that select projects will qualify for the full PTC. The estimated generation capacity for the qualifying projects is greater than 1,500 MW, including the Flat Top, Boswell Springs, Jawbone and Foard City projects (this total includes projects both fully owned by Alterra as well as projects owned by other wind developers with whom Alterra is working toward project acquisition or partnership). This number may increase or decrease over time dependent on many factors. Though it is unlikely that all of these projects will reach operations, Alterra is currently targeting 800 MW of completed projects by the end of 2020, including Flat Top, Boswell Springs, Foard City and Jawbone.

During the second quarter of 2017, the Company entered into new land leases to comprise a new wind project in Colorado totaling 250 MW of estimated generation capacity. The project is not currently qualified for PTCs.

Additionally, the Company holds the rights to develop a 40 MW solar project at the Soda Lake geothermal plant site.

Iceland

Reykjanes geothermal expansion project

The Company continues to assess a potential expansion of the Reykjanes plant from the current 100 MW of capacity to up to 180 MW through two planned and permitted expansions: Reykjanes 3 (50 MW) and Reykjanes 4 (30 MW). The expansion project received its operating permit in 2011, and the Company is currently performing further analysis on Reykjanes 4. Further work on expansion is subject to the results of field improvement efforts currently underway, together with results from the deep drilling project.

Other Iceland development projects

The Company's other development projects in Iceland include the Stóra Sandvík (near the Reykjanes power plant), Eldvörp, Krýsuvík-Sveifluháls, Krýsuvík-Austurengjar and Krýsuvík-Trölladyngja geothermal projects and the Búlandsvirkjun, Hvalá, Skúfnavatnavirkjun, Hvanneyrardalsvirkjun, Hestfjarðarvirkjun and Skötufjarðarvirkjun hydroelectric projects.

In 2017, HS Orka increased its ownership interest of VesturVerk ehf. ("VesturVerk") to 70.6% (from 66.6%) as a result of further payment of development expenses totaling \$0.9 million. VesturVerk owns several early-stage hydroelectric development projects including the 55 MW Hvalá and 10 MW Skúfnavatnavirkjun projects, which received exploration permits from the National Energy Authority in May 2015. In 2016, the National Energy Authority in Iceland awarded exploration permits to VesturVerk for the Hvanneyrardalsvirkjun, Hestfjarðarvirkjun and Skötufjarðarvirkjun hydro projects, which have a total projected generation capacity of 35 MW. In April 2017, Hvalá received a positive ruling on the EIA from the National Planning Authority. HS Orka is currently assessing the conditions included in the EIA and will complete an updated feasibility study. Exploration on these projects is in progress.

During 2016, HS Orka obtained an extension of the construction permit for exploration drilling for the 30 MW Eldvörp geothermal project which is located near the Svartsengi plant. Construction of roads and new drill pad in the area are expected to commence in the fourth quarter of 2017.

HS Orka also owns 50% of the 155 MW Búlandsvirkjun early-stage hydroelectric development project. In 2016, the Icelandic Master Plan for Nature Protection and Energy Utilization Steering Committee submitted a proposal to classify Búlandsvirkjun as a protected area, and if this change is approved by the Icelandic parliament, the Company will not invest in any further research in the area since the utilization and operating permit could not be issued under this classification. Management has contested the proposal. There has been limited spend since the proposal was submitted. As at September 30, 2017 the Company has an investment in the project of \$2.3 million.

Other than as specified above, the Company has not made any material expenditures on these projects during the quarter.

Chile

Under the terms of a 2013 joint venture agreement, Energy Development Corporation ("EDC") holds a 70% interest in the Mariposa geothermal project (320 MW inferred capacity) and is responsible for funding 100% of the next \$58.3 million in project expenditures to further advance the project. Development work continued during the quarter, and over \$38.0 million had been funded as of September 30, 2017. After completion of initial funding, project equity contributions and economic sharing will occur on a pro rata basis between the partners. The Company accounts for the project as an equity investment.

The joint venture will resume the drilling program, which was previously postponed in 2015, when certain development conditions are met. Significant site infrastructure (roads, water supply, camps) has been completed and will remain in place to support the rescheduled drill program.

Italy

In 2011, the Company was awarded the Mensano and Roccastrada geothermal concessions, located near the historic Larderello geothermal field that has generated electricity for nearly 100 years in the Tuscany region of Italy.

The Company holds a 45% interest in a joint venture with an affiliate of Graziella Green Power ("Graziella"). The joint venture is currently advancing the Mensano and Roccastrada geothermal concessions as well as a geothermal pilot project (Castelnuovo) near the Mensano concession. Graziella is currently funding all development activities under the joint venture. Current development activities included seismic analysis and certain project permitting activities.

During 2017, Graziella completed the \$3.6 million required contribution towards development of the projects that substantiated their 55% ownership interest. Should the Company choose not to invest further in the projects, the Company's ownership percentage in the Graziella partnership will be diluted.

British Columbia, Canada

The Company has rights to 39 run of river hydroelectric power projects in British Columbia as well as certain early-stage wind projects, all discussed below, primarily in the southwestern region of the province.

Bute Inlet project

The Bute Inlet development project consists of 17 run of river projects organized into three interconnected groups with an estimated potential average annual generation of 2.8 million MWh.

The Company formally withdrew the project from the environment impact assessment process in 2016, but maintains all existing permits and licenses in good standing. The Company has completed hydrology

studies for the project and hopes to further development of the project in the future when market outlook improves.

Other hydroelectric development projects

The Company holds water rights for other run of river hydroelectric power projects in British Columbia with a combined potential annual generation of approximately 2.2 million MWh. The Company also holds a British Columbia Crown land tenure and an accepted water license application for the 1,000 MW Fir Point pumped storage project.

In 2015, the Company signed a memorandum of understanding with Klahoose First Nation to jointly develop the 15 MW Tahumming hydroelectric project, which is in the Toba Valley near the Toba Montrose and Jimmie Creek projects. The Company submitted an application for a water license and land tenure for the project in June 2016 and is working with Provincial agencies to advance the permit application with the target of receiving the required permits in the first quarter of 2018 and submitting the project into BC Hydro's Standing Offer Program ("SOP") for small projects.

In August 2016, BC Hydro announced that the SOP had reached its capacity for projects with commercial operation dates up to and including 2019, and that it will be revising the program for projects with commercial operation dates beyond 2019. The Company will evaluate any changes made to the SOP and subsequently determine whether to submit the Tahumming project into the program. At September 30, 2017 the Company has an investment in the project of \$1.3 million.

On October 20, 2015, the Company announced that it had agreed to acquire the water rights for four hydroelectric development projects from Sigma Engineering (the South Toba projects: Chusan, Powell, Eldred North and Eldred South). The projects are located approximately 20-30 kilometers from Alterra's existing Toba Montrose and Jimmie Creek projects, and are situated along the Toba Montrose transmission line. Each project is expected to have between 10-15 MW of generation capacity, and could be eligible for PPAs under the SOP. The transfer of the water license applications was completed in May 2016, which allows the Company to proceed with engineering, environmental and hydrology studies in order to prioritize the projects for future development.

The Company is currently maintaining all of its hydroelectric projects in British Columbia in good standing for future development opportunities.

Dokie 2 wind project

The Company holds a 51% interest in a wind generation project adjacent to Dokie 1 ("Dokie 2") with a projected capacity of up to 156 MW. During 2015, the Company received notice from its project partner, an affiliate of GE Energy Financial Services ("GE EFS"), that it does not intend to proceed with advancement of Dokie 2. The Company expects to complete an agreement with GE EFS to transfer its 49% ownership interest in Dokie 2 to the Company for nominal consideration.

In 2014, the Company wrote off the deferred costs and goodwill associated with the Dokie 2 project due to a decline in the outlook for new renewable power plants in British Columbia. The Company has maintained all existing permits and licenses in good standing and may look to further develop the project in the future when market outlook improves. The Company had no material expenses related to Dokie 2 in the current quarter.

Coastal wind projects

The Company holds exclusive investigative licenses for wind development projects at several coastal locations in British Columbia including Banks Island, Porcher Island, McCauley Island and Knob Hill. Meteorological towers are installed at four locations. There have been no material expenditures during the quarter. Development activities in the current quarter consisted of ongoing wind resource monitoring.

SUMMARY OF QUARTERLY RESULTS

Seasonality has an impact on the Company's quarterly operating results. HS Orka supplies a lower demand for electricity and heating in the summer months in Iceland, Dokie 1 wind farm production levels are higher in the winter months, Kokomo production levels are higher in the summer months, and most prominently, the Toba Montrose and Jimmie Creek hydro facilities' production levels are higher in the summer months due to spring freshet and glacier melt.

In addition, the Company has a number of financial derivatives with mark-to-market valuations that can fluctuate significantly from quarter to quarter. These fluctuations are non-cash in nature and are summarized below.

The following table summarizes information regarding the Company's operations on a quarterly basis for the last eight quarters.

	Three months ended			
	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Revenue	\$ 16,842	\$ 17,163	\$ 18,196	\$ 18,010
Gross profit	1,255	2,714	3,343	2,224
Other income (expense)	52,258	(4,443)	(265)	(10,122)
Income tax expense	(1,864)	(1,028)	(3,370)	(4,977)
Net income (loss)	51,649	(2,757)	(292)	(12,875)
Net income (loss) attributable to owners of the Company	46,271	(4,879)	(5,458)	(14,659)
Earnings (loss) per share attributable to owners of the Company (basic and diluted)	0.79	(0.08)	(0.09)	(0.30)

	Three months ended			
	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Revenue	\$ 14,100	\$ 13,797	\$ 14,930	\$ 15,680
Gross profit	2,323	3,591	3,854	4,333
Other income (expense)	10,684	1,376	(4,795)	(15,224)
Income tax recovery (expense)	(2,598)	(1,578)	(1,088)	713
Net income (loss)	10,409	3,389	(2,029)	(10,178)
Net income (loss) attributable to owners of the Company	5,563	922	(3,773)	(8,023)
Earnings (loss) per share attributable to owners of the Company (basic and diluted)	0.12	0.02	(0.08)	(0.17)

REVIEW OF RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

The Company recorded net income of \$51.6 million (\$10.4 million in the comparative quarter), with quarterly variances primarily related to "other income (expenses)" items discussed below.

Net income attributable to the owners of the Company was \$46.3 million versus \$5.6 million for the comparative quarter (net income of \$0.79 and \$0.12 per common share for each quarter, respectively).

Gross profit from operations

Consolidated gross profit from operations was \$1.3 million versus \$2.3 million in the comparative quarter, as follows:

Revenue

Consolidated revenue increased to \$16.8 million versus \$14.1 million for the comparative quarter, from HS Orka operations (Reykjanes and Svartsengi) which are 100% consolidated (ownership was 66.6% through July 27, 2017 and 53.9% thereafter). The increase in the current quarter is due to foreign exchange, increased third party retail sales and higher aluminum prices.

The Company's share of revenue from Toba Montrose, Dokie 1, Shannon, Jimmie Creek, and Kokomo (recorded as equity income) was as follows:

- Toba Montrose - \$13.5 million (comparative quarter: \$11.9 million). Revenue increased as a result of higher generation quarter on quarter.
- Dokie 1 - \$1.7 million (comparative quarter: \$1.3 million). Revenue increased as a result of higher generation due to stronger winds, with generation at 109% of plan.
- Shannon - \$1.4 million (comparative quarter: \$1.6 million). Revenue decreased as a result of lower generation due to lower winds.
- Jimmie Creek - \$5.6 million (comparative quarter: \$3.9 million). Generation was 110% of plan for the quarter (comparative quarter only shows results from commencement of operations on August 1, 2016).
- Kokomo - \$0.2 million (comparative quarter: \$nil). Kokomo commenced operations on December 29, 2016 and generation was at 90% of plan for the quarter.

Cost of sales

Consolidated cost of sales totaled \$15.6 million (compared to \$11.8 million in the comparative quarter) from HS Orka's operations. Cost of sales increased predominantly due an increase in power purchases, higher maintenance costs at Reykjanes and unfavourable foreign exchange movements.

The Company's share of cost of sales (including depreciation and amortization) for Toba Montrose, Dokie 1, Shannon, Jimmie Creek, and Kokomo was as follows:

- Toba Montrose - \$2.3 million (comparative quarter: \$2.2 million). Operating costs increased against the comparative quarter due to foreign exchange.
- Dokie 1 - \$0.8 million (comparative quarter: \$0.9 million). Operating costs decreased due to cost savings as a result of the renegotiated operations and maintenance contract in December 2016.
- Shannon - \$2.2 million (comparative quarter: \$2.2 million).
- Jimmie Creek - \$0.8 million (comparative quarter: \$0.5 million). Jimmie Creek commenced operations on August 1, 2016 and operating costs during the current quarter were in line with budget.
- Kokomo - \$0.1 million (comparative quarter: \$nil). Costs during the current quarter were in line with budget.

Other income (expenses)

Total other income (expenses) resulted in a net gain of \$52.3 million (comparative quarter: \$10.7 million net gain), reflecting the changes below:

- A \$22.3 million gain resulting from the sale of 49% of Flat Top's equity interest.
- A \$3.4 million foreign exchange gain as a result of favorable movements in exchange rates (comparative quarter: \$1.4 million loss).
- An \$11.9 million non-cash gain due to higher future aluminum prices and foreign exchange affecting the value of the embedded derivatives related to two PPAs (comparative quarter: \$9.4 million non-cash gain).
- A \$2.4 million non-cash gain resulting from recognition of a \$4.4 million gain from the revaluation of the Reykjanesbær bond prior to settlement partially offset by the interest rate changes and higher aluminum prices affecting the fair value of the holding company bonds (Sweden) (comparative quarter: \$1.9 million non-cash loss).
- A \$5.0 million gain in other income (loss) primarily related the settlement of the accrued interest on the Reykjanesbær bond and a gain on the Flat Top power hedge (comparative quarter: \$2.4 million loss).
- General and administrative expenses remained consistent with the comparative quarter at \$2.7 million (comparative quarter: \$2.8 million).
- The Company's share of income from equity investments was \$14.0 million (comparative quarter: \$13.4 million) as follows:

Share of equity income (loss)	For the three months ended September 30,	
	2017	2016
Toba Montrose GP	\$ 8,532	\$ 7,070
Dokie GP	264	(155)
Shannon Group LLC	(1,505)	234
Jimmie Creek LP	3,289	2,624
Kokomo LLC	(2)	—
Flat Top LLC	4	—
Blue Lagoon	3,483	3,654
Construction and development projects	(35)	3
Total equity income	\$ 14,030	\$ 13,430

The increase in equity income is largely due to increased generation at Toba Montrose and Dokie 1 against the comparative quarter, as well as inclusion of Jimmie Creek generation for the full quarter (Jimmie Creek began operations on August 1, 2016). This was offset by decreased generation at Shannon as a result of lower winds.

- Finance income remained consistent at \$0.2 million.
- Finance costs increased to \$4.1 million (comparative quarter: \$2.9 million) primarily due to increased interest rates related to the 2016 refinancings of the holding company bonds (Sweden), and the expansion of the North American holding company loan facility (offsetting lower rates on that facility).

REVIEW OF RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

The Company recorded net income of \$48.6 million (\$11.8 million in the comparative period), with fluctuations period on period primarily due to changes in "other income (expenses)" items discussed below.

Net income attributable to the owners of the Company was \$35.9 million versus \$2.7 million for the comparative period (net income of \$0.62 and \$0.06 per common share for each period, respectively).

Gross profit from operations

Consolidated gross profit from operations was \$7.3 million versus \$9.8 million in the comparative period, as follows:

Revenue

Consolidated revenue increased to \$52.2 million versus \$42.8 million for the comparative period from HS Orka operations (Reykjanes and Svartsengi) which are 100% consolidated (ownership was 66.6% through July 27, 2017 and 53.9% thereafter). The increase in the current period is due to increased third party retail sales, higher aluminum prices, and foreign exchange.

The Company's share of revenue from Toba Montrose, Dokie 1, Shannon, Jimmie Creek, and Kokomo (recorded as equity income) was as follows:

- Toba Montrose - \$20.1 million (comparative period: \$19.6 million). Revenue increased as a result of strengthening of the Canadian dollar, offsetting a decrease in generation.
- Dokie 1 - \$4.6 million (comparative period: \$4.5 million). Revenue increased as a result of higher generation and strengthening of the Canadian dollar.
- Shannon - \$5.2 million (comparative period: \$4.0 million). Revenue increased due to improved pricing under the power hedge compared to merchant pricing in the comparative period.
- Jimmie Creek - \$7.2 million (comparative period: \$3.9 million). Jimmie Creek commenced operations on August 1, 2016 and generation was at 114% of plan during the current period.
- Kokomo - \$0.5 million (comparative period: \$nil). Kokomo commenced operations on December 29, 2016 and generation was 89% of plan during the current period.

Cost of sales

Consolidated cost of sales totaled \$44.9 million (compared to \$33.1 million in the comparative period) from HS Orka's operations. Cost of sales increased predominantly due to an increase in power purchases, higher maintenance costs at Reykjanes and unfavourable foreign exchange rate movements.

The Company's share of cost of sales (including depreciation and amortization) for Toba Montrose, Dokie 1, Shannon, Jimmie Creek, and Kokomo was as follows:

- Toba Montrose - \$5.3 million (comparative period: \$5.4 million). Operating costs decreased due to timing of non-recurring project and maintenance work.
- Dokie 1 - \$2.2 million (comparative period: \$2.5 million). Operating costs decreased due to cost savings as a result of the renegotiated operations and maintenance contract in December 2016.
- Shannon - \$6.6 million (comparative period: \$6.6 million).

- Jimmie Creek - \$2.4 million (comparative period: \$0.5 million). Operating costs during the current period were in line with budget.
- Kokomo - \$0.4 million (comparative period: \$nil). Costs during the current period were in line with budget.

Other income (expenses)

Total other income (expenses) resulted in a net gain of \$47.6 million (comparative period: \$7.3 million gain), reflecting the changes below:

- A \$22.3 million gain resulting from sale of 49% of Flat Top's equity interest.
A \$1.8 million foreign exchange gain as a result of favorable movements in exchange rates (comparative period: \$1.5 million gain).
- A \$29.9 million non-cash gain resulting from higher future aluminum prices and foreign exchange affecting the fair value of embedded derivatives related to two aluminum-linked PPAs (comparative period: \$18.5 million gain).
- A \$4.6 million non-cash loss resulting from higher aluminum prices and interest rate movements affecting the fair value of the Sweden holding company bonds partially off-set by the \$4.4 million gain from the revaluation of the Reykjanesbær bond prior to settlement (comparative period: \$6.7 million loss).
- A \$3.3 million gain in other income (loss) primarily related to the gain on the Flat Top power hedge and the settlement of the accrued interest on the Reykjanesbær bond partially off-set by the revaluation of the contingent liability at Flat Top (comparative period: \$2.8 million loss).
- General and administrative expenses decreased \$0.4 million to \$8.2 million as a result of legal fees associated with the HS Orka arbitration in the comparative period, partially offset by foreign exchange (comparative period: \$8.6 million).
- General development costs decreased to \$1.3 million (comparative period: \$2.2 million) predominantly due to the ending of primary activities related to the deep drilling program at HS Orka in the current period.
- The Company's share of income from equity investments was \$16.5 million (comparative period: \$16.0 million) as follows:

Share of equity income (loss)	For the nine months ended September 30,	
	2017	2016
Toba Montrose GP	\$ 7,648	\$ 6,340
Dokie GP	525	152
Shannon Group LLC	(513)	1,267
Jimmie Creek LP	1,349	2,489
Kokomo LLC	(6)	—
Flat Top	4	—
Blue Lagoon	7,613	5,855
Construction and development projects	(133)	(85)
Total equity income	\$ 16,487	\$ 16,018

The increase in equity income is largely due to increased generation at Dokie 1, as well as improved results at the Blue Lagoon and Toba Montrose, partially offset by decreases at Jimmie

Creek (due to losses incurred during the first half of the year as a result of seasonality of generation) and lower generation at Shannon.

- Finance income remained consistent at \$0.6 million (comparative period: \$0.5 million).
- Finance costs increased to \$12.7 million (comparative period: \$8.9 million) primarily due to increased interest rates resulting from the 2016 refinancings of the holding company bonds (Sweden).

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2017, the Company had consolidated cash and cash equivalents ("Cash") of \$14.0 million (December 31, 2016: \$31.6 million). The decrease in Cash primarily reflects the significant development and construction activities undertaken by the Company during the period.

Cash consist of cash and call deposits that are redeemable prior to maturity on demand and without economic penalty to the Company. The Company's exposure to credit risk on its cash and call deposits is limited by maintaining the majority of its cash and call deposits with major banks with high credit ratings. Other than at HS Orka, a minimal amount of Cash are held in the countries where the Company's subsidiaries operate to fund their operating needs.

At September 30, 2017, the Company had restricted cash of \$0.1 million (December 31, 2016: \$4.6 million). In September, the \$4.5 million of restricted cash held at HS Orka was released as a result of the retirement of the previously outstanding loans. Excluding HS Orka and the Cash held at the equity-accounted investees, the Company had Cash of \$8.0 million at September 30, 2017 (December 31, 2016: \$31.3 million). At September 30, 2017, HS Orka had Cash of \$6.1 million.

Working capital is defined as current assets minus current liabilities. Working capital calculations or changes are not measures of financial performance, nor do they have standardized meanings under IFRS. Readers are cautioned that this calculation may differ among companies and analysts and therefore may not be directly comparable. At September 30, 2017, the Company has a consolidated working capital deficit of \$51.3 million (December 31, 2016: \$62.3 million). Excluding HS Orka, the Company's consolidated working capital deficit at September 30, 2017 is \$35.0 million, resulting primarily from one of the holding company bonds (Sweden) valued at \$38.2 million being classified as current at September 30, 2017.

During the quarter, the Company received distributions from Toba Montrose GP (C\$6.8 million) and Dokie GP (C\$0.4 million), which are expected to be used to fund working capital needs and development expenditures. Subsequent to the quarter, the Company received its first equity distribution from Jimmie Creek (C\$1.6 million). The Company has access to a revolving credit facility with the Company's Chairman of C\$20.0 million (with a current maturity of March 31, 2018). There is currently C\$5.5 million outstanding on the credit facility.

On September 15, 2017, HS Orka executed a \$133.2 million loan (€112.0 million), provided by Arion Bank hf. Subsequent to the quarter the facility was revised down to \$119.4 million. The loan carries an initial term of five years with options to extend the term up to 18 years. The loan will fund in tranches upon the fulfillment of certain conditions precedent. Primary uses of loan proceeds include construction of the Brúarvirkjun project, drilling and other field development activities at Reykjanes, and the retirement of HS Orka's previously outstanding loans. The first loan funding was received in September, 2017 resulting in the full retirement of \$48.8 million of HS Orka's previously outstanding loans with high annual amortization. The new loan's 18-year amortization frees up significant cash flow for the Company. Subsequent to the quarter an additional \$8.9 million was funded and used in part to repay a portion of the short-term credit facility (which had been used to fund development work at HS Orka).

On July 19, 2017, the Company completed a \$21.1 million expansion to its holding company loan with affiliates of AMP Capital Investors Limited and a maturity date consistent with the other two tranches (February 5, 2023). The proceeds funded a portion of Alterra's equity contribution for Flat Top, as well as \$3.1 million for corporate working capital. The interest rate for the new tranche is LIBOR plus 5.75% and in conjunction with the loan expansion, the interest rate for the previously existing tranches of the facility was reduced from CDOR plus 6.5% to CDOR plus 5.75%. The Company also agreed to certain prepayment penalties should the Company elect to repay the holding company loan prior to July 2020.

Management believes that its working capital and liquidity strategies are sufficient to fund non-discretionary expenditures over the near term.

Debt

The Company's consolidated long-term debt is as follows:

	September 30, 2017
Holding company bonds (Sweden)	\$ 73,234
Revolving credit agreement	4,407
Holding company loan facility (North America)	90,383
HS Orka loans and short-term credit facility	59,434
	<u>227,458</u>
Less current portion:	
Holding company bonds (Sweden)	38,153
Revolving credit agreement	4,407
HS Orka loans and short-term credit facility	12,399
	<u>54,959</u>
Long-term portion	\$ 172,499

The current portion of the holding company bonds (Sweden) is comprised of the Orkuveita Reykjavíkur bond, which matures in April 2018. The Company expects to refinance this bond prior to the maturity date. Specifically, on delisting of the Company's shares, which is expected following closing of the Innergex Transaction, the bond immediately becomes payable and is expected to be settled in full. If the Company is unsuccessful in closing the Innergex Transaction or with a refinancing, the bondholder could foreclose on the collateral (17% ownership stake in HS Orka). The Company believes this outcome is highly unlikely.

On July 27, the Company's subsidiary Magma Energy Sweden settled and extinguished the \$70.8 million liability associated with the Reykjanesbær bond. Under the settlement, the Company also delivered the bond collateral (a 12.7% ownership stake in HS Orka) to the bondholder Fagfjárfestasjóðurinn ORK. At that time the Company's economic interest in HS Orka decreased from 66.6% to 53.9%. In October, following the completion of certain conditions precedent, legal title of the 12.7% HS Orka ownership stake was transferred to the bondholder. The Company continues to manage HS Orka and consolidate its financial results.

The long-term debt of Toba Montrose GP, Dokie GP, Jimmie Creek LP and Kokomo LLC is not consolidated by the Company as the Company's investments at these projects are recorded as equity investments. The Company's 40% share of Toba Montrose GP's long term-debt is \$141.8 million, which matures in 2045, and the Company's 25.5% share of Dokie GP's long-term debt is \$31.1 million, which matures in 2030. The Company's 51% share of Jimmie Creek LP's long-term debt is \$68.5 million, which has annual principal repayments starting in 2017 until 2056. The Company's 90% share of Kokomo LLC's long term debt is \$4.1 million. The Company's 51% share of the Flat Top construction loan is \$28.4 million (representing the Company's share of the \$49.7 million drawn as of September 30,

2017 net of financing fees, from the \$216.7 million facility). The Company also has a 100% share of the \$10.9 million Spartan construction loan classified as held for sale at September 30, 2017.

The holding company loan facility (North America), holding company bonds (Sweden), Spartan construction loan, Flat Top construction loan and the loans at HS Orka, Toba Montrose GP, Dokie GP, Jimmie Creek LP and Kokomo LLC are non-recourse to the Company other than the remaining portion of the Company's investment in these entities or instruments, which may not be fully recovered in the event of a default. HS Orka and all project companies are expected to generate sufficient cash flow to service and repay their existing long-term loans. The holding company bonds (Sweden) are serviced by dividends from HS Orka and the Company's cash flow, and the holding company loan facility (North America) is serviced by distributions from the Toba Montrose, Dokie 1, Jimmie Creek and Flat Top projects. The construction loans at Flat Top and Spartan are expected to be retired upon tax equity funding.

There is no project debt associated with Shannon. However, the Shannon tax equity investors receive specified allocations of cash distributions, taxable income (losses) and tax credits as described earlier.

USA sponsor equity guaranties

Tax equity investors in USA projects generally require sponsor guaranties as a condition to their investment. To support the tax equity investments at Shannon, Kokomo, Spartan and Flat Top, the Company has executed or will execute guaranties effective on funding of the tax equity investment indemnifying the tax equity investors against certain breaches of project level representations, warranties and covenants and other events. The Company believes these indemnifications cover matters which are substantially under the Company's control, and are very unlikely to occur.

TRANSACTIONS WITH RELATED PARTIES

The Company holds a revolving credit facility with the Company's Chairman that has a borrowing amount of C\$20.0 million and a maturity of March 31, 2018.

As at September 30, 2017, the Company had borrowed \$4.4 million (December 31, 2016: no amounts outstanding) under the facility. The Company has paid C\$0.3 million in interest and fees for the nine months ending September 30, 2017 (C\$0.4 million for the nine months ending September 30, 2016).

Included in the holding company bonds (Sweden) long-term debt balance is \$35.1 million (December 31, 2016 - \$35.0 million) related to a bond issued to the Company's Chairman.

USE OF PROCEEDS FROM EQUITY FINANCINGS

On October 26, 2016, the Company completed a bought deal offering through a syndicate of underwriters and a concurrent private placement for aggregate gross proceeds of C\$67.9 million. Under the bought deal and concurrent private placement, the Company issued 11,322,463 common shares at a price of C\$6.00 per share.

The Company's short form prospectus, dated October 19, 2016, contained certain disclosures in respect of Alterra's intended use of the proceeds from the equity financings as of such date. As disclosed in that prospectus, Alterra planned to use the proceeds to further advance the Flat Top wind project, retire outstanding amounts under the revolving credit facility, fund early-stage construction activities and for general corporate purposes.

For a summary of the actual use of proceeds (which are now spent in full) against the anticipated uses see the "Use of Proceeds from Equity Financings" set forth in our Management's Discussion and Analysis for the six months ended June 30, 2017, as there have been no changes since then.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet financial arrangements.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no changes in the Company's internal controls over financial reporting during the current quarter that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting. Future changes to internal controls over financial reporting may be deemed to constitute a material modification (either individually or when considered collectively), and any material changes to internal controls over financial reporting will be disclosed as they occur.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believes that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected. The Company's management is not aware of any misstatements due to error or fraud.

DISCLOSURE OF OUTSTANDING SHARE DATA

At November 9, 2017 the Company had the following common shares and stock options outstanding:

Common shares	58,307,012
Stock options (vested and unvested)	1,817,552
Total	60,124,564

ALTERNATIVE PERFORMANCE MEASURES

Net Interest

"Net Interest" means the effective portion of operating results that the Company would have reported if each of HS Orka (66.6% through July 27, 2017 and 53.9% thereafter), Toba Montrose GP (40%), Jimmie Creek LP (51%), Dokie GP (25.5%), Shannon Group LLC (50% sponsor equity interest), and Kokomo LLC (90% sponsor equity interest) had been reported in accordance with the Company's actual share ownership for the current and comparative quarter, as opposed to consolidating 100% of HS Orka (with an allocation to non-controlling interest), and equity accounting for Toba Montrose GP, Jimmie Creek LP, Dokie GP, Shannon Group LLC, and Kokomo LLC.

Adjusted EBITDA

Adjusted EBITDA is defined by the Company as earnings before interest, taxes, foreign exchange, depreciation and amortization, as well as adjustments for changes in the fair value of holding company bonds (Sweden) and derivatives, write-offs of development costs, other income (expense) except business interruption insurance proceeds, amortization of below market contracts, value assigned to options granted, share of results of equity investments, the Company's proportionate interest in Adjusted EBITDA of its equity investments, research and development costs for deep drilling program and non-recurring items (insurance deductibles, litigation and arbitration costs). Adjusted EBITDA has been calculated on a consistent basis with the comparative quarter. The Company discloses Adjusted EBITDA as it is a measure used by some analysts and management to evaluate the Company's performance. As Adjusted EBITDA is a non-IFRS measure, it may not be comparable to Adjusted EBITDA calculated by others. In addition, Adjusted EBITDA is not a substitute for net earnings. Readers should consider net earnings in evaluating the Company's performance. Readers should also consider the risks and assumptions in estimates of Adjusted EBITDA discussed under the heading "Cautionary Note Regarding Forward-Looking Statements".

The following reconciles consolidated income for the three months ended September 30, 2017 and 2016 to Adjusted EBITDA:

	Quarter ended September 30, 2017
Income for the quarter	\$ 51,649
Adjustments:	
Income tax expense	1,864
Share of results of equity investments	(14,030)
Share of Adjusted EBITDA of equity investments	22,119
Change in the fair value bonds payable	(2,440)
Change in the fair value of derivatives	(11,876)
Foreign exchange gain	(3,441)
Other income	(4,991)
Gain on partial sale of Flat Top	(22,282)
Finance costs	4,077
Finance income	(159)
Amortization of below market contracts	(512)
Amortization, depreciation, depletion and accretion	3,960
Stock based compensation	160
Research and development costs for deep drilling program	87
Adjusted EBITDA	<u>\$ 24,185</u>

	Quarter ended September 30, 2016
Income for the quarter	\$ 10,409
Adjustments:	
Income tax expense	2,598
Share of results of equity investments	(13,430)
Share of Adjusted EBITDA of equity investments	18,460
Change in the fair value bonds payable	1,934
Change in the fair value of derivatives	(9,449)
Foreign exchange loss	1,439
Other losses	2,397
Finance costs	2,915
Finance income	(157)
Amortization of below market contracts	(458)
Amortization, depreciation, depletion and accretion	3,337
Stock based compensation	145
Research and development costs for deep drilling program	840
Other non-recurring items	387
Adjusted EBITDA	<u>\$ 21,367</u>

The following reconciles net interest income (loss) for the three months ended September 30, 2017 and 2016 to net interest Adjusted EBITDA:

Three months ended September 30, 2017	HS Orka	Toba Montrose	Dokie 1	Shannon	Jimmie Creek	Kokomo	Development and head office	Total net Interest
Income (loss) for the quarter before income tax	\$ 7,176	\$ 8,532	\$ 264	\$ (1,505)	\$ 3,289	\$ (2)	\$ 39,975	\$ 57,731
Adjustments:								
Share of results of equity investments	(1,877)	—	—	1,501	—	(2)	(10,548)	(10,926)
Share of Adjusted EBITDA of equity investments	1,877	—	—	373	—	150	(31)	2,369
Change in the fair value bonds payable	—	—	—	—	—	—	(2,440)	(2,440)
Change in the fair value of derivatives	(6,533)	—	—	—	—	—	—	(6,533)
Foreign exchange loss (gain)	638	—	—	—	—	—	(4,560)	(3,922)
Other loss (income)	137	—	—	—	312	—	(5,246)	(4,797)
Gain on debt extinguishment	—	—	—	—	—	—	—	—
Gain on partial sale of Flat Top	—	—	—	—	—	—	(22,282)	(22,282)
Finance costs	371	2,264	529	—	983	—	3,446	7,593
Finance income	(81)	(7)	(2)	—	—	—	(20)	(110)
Amortization of below market contracts	(297)	—	—	—	—	—	—	(297)
Amortization, depreciation, depletion and accretion	2,110	1,047	414	—	528	—	37	4,136
Stock based compensation	—	—	—	—	—	—	160	160
Research and development costs for deep drilling program	79	—	—	—	—	—	—	79
Adjusted EBITDA	\$ 3,602	\$ 11,836	\$ 1,205	\$ 369	\$ 5,112	\$ 146	\$ (1,509)	\$ 20,761

Three months ended September 30, 2016	HS Orka	Toba Montrose	Dokie 1	Shannon	Jimmie Creek	Development and head office	Total net interest
Income (loss) for the quarter before income tax	\$ 10,882	\$ 7,070	\$ (155)	\$ 234	\$ 2,624	\$ (3,332)	\$ 17,323
Adjustments:							
Share of results of equity investments	(2,520)	—	—	(235)	—	(9,645)	(12,400)
Share of Adjusted EBITDA of equity investments	2,520	—	—	191	—	(127)	2,584
Change in the fair value bonds payable	—	—	—	—	—	1,934	1,934
Change in the fair value of derivatives	(6,293)	—	—	—	—	—	(6,293)
Foreign exchange gain	(2,492)	—	—	—	—	5,180	2,688
Other income	(45)	—	—	—	—	2,464	2,419
Finance costs	239	2,214	524	—	631	2,556	6,164
Finance income	(95)	(6)	(2)	—	—	(14)	(117)
Amortization of below market contracts	(305)	—	—	—	—	—	(305)
Amortization, depreciation, depletion and accretion	2,222	988	398	—	325	—	3,933
Stock based compensation	—	—	—	—	—	145	145
Research and development costs for deep drilling program	559	—	—	—	—	—	559
Other non-recurring items	21	—	—	—	—	356	377
Adjusted EBITDA	\$ 4,693	\$ 10,266	\$ 765	\$ 190	\$ 3,580	\$ (483)	\$ 19,011

Share of net income in equity investments - Three months ended September 30, 2017

	Toba Montrose	Dokie 1	Shannon	Jimmie Creek	Kokomo	Total
Revenue	\$ 33,776	\$ 6,711	\$ 2,720	\$ 10,970	\$ 222	\$ 54,399
Cost of sales	(3,175)	(1,495)	(1,268)	(592)	(21)	(6,551)
Depreciation and amortization	(2,618)	(1,623)	(3,229)	(1,034)	(117)	(8,621)
Interest expense	(5,660)	(2,075)	—	(1,927)	(76)	(9,738)
Other income (expense)	(994)	(484)	(1,160)	(966)	(35)	(3,639)
Net income (loss)	21,329	1,034	(2,937)	6,451	(27)	25,850
% net interest	40%	25.5%	50%	51%	90%	
Share of net income (loss)	\$ 8,532	\$ 264	\$ (1,469)	\$ 3,289	\$ (24)	\$ 10,592
Other comprehensive income (loss)	3,115	—	17,141	—	3	20,259
Share of other comprehensive income (loss)	1,246	—	8,570	—	3	9,819
Share of net income (loss) and comprehensive income (loss) ^(a)	\$ 9,778	\$ 264	\$ 7,101	\$ 3,289	\$ (21)	\$ 20,411

(a) The Company's share of net income (loss) and comprehensive income (loss) for Shannon and Kokomo is calculated using HLBV method of accounting, which results in the Company recording equity income (loss) of (\$1,505,000) and (\$2,000) for Shannon and Kokomo respectively.

Share of net income in equity investments - Nine months ended September 30, 2017

	Toba Montrose	Dokie 1	Shannon	Jimmie Creek	Kokomo	Total
Revenue	\$ 50,201	\$ 18,140	\$ 10,388	\$ 14,135	\$ 569	\$ 93,433
Cost of sales	(5,833)	(4,109)	(3,368)	(1,812)	(57)	(15,179)
Depreciation and amortization	(7,525)	(4,672)	(9,746)	(2,978)	(346)	(25,267)
Interest expense	(14,662)	(6,009)	—	(5,546)	(226)	(26,443)
Other income (expense)	(3,061)	(1,292)	(2,639)	(1,153)	(102)	(8,247)
Net income (loss)	19,120	2,058	(5,365)	2,646	(162)	18,297
% net interest	40%	25.5%	50%	50.99%	90%	
Share of net income (loss)	\$ 7,648	\$ 525	\$ (2,683)	\$ 1,349	\$ (146)	\$ 6,693
Other comprehensive income (loss)	3,171	—	25,006	—	(27)	28,150
Share of other comprehensive income (loss)	1,268	—	12,503	—	(24)	13,747
Share of net income (loss) and comprehensive income (loss) ^(a)	\$ 8,916	\$ 525	\$ 9,820	\$ 1,349	\$ (170)	\$ 20,440

(a) The Company's share of net income (loss) and comprehensive income (loss) for Shannon and Kokomo is calculated using HLBV method of accounting, which results in the Company recording equity income (loss) of \$513,000 and (\$6,000) for Shannon and Kokomo respectively.

Net interest financial position - September 30, 2017

	HS Orka	Toba Montrose	Dokie 1	Shannon	Jimmie Creek	Kokomo	Development and Head Office	Total
Total (100%)								
Cash and restricted cash	\$ 6,066	\$ 16,572	\$ 6,170	\$ 4,427	\$ 6,142	90	\$ 9,720	\$ 49,187
Accounts receivable and other current assets	16,449	13,960	3,600	5,301	5,146	46	4,851	49,353
Plant and equipment	354,389	426,355	78	308,912	198,638	9,010	876	1,298,258
Intangible and other assets	139,139	6,349	131,436	43,679	1,860	1,752	86,794	411,009
Accounts payable	21,334	5,293	788	1,910	1,122	124	7,112	37,683
Long-term debt	59,434	354,608	121,991	—	134,241	4,504	178,938	853,716
Other liabilities	93,547	42,246	—	11,254	—	62	4,188	151,297
Net interest	53.9%	40.0%	25.5%	50.0%	51.0%	90%	100.0%	
Net interest cash	\$ 3,269	\$ 6,629	\$ 1,573	\$ 2,213	\$ 3,132	\$ 81	\$ 9,720	\$ 26,617
Net interest assets	278,147	185,294	36,027	181,159	107,990	9,808	102,241	900,666
Net interest long-term debt	32,035	141,843	31,108	—	68,450	4,054	178,938	456,428
Net interest liabilities	\$ 93,956	\$ 160,859	\$ 31,309	\$ 6,582	\$ 69,022	\$ 4,221	\$ 190,238	556,187

Net Interest operations - Three months Ended September 30, 2017

	HS Orka (a)	Toba Montrose	Dokie 1	Shannon	Jimmie Creek	Kokomo	Development and Head Office	Total
Total (100%)								
Generation (MWh)	242,779	382,194	78,680	112,161	111,663	2,736	—	930,213
Revenue	\$ 16,842	\$ 33,776	\$ 6,711	\$ 2,720	\$ 10,970	\$ 222	\$ —	\$ 71,241
Adjusted EBITDA	\$ 7,024	\$ 29,590	\$ 4,725	\$ 738	\$ 10,024	\$ 162	\$ (1,509)	\$ 50,754
Net Interest	53.9%	40.0%	25.5%	50.0%	51.0%	90.0%	100.0%	
Net interest generation (MWh)	139,118	152,878	20,063	56,081	56,948	2,462	—	427,550
Net interest revenue	\$ 9,748	\$ 13,510	1,711	1,360	5,595	\$ 200	\$ —	\$ 32,124
Net interest Adjusted EBITDA	\$ 3,602	\$ 11,836	\$ 1,205	\$ 369	\$ 5,112	\$ 146	\$ (1,509)	\$ 20,761

(a) Here and elsewhere, net interest amounts for HS Orka reflect 66.6% ownership through July 27, 2017, and 53.9% ownership thereafter.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain of the statements and information in this MD&A constitute "forward-looking information" within the meaning of applicable Canadian securities laws relating to the Company and its operations. All statements, other than statements of historical fact, are forward-looking information. Such statements may include, but are not limited to: statements with respect to future events or future performance; the electrical generation expectations of our projects; the capacity estimates for new or future projects; management's expectations regarding our growth; business prospects and opportunities; marketing of power and ability to secure power purchase or offtake agreements in respect of the same and the expected timing to implement such agreements; successful development, construction and financing (or achievement of conditions precedent related to tax equity funding thereto) of the Flat Top wind project, the Spartan solar project, the Brúarvirkjun hydro project, the Boswell Springs wind project and the Foard City wind project, and the timing of each of the same; securing, and successful completion of, construction debt and tax equity financing; timing for commercial operations for the Flat Top, Boswell Springs, Brúarvirkjun, Spartan and Foard City projects; the equity ownership expectations of the Spartan and Foard City projects and Graziella partnership; expectation that interconnection deposits will be reimbursed to Flat Top following completion of project construction; timing and expected results of the drilling, reinjection and other expansion programs at the Reykjanes and Svartsengi power plants, including expected results of RN 35, RN 36 and RN 29; timing of connecting well SVA 26 and the expectations for production potential; potential to increase production resulting from deep drilling; programs to upgrade and develop the Company's geothermal resources, including expectations for further field and plant output improvements; the reinstatement of the Thorsil contract, including the timing thereof; the expectation that the increased discharge capacity provided by the new discharge pipe will facilitate increased production from the Svartsengi plant and enable further development from the joint Svartsengi-Eldvörp geothermal field; plans to complete an updated feasibility study for Hvalá; the ability for HS Orka to meet its working capital needs from operating cash flows; the total estimated Jimmie Creek unused contingency and the timing of the remaining distribution; permitting, scheduling and successful completion of the Company's expansion and development efforts in respect of Alterra's various development assets and programs; whether the wind development projects actually or ultimately qualify for all, or a portion of, the production tax credits; the number of projects and generation capacity that may ultimately achieve commercial operations; Alterra's successful acquisition from or partnership with the owners of projects currently owned by other developers; the success of Alterra's project acquisition and greenfield development efforts; estimates of recoverable geothermal energy resources or power generation capacities; whether the Company's efforts to arrest declines in generation will be successful; permitting and regulatory requirements related to any such plans; all statements regarding the Company's plans and expectations for the declaration or suspension of future dividends, including the timing and amount thereof; the timing of HS Orka distributions; the reduction of HS Orka ownership interest, refinancing, repayment or the return of collateral of the holding company bonds; all statements relating to the potential sale or retention of the Blue Lagoon, including the purchase price in respect thereof, if any; all statements relating to the successful closing of the Innergex Transaction, including the timing, effect, results and completion thereof, the timing of the Company's special meeting and the mailing of the related management information circular, and the final pro-ration of the consideration paid to shareholders upon closing; management's assumptions related to, and all instances of, forward-looking financial information. Such forward-looking information reflects management's current expectations and is based on information currently

available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "anticipate", "believe", "forecast", "plan", "expect", "is expected", "budget", "estimates", "goals", "intend", "targets", "aims", "appears", "likely", "typically", "potential", "probable", "outlook", "continue", "strategy", "proposed", or "project" (in reference to projections) or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would" or "shall" be taken, occur or be achieved.

A number of known and unknown risks, uncertainties and other factors may cause our actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. Such factors include, but are not limited to: hydrological studies may not confirm that water flows are sufficient to generate enough electricity to support our planned hydro development programs; wind studies may not confirm that wind resources are sufficient to generate enough electricity to support our planned wind development programs; failure to discover and establish economically recoverable and sustainable geothermal resources through our development programs; geothermal development programs are highly speculative, are characterized by significant inherent risk and costs, and may not be successful; our financial performance depends on our successful operation of power plants, which is subject to various operational risks; our renewable power resources may decline over time and may not remain adequate to support the operation of our power plants; imprecise estimation of renewable power resources or power generation capacities; the expected timing for realizing the output capacity of the well, if any, the imprecise nature of estimation of renewable power resources or power generation output and recoveries, including the difficulty in assessment until a geothermal resource is actually accessed and tested by production wells, conceptual nature of the deep drilling preliminary output potential and risk that there has been insufficient testing and research to define geothermal resource, assumptions concerning and fluctuations related to, temperature and composition of underground fluids, risks related to additional financing to achieve growth and development; imprecise estimation of renewable resources; variations in project parameters and generation rates; meteorological or geological occurrences beyond our control may compromise our operations and their capacity to generate power; inability to obtain the financing or refinancing we need to pursue our growth strategy and business plans; we may be required to spend significant funds to advance development or construction before obtaining financing; financing arrangements and associated covenants may restrict our ability to pursue future financings and potentially limit our future business dealings; the significant cost of placing power plants into commercial production; non-contracted power prices are subject to dramatic and unpredictable fluctuations; industry competition may impede our ability to access suitable renewable power resources; we may be subject to litigation or arbitration that has an adverse outcome; we may be unable to enter into PPAs on terms favourable to us, or at all; the cancellation or expiry of government initiatives to support renewable energy generation may adversely affect our business; whether Alterra's on-site and off-site early-stage construction activities will be sufficient to qualify the wind development projects for the full value of the PTCs; rules, regulation or other guidance may be promulgated pursuant to the Internal Revenue Code of 1986 (as the same may be amended, updated or otherwise modified from time to time) that could jeopardize or otherwise impede the effectiveness of such on-site and off-site early-stage construction activities qualifying such projects for the full value of the PTCs and securing tax equity financing on such basis; risks associated with the recently announced proposed changes to the U.S. federal tax plan, including prospective reduction in the corporate tax rate and reduction, retroactive repeal and/or modification of the PTC program, specifically, under certain proposed tax changes this could result in less valuable project capital investment deductions, reduction in tax equity investment appetite and/or a reduction in PTC value for wind projects not yet under construction, each of which could have a material effect on Alterra's financial position and results of operations and its ability to fund growth prospects; other government actions may be taken that could result, directly or indirectly, in the same effect on Alterra's intended qualification of such projects for PTCs; the implementation of lower corporate tax rates may impede our ability to obtain sufficient amounts of tax equity investment or achieve desired economic returns; the accuracy of current estimated generation capacity, the sufficiency of the wind resource and the satisfactory resolution of related development milestones for each of the projects intended to be qualified for PTCs; successful closing of the acquisition of certain of the wind development projects including without limitation successful completion of due diligence on such projects, negotiation of definitive purchase agreements, satisfaction or waiver of all conditions precedent thereto and the approval of Alterra's Board of Directors; successful development of each of the wind development projects, including the financing thereof and if applicable, completion of third party infrastructure, within a timeframe that permits Alterra to obtain the value of such PTCs with respect to each project; we may experience delays or be impacted by unexpected capital cost increases; unexpected or challenging geological conditions; changes to regulatory requirements, both regionally and internationally, governing development, renewable resources, generation, exports, taxes, labour standards, occupational health, land use, environmental protection, project safety and other matters; failure to obtain or maintain necessary licenses, permits and approvals from government authorities; the success of our business relies on attracting and retaining key personnel; the risk of human error; our officers and directors may have conflicts of interests arising out of their relationships with other companies; we may face adverse claims to our title; developments regarding aboriginal, First Nations and other indigenous peoples or local communities; fluctuations in foreign currency exchange and interest rates may affect our financial results; we may not be able to successfully integrate businesses or projects that we acquire in the

future; our insurance policies may be insufficient to cover losses; the governments of the countries in which the Company undertakes its activities may take action which results in fines or other penalties levied against the Company; aluminum price risk with respect to certain contracts the Company has in Iceland; merchant price risk for the non-contracted portion of sales at Shannon and other development projects when advanced, including Flat Top; risks, including under delivery, shape and basis risks, related to delivery of the power under of the power hedge at Shannon and other development projects when advanced, including Flat Top; risks associated with inter-regional transmission grids; risks related to reliance on, and relationships with, third parties (including with respect to transmission infrastructure); host country economic, social and political conditions can negatively affect our operations; the fluctuation of our common share price could result in investors losing a significant part of their investment; future issuances of equity securities could negatively impact the trading price of our common shares; the risk of volatility in global financial conditions; availability of capital and future cash flows; ability to meet corporate law requirements and board approval of, or further suspension of, future dividends; the Company's future growth plans, as well as significant decline in general economic conditions; risks inherent to the Innergex Transaction, including satisfaction of the closing conditions thereto, receipt of shareholder, court, regulatory and other third party approvals, whether assessments of value made by Alterra and Innergex are ultimately correct, realization of any strategic, operational or financial benefits from the Innergex Transaction, and timing thereof; risks related to the exercise of termination rights by Innergex or Alterra, including the risk that Alterra could be required to pay a fee to Innergex or pay expenses of Innergex, the result of which could have a material adverse effect on Alterra's financial position and results of operations and its ability to fund growth prospects and current operations; risk that the Innergex Transaction could be modified, restructured or terminated, risks associated with the Innergex Transaction not being completed and Innergex and Alterra continuing as separate entities, there are risks that the announcement of the Innergex Transaction and the dedication of substantial resources of Alterra to the completion of the Innergex Transaction could have an impact on Alterra's business and strategic relationships (including with future and prospective employees, customers, distributors, suppliers and partners), operating results and businesses generally, and could have a material adverse effect on the current and future operations, financial condition and prospects of Alterra; liquidity risks associated with the near term maturity of the holding company bond (Sweden) and the refinancing or retirement thereof and the failure of the Innergex Transaction to close; risks related to capital resources, derivative financial instruments, financial leverage and restrictive covenants; and other exploration, development and operating risks. There may be other factors that cause unanticipated or unintended actions, events or results. These factors are not intended to represent a complete list of the risk factors that could affect us. Additional risk factors are discussed in the section entitled "Risk Factors" in our most recent Annual Information Form, copies of which are available at www.sedar.com. These factors should be considered carefully and investors should not place undue reliance on forward-looking information.

The forward-looking information contained in this MD&A is based upon what management believes to be reasonable assumptions, including, but not limited to: the effects of any increase in power generation from our operations; the success and timely completion of planned acquisition, development and expansion programs; our ability to comply with local, state, provincial and federal regulations dealing with operational standards and environmental protection measures; our ability to negotiate and obtain PPAs on favourable terms; our ability to obtain necessary regulatory approvals, permits and licenses in a timely manner; the availability of materials, components or supplies; our ability to solicit competitive bids for construction, drilling, or other relevant third party services and obtain access to critical resources; the growth rate in net electricity consumption; support and demand for renewable power generation; government initiatives to support the development of renewable power generation; the accuracy of volumetric reserve estimation methodology and probabilistic analysis used to estimate the quantity of potentially recoverable energy; the accuracy of the analysis used to estimate renewable resources and reserves; environmental, administrative or regulatory barriers to the development of resources on our properties; geological, geophysical, geochemical and other conditions at our properties; the reliability of technical data, including extrapolated temperature gradient, geophysical and geochemical surveys and geo-thermometer calculations; capital expenditure estimates; availability of capital to fund, development and expansion programs; that third party infrastructure will be operational within projected timelines; our competitive position; assumptions that the recently announced proposed changes to U.S. federal tax plan and specifically reduction in the corporate tax rate and reduction and retroactive repeal and/or modification of the PTC program does not get implemented as currently proposed, that the Innergex Transaction will proceed to closing as anticipated, including timely receipt of shareholder, court, regulatory and other third party approvals; expectations and assumptions concerning availability of capital resources; economic and financial conditions. Forward-looking information is also based upon the assumption that none of the identified risk factors that could cause actual results to differ materially from the forward-looking information will occur.

There can be no assurance that the forward-looking information included in this MD&A will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, investors should not place undue reliance on forward-looking information. Forward-looking information is made as of the date of this MD&A and, other than as required by applicable securities laws, we assume no obligation to update or revise such forward-looking information to reflect new events or circumstances.

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Crowell ISD–Foard City Wind, LLC App. #1231

Comptroller Questions (via email on February 14, 2018):

1. *Is the Foard City Wind, LLC 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 February 16, 2018):

1. *No.*
2. *19INR0019.*

Attachment D

Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED FOARD CITY
WIND, LLC PROJECT IN THE CROWELL INDEPENDENT
SCHOOL DISTRICT
(PROJECT # 1231)**

PREPARED BY



APRIL 20, 2018

Executive Summary

Foard City Wind, LLC (Company) has requested that the Crowell Independent School District (CISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to CISD on December 11, 2017, the Company plans to invest \$370.6 million in additional taxable value to construct a renewable electric wind energy generation facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Foard City Wind project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, CISD may offer a minimum value limitation of \$20 million. This value limitation, under the proposed application, will begin in the 2020-21 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report, incorporating the major legislative changes adopted in 2017. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to CISD	\$3.86 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$24.48 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. A Completeness Letter was issued for the Foard City Wind, LLC project on February 13, 2018.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. The Certificate for this project was issued on April 19, 2018.

After the Comptroller's certificate is received, O'Hanlon, Demerath & Castillo contacted the school district to discuss the value limitation agreement and began negotiations of the supplemental benefit payment with the Company. A final version of the agreement was submitted to the Comptroller for review prior to final adoption by the school district's board of trustees.

Prior to final board meeting, O'Hanlon, Demerath & Castillo will provide the district with the necessary agenda language and any additional action items. The school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. The school board will be asked to consider the adoption of a job waiver during this meeting.

How the 313 Agreement Interacts with Texas School Finance

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of two components: Tier I (based on ADA, special student populations and M&O taxes at the compressed tax rate) and Tier II (based on weighted ADA for each penny of tax effort above a specified level). (For more detailed information on the school finance funding system, please review the Texas Education Agency's [School Finance 101: Funding of Texas Public Schools.](#))

Because the general school finance formula system calculates state aid entitlements using the Comptroller's certified property value for the preceding year, the first limitation year is often problematic financially. The implementation of the value limitation often results in an M&O revenue loss to the school district in the first year of the limitation that would not be reimbursed by the state, but require some type of compensation from the Company under the revenue protection provisions of the agreement. **If the full value of the project increases significantly during the value limitation period, the revenue losses may be greater than originally estimated.**

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter), if the district levies and I&S tax for voter-approved debt.

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

Underlying School District Data Assumptions

The agreement between the school district and the applicant calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. The Basic Allotment remained at \$5,140 and the Tier II Austin yield increased to \$99.41 for 2017-18 and \$106.28 for 2018-19, which is maintained for future years.

Static school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system. The impact of the Chapter 313 project value returning to the total tax roll for M&O funding purposes is beyond the scope of this revenue report.

ADA: 176
 Local Tax Base: \$223.9 million
 M&O Tax Rate: \$1.17 per \$100
 I&S Tax Rate: \$0.0000 per \$100
 Wealth per WADA: \$561,089

Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

Table 1 – Base District Information with Foard City Wind Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP1	2018-19	175.73	389.95	\$1.1700	\$0.0000	\$223,872,210	\$223,872,210	\$222,511,697	\$222,511,697	\$570,620	\$570,620
QTP2	2019-20	175.73	389.95	\$1.1700	\$0.0000	\$223,872,210	\$223,872,210	\$222,511,697	\$222,511,697	\$570,620	\$570,620
VL1	2020-21	175.73	389.95	\$1.1700	\$0.0000	\$594,452,210	\$243,872,210	\$222,511,697	\$222,511,697	\$570,620	\$570,620
VL2	2021-22	175.73	389.95	\$1.1700	\$0.0000	\$564,859,710	\$243,872,210	\$593,091,697	\$242,511,697	\$1,520,955	\$621,909
VL3	2022-23	175.73	389.95	\$1.1700	\$0.0000	\$537,633,263	\$243,872,210	\$563,499,197	\$242,511,697	\$1,445,066	\$621,909
VL4	2023-24	175.73	389.95	\$1.1700	\$0.0000	\$512,583,618	\$243,872,210	\$536,272,750	\$242,511,697	\$1,375,245	\$621,909
VL5	2024-25	175.73	389.95	\$1.1700	\$0.0000	\$489,536,663	\$243,872,210	\$511,223,105	\$242,511,697	\$1,311,007	\$621,909
VL6	2025-26	175.73	389.95	\$1.1700	\$0.0000	\$468,332,216	\$243,872,210	\$488,176,150	\$242,511,697	\$1,251,904	\$621,909
VL7	2026-27	175.73	389.95	\$1.1700	\$0.0000	\$448,822,907	\$243,872,210	\$466,971,703	\$242,511,697	\$1,197,526	\$621,909
VL8	2027-28	175.73	389.95	\$1.1700	\$0.0000	\$430,873,155	\$243,872,210	\$447,462,394	\$242,511,697	\$1,147,495	\$621,909
VL9	2028-29	175.73	389.95	\$1.1700	\$0.0000	\$414,358,226	\$243,872,210	\$429,512,642	\$242,511,697	\$1,101,464	\$621,909
VL10	2029-30	175.73	389.95	\$1.1700	\$0.0000	\$399,163,362	\$243,872,210	\$412,997,713	\$242,511,697	\$1,059,112	\$621,909
VP1	2030-31	175.73	389.95	\$1.1700	\$0.0000	\$385,182,987	\$385,182,987	\$397,802,849	\$242,511,697	\$1,020,146	\$621,909
VP2	2031-32	175.73	389.95	\$1.1700	\$0.0000	\$372,319,969	\$372,319,969	\$383,822,474	\$383,822,474	\$984,294	\$984,294
VP3	2032-33	175.73	389.95	\$1.1700	\$0.0000	\$360,484,946	\$360,484,946	\$370,959,456	\$370,959,456	\$951,307	\$951,307
VP4	2033-34	175.73	389.95	\$1.1700	\$0.0000	\$349,595,705	\$349,595,705	\$359,124,433	\$359,124,433	\$920,957	\$920,957
VP5	2034-35	175.73	389.95	\$1.1700	\$0.0000	\$339,576,609	\$339,576,609	\$348,235,192	\$348,235,192	\$893,032	\$893,032

*Basic Allotment: \$5,140; AISD Yield: \$106.28; Equalized Wealth: \$514,000 per WADA

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact of the Foard City Wind Project on CISD

A model is established to make a calculation of the “Baseline Revenue Model” (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the “Value Limitation Revenue Model” (Table 3) by adding the project’s limited value of \$20 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$3.86 million over the course of the Agreement, with nearly all the loss reflected in the first limitation year (2020-21). Nearly all reduction in M&O taxes under the limitation agreement is offset through a reduction in recapture costs owed to the state under current law.

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP1	2018-19	\$2,199,332	\$76,568	\$0	-\$207,319	\$373,887	\$113,811	-\$101,145	\$0	\$8,646	\$2,463,780
QTP2	2019-20	\$2,199,332	\$44,935	\$0	-\$207,319	\$373,887	\$113,811	-\$101,145	\$0	\$8,646	\$2,432,147
VL1	2020-21	\$5,901,132	\$76,568	\$0	-\$556,268	\$1,003,193	\$305,351	-\$271,385	\$0	\$8,646	\$6,467,236
VL2	2021-22	\$5,605,207	\$44,935	\$0	-\$3,671,957	\$952,885	\$0	-\$462,700	\$1,410	\$8,646	\$2,478,426
VL3	2022-23	\$5,332,943	\$76,568	\$0	-\$3,397,057	\$906,601	\$0	-\$434,077	\$1,412	\$8,646	\$2,495,035
VL4	2023-24	\$5,082,446	\$44,935	\$0	-\$3,143,879	\$864,016	\$0	-\$407,726	\$1,414	\$8,646	\$2,449,852
VL5	2024-25	\$4,851,977	\$76,568	\$0	-\$2,910,691	\$824,836	\$0	-\$383,465	\$1,416	\$8,646	\$2,469,287
VL6	2025-26	\$4,639,932	\$44,935	\$0	-\$2,695,899	\$788,789	\$0	-\$361,128	\$1,418	\$8,646	\$2,426,693
VL7	2026-27	\$4,444,839	\$76,568	\$0	-\$2,498,038	\$755,622	\$0	-\$340,561	\$1,420	\$8,646	\$2,448,496
VL8	2027-28	\$4,265,342	\$44,935	\$0	-\$2,315,764	\$725,108	\$0	-\$321,623	\$1,422	\$8,646	\$2,408,066
VL9	2028-29	\$4,100,192	\$76,568	\$0	-\$2,147,836	\$697,033	\$0	-\$304,184	\$1,424	\$8,646	\$2,431,843
VL10	2029-30	\$3,948,244	\$44,935	\$0	-\$1,993,119	\$671,202	\$825	-\$288,126	\$834	\$8,646	\$2,393,441
VP1	2030-31	\$3,780,178	\$76,568	\$0	-\$1,836,543	\$642,631	\$9,480	-\$271,310	\$0	\$8,646	\$2,409,651
VP2	2031-32	\$3,654,120	\$44,935	\$0	-\$1,706,938	\$621,200	\$17,480	-\$257,906	\$0	\$8,646	\$2,381,538
VP3	2032-33	\$3,538,137	\$76,568	\$0	-\$1,587,455	\$601,483	\$24,868	-\$245,558	\$0	\$8,646	\$2,416,689
VP4	2033-34	\$3,431,422	\$44,935	\$0	-\$1,477,299	\$583,341	\$31,694	-\$234,183	\$0	\$8,646	\$2,388,556
VP5	2034-35	\$3,333,235	\$76,568	\$0	-\$1,375,740	\$566,650	\$37,999	-\$223,704	\$0	\$8,646	\$2,423,655

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP1	2018-19	\$2,199,332	\$76,568	\$0	-\$207,319	\$373,887	\$113,811	-\$101,145	\$0	\$8,646	\$2,463,780
QTP2	2019-20	\$2,199,332	\$44,935	\$0	-\$207,319	\$373,887	\$113,811	-\$101,145	\$0	\$8,646	\$2,432,147
VL1	2020-21	\$2,395,332	\$76,568	\$0	-\$225,795	\$407,207	\$123,982	-\$110,158	\$0	\$8,646	\$2,675,781
VL2	2021-22	\$2,395,332	\$44,935	\$0	-\$394,840	\$407,207	\$101,951	-\$121,717	\$0	\$8,646	\$2,441,514
VL3	2022-23	\$2,395,332	\$76,568	\$0	-\$394,840	\$407,207	\$101,951	-\$121,717	\$0	\$8,646	\$2,473,147
VL4	2023-24	\$2,395,332	\$44,935	\$0	-\$394,840	\$407,207	\$101,951	-\$121,717	\$0	\$8,646	\$2,441,514
VL5	2024-25	\$2,395,332	\$76,568	\$0	-\$394,840	\$407,207	\$101,951	-\$121,717	\$0	\$8,646	\$2,473,147
VL6	2025-26	\$2,395,332	\$44,935	\$0	-\$394,840	\$407,207	\$101,951	-\$121,717	\$0	\$8,646	\$2,441,514
VL7	2026-27	\$2,395,332	\$76,568	\$0	-\$394,840	\$407,207	\$101,951	-\$121,717	\$0	\$8,646	\$2,473,147
VL8	2027-28	\$2,395,332	\$44,935	\$0	-\$394,840	\$407,207	\$101,951	-\$121,717	\$0	\$8,646	\$2,441,514
VL9	2028-29	\$2,395,332	\$76,568	\$0	-\$394,840	\$407,207	\$101,951	-\$121,717	\$0	\$8,646	\$2,473,147
VL10	2029-30	\$2,395,332	\$44,935	\$0	-\$394,840	\$407,207	\$101,951	-\$121,717	\$0	\$8,646	\$2,441,514
VP1	2030-31	\$3,780,178	\$76,568	\$0	-\$623,115	\$642,631	\$160,749	-\$192,087	\$0	\$8,646	\$3,853,571
VP2	2031-32	\$3,654,120	\$44,935	\$0	-\$1,706,938	\$621,200	\$17,480	-\$257,906	\$0	\$8,646	\$2,381,538
VP3	2032-33	\$3,538,137	\$76,568	\$0	-\$1,587,455	\$601,483	\$24,868	-\$245,558	\$0	\$8,646	\$2,416,689
VP4	2033-34	\$3,431,422	\$44,935	\$0	-\$1,477,299	\$583,341	\$31,694	-\$234,183	\$0	\$8,646	\$2,388,556
VP5	2034-35	\$3,333,235	\$76,568	\$0	-\$1,375,740	\$566,650	\$37,999	-\$223,704	\$0	\$8,646	\$2,423,655

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP1	2018-19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2	2019-20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VL1	2020-21	-\$3,505,800	\$0	\$0	\$330,473	-\$595,986	-\$181,369	\$161,227	\$0	\$0	-\$3,791,455
VL2	2021-22	-\$3,209,875	\$0	\$0	\$3,277,117	-\$545,678	\$101,951	\$340,983	-\$1,410	\$0	-\$36,912
VL3	2022-23	-\$2,937,611	\$0	\$0	\$3,002,217	-\$499,394	\$101,951	\$312,360	-\$1,412	\$0	-\$21,889
VL4	2023-24	-\$2,687,114	\$0	\$0	\$2,749,039	-\$456,809	\$101,951	\$286,009	-\$1,414	\$0	-\$8,338
VL5	2024-25	-\$2,456,645	\$0	\$0	\$2,515,851	-\$417,629	\$101,951	\$261,748	-\$1,416	\$0	\$3,860
VL6	2025-26	-\$2,244,600	\$0	\$0	\$2,301,059	-\$381,582	\$101,951	\$239,411	-\$1,418	\$0	\$14,821
VL7	2026-27	-\$2,049,507	\$0	\$0	\$2,103,198	-\$348,415	\$101,951	\$218,844	-\$1,420	\$0	\$24,651
VL8	2027-28	-\$1,870,010	\$0	\$0	\$1,920,924	-\$317,901	\$101,951	\$199,906	-\$1,422	\$0	\$33,448
VL9	2028-29	-\$1,704,860	\$0	\$0	\$1,752,996	-\$289,826	\$101,951	\$182,467	-\$1,424	\$0	\$41,304
VL10	2029-30	-\$1,552,912	\$0	\$0	\$1,598,279	-\$263,995	\$101,126	\$166,409	-\$834	\$0	\$48,073
VP1	2030-31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP2	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2032-33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2033-34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$28.3 million over the life of the agreement. The CISD revenue losses are expected to total approximately \$3.86 million over the course of the agreement. The total potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$24.48 million, prior to any negotiations with Foard City Wind on supplemental payments.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with CISD not currently levying an I&S tax rate. The project is not anticipated to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Table 5 - Estimated Financial Impact of the Foard City Wind Project Property Value Limitation Request Submitted to CISD at \$1.17 per \$100 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits	
QTP1	2018-19	\$0	\$0	\$0	\$1.170	\$0	\$0	\$0	\$0	\$0	
QTP2	2019-20	\$0	\$0	\$0	\$1.170	\$0	\$0	\$0	\$0	\$0	
VL1	2020-21	\$370,580,000	\$20,000,000	\$350,580,000	\$1.170	\$4,335,786	\$234,000	\$4,101,786	-\$3,791,455	\$310,331	
VL2	2021-22	\$340,987,500	\$20,000,000	\$320,987,500	\$1.170	\$3,989,554	\$234,000	\$3,755,554	-\$36,912	\$3,718,641	
VL3	2022-23	\$313,761,053	\$20,000,000	\$293,761,053	\$1.170	\$3,671,004	\$234,000	\$3,437,004	-\$21,889	\$3,415,116	
VL4	2023-24	\$288,711,408	\$20,000,000	\$268,711,408	\$1.170	\$3,377,923	\$234,000	\$3,143,923	-\$8,338	\$3,135,585	
VL5	2024-25	\$265,664,453	\$20,000,000	\$245,664,453	\$1.170	\$3,108,274	\$234,000	\$2,874,274	\$0	\$2,874,274	
VL6	2025-26	\$244,460,006	\$20,000,000	\$224,460,006	\$1.170	\$2,860,182	\$234,000	\$2,626,182	\$0	\$2,626,182	
VL7	2026-27	\$224,950,697	\$20,000,000	\$204,950,697	\$1.170	\$2,631,923	\$234,000	\$2,397,923	\$0	\$2,397,923	
VL8	2027-28	\$207,000,945	\$20,000,000	\$187,000,945	\$1.170	\$2,421,911	\$234,000	\$2,187,911	\$0	\$2,187,911	
VL9	2028-29	\$190,486,016	\$20,000,000	\$170,486,016	\$1.170	\$2,228,686	\$234,000	\$1,994,686	\$0	\$1,994,686	
VL10	2029-30	\$175,291,152	\$20,000,000	\$155,291,152	\$1.170	\$2,050,906	\$234,000	\$1,816,906	\$0	\$1,816,906	
VP1	2030-31	\$161,310,777	\$161,310,777	\$0	\$1.170	\$1,887,336	\$1,887,336	\$0	\$0	\$0	
VP2	2031-32	\$148,447,759	\$148,447,759	\$0	\$1.170	\$1,736,839	\$1,736,839	\$0	\$0	\$0	
VP3	2032-33	\$136,612,736	\$136,612,736	\$0	\$1.170	\$1,598,369	\$1,598,369	\$0	\$0	\$0	
VP4	2033-34	\$125,723,495	\$125,723,495	\$0	\$1.170	\$1,470,965	\$1,470,965	\$0	\$0	\$0	
VP5	2034-35	\$115,704,399	\$115,704,399	\$0	\$1.170	\$1,353,741	\$1,353,741	\$0	\$0	\$0	
							\$38,723,401	\$10,387,250	\$28,336,151	-\$3,858,594	\$24,477,557

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

Note: School district revenue-loss estimates are subject to change based on numerous factors, including:

- Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations.
- Legislative changes addressing property value appraisals and exemptions.
- Year-to-year appraisals of project values and district taxable values.
- Changes in school district tax rates and student enrollment.

Attachment E

Taxable Value of Property



School and Appraisal Districts Property Value Study 2015 Report

2015 ISD Summary Worksheet

078/Foard

078-901/Crowell ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	13,321,100	N/A	13,321,100	13,321,100
B. Multi-Family Residences	31,440	N/A	31,440	31,440
C1. Vacant Lots	344,010	N/A	344,010	344,010
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real (Taxable)	31,628,040	N/A	31,628,040	31,628,040
D2. Real Prop Farm & Ranch	2,259,370	N/A	2,259,370	2,259,370
E. Real Prop NonQual Acres	13,299,250	N/A	13,299,250	13,299,250
F1. Commercial Real	1,691,970	N/A	1,691,970	1,691,970
F2. Industrial Real	499,160	N/A	499,160	499,160
G. Oil, Gas, Minerals	9,705,960	N/A	9,705,960	9,705,960
J. Utilities	128,670,350	N/A	128,670,350	128,670,350

L1. Commercial Personal	623,470	N/A	623,470	623,470
L2. Industrial Personal	1,358,140	N/A	1,358,140	1,358,140
M. Other Personal	496,120	N/A	496,120	496,120
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	203,928,380		203,928,380	203,928,380
Less Total Deductions	10,407,341		10,407,341	10,407,341
Total Taxable Value	193,521,039		193,521,039	193,521,039 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
195,688,069	193,521,039	195,688,069	193,521,039

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
2,167,030	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
195,688,069	193,521,039	195,688,069	193,521,039

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

135/King

078-901/Crowell ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	0	N/A	0	0
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)	490,430	N/A	490,430	490,430
D2. Real Prop Farm & Ranch	0	N/A	0	0
E. Real Prop NonQual Acres	257,260	N/A	257,260	257,260
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	1,278,040	N/A	1,278,040	1,278,040
J. Utilities	1,220,690	N/A	1,220,690	1,220,690
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
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	3,246,420		3,246,420	3,246,420
Less Total Deductions	0		0	0
Total Taxable Value	3,246,420		3,246,420	3,246,420 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
3,246,420	3,246,420	3,246,420	3,246,420

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
0	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
3,246,420	3,246,420	3,246,420	3,246,420

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

138/Knox**078-901/Crowell ISD**

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	438,970	N/A	438,970	438,970
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	80,850	N/A	80,850	80,850
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real (Taxable)	4,198,070	N/A	4,198,070	4,198,070
D2. Real Prop Farm & Ranch	123,500	N/A	123,500	123,500
E. Real Prop NonQual Acres	1,148,950	N/A	1,148,950	1,148,950
F1. Commercial Real	162,790	N/A	162,790	162,790
F2. Industrial Real	80,390	N/A	80,390	80,390
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	1,316,280	N/A	1,316,280	1,316,280
L1. Commercial Personal	17,500	N/A	17,500	17,500
L2. Industrial Personal	299,040	N/A	299,040	299,040
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	7,866,340		7,866,340	7,866,340
Less Total Deductions	225,410		225,410	225,410
Total Taxable Value	7,640,930		7,640,930	7,640,930 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
7,693,530	7,640,930	7,693,530	7,640,930

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
52,600	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
7,693,530	7,640,930	7,693,530	7,640,930

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

078-901/Crowell ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	13,760,070	N/A	13,760,070	13,760,070
B. Multi-Family Residences	31,440	N/A	31,440	31,440
C1. Vacant Lots	424,860	N/A	424,860	424,860
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real (Taxable)	36,316,540	N/A	36,316,540	36,316,540
D2. Real Prop Farm & Ranch	2,382,870	N/A	2,382,870	2,382,870
E. Real Prop NonQual Acres	14,705,460	N/A	14,705,460	14,705,460
F1. Commercial Real	1,854,760	N/A	1,854,760	1,854,760
F2. Industrial Real	579,550	N/A	579,550	579,550
G. Oil, Gas, Minerals	10,984,000	N/A	10,984,000	10,984,000

J. Utilities	131,207,320	N/A	131,207,320	131,207,320
L1. Commercial Personal	640,970	N/A	640,970	640,970
L2. Industrial Personal	1,657,180	N/A	1,657,180	1,657,180
M. Other Personal	496,120	N/A	496,120	496,120
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	215,041,140		215,041,140	215,041,140
Less Total Deductions	10,632,751		10,632,751	10,632,751
Total Taxable Value	204,408,389		204,408,389	204,408,389 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

Attachment F

TEA's Facilities Value

Attachment G

Participation Agreement

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

by and between

CROWELL INDEPENDENT SCHOOL DISTRICT

and

FOARD CITY WIND, LLC

(Texas Taxpayer ID #32061561216)

Comptroller Application # 1231

Dated

May 9, 2018

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

STATE OF TEXAS §

COUNTY OF FOARD §

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 **CROWELL 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 **FOARD CITY WIND, LLC**, a Delaware limited liability company, Texas Taxpayer Identification Number 32061561216, 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 December 11, 2017, the Superintendent of Schools of the Crowell 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 December 11, 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 February 13, 2018 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 Foard Appraisal District established in Foard, Texas (the “Foard 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 April 19, 2018, 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 May 9, 2018, 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 May 9, 2018, 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 May 9, 2018, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on May 7, 2018, 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 May 9, 2018, 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 the Board Vice President 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, as amended.

“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 Foard City Wind, LLC, (*Texas Taxpayer ID #32061561216*) 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 December 11, 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 Foard Appraisal District.

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

“Commercial Operation” means the date the Project begins supplying electricity in commercial quantities to the transmission system and is connected to the grid with an interconnection agreement.

“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 Foard, Texas.

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

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

“Force Majeure” means those causes generally recognized under Texas law as constituting impossible conditions. Each Party must inform the other in writing with proof of receipt within sixty (60) business days of the existence of such Force Majeure or otherwise waive this right as a defense.

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

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

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

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

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

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

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

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

“State” means the State of Texas.

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

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

“Tax Limitation Period” means the Tax Years for which the Applicant’s Qualified Property

is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

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

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

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

“Applicable School Finance Law” means Chapters 41 and 42 of the TEXAS EDUCATION CODE, the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State for each and every year of this Agreement, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term includes any and all amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant’s ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement. For each year of this Agreement, the “Applicable School Finance Law” shall be interpreted to include all provisions made applicable for any calculations made for the specific year for which calculations are being made.

“Cumulative Unadjusted Tax Benefit” means for each Tax Year of this Agreement, the Unadjusted Tax Benefit for such Tax Year added to the Unadjusted Tax Benefit for all previous Tax Years during the term of this Agreement.

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

“New M&O Revenue” means the total State and local Maintenance and Operations Revenue that District actually received for such school year.

“Net Tax Benefit” means, for any subject Tax Year during the term of this Agreement, an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem

taxes which the Applicant would have paid to the District for all Tax Years during the term of this Agreement up to and including the subject Tax 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 all Tax Years during the term of this Agreement up to and including the subject Tax Year, plus (B) any and all payments due to the District under Articles IV, V, and VI of this Agreement up to and including the subject Tax Year.

“Revenue Protection Amount” means the amount calculated pursuant to Section 3.2 of this Agreement.

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

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 February 13, 2018, 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 May 9, 2018.

C. The Qualifying Time Period for this Agreement:

- i. Starts on May 9, 2018, the Application Approval Date; and
- ii. Ends on December 31, 2020, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2020, the first complete Tax Year that begins after the date of the commencement of Commercial Operation;
- ii. Ends on December 31, 2029.

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

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION. So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

A. the Market Value of the Applicant's Qualified Property; or Twenty Million Dollars (\$20,000,000) based on Section 313.054 of the TEXAS TAX CODE

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

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 \$545 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 it is used for renewable energy electric generation.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was a sole and direct cause, all as calculated in Section 4.2 below. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement.

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

by administrative regulation, or by judicial decision at any time; and, iii) may change in future years to reflect changes in the Applicable School Finance Law.

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

Subject only to the provisions of Section 7.1 of this Agreement, the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue solely and directly resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date, shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

A. Notwithstanding any other provision in this Agreement, the M&O Amount owed by Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue.

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

i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for each year for which the calculation is made.

ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).

iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.

iv. For all calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, Subsection ii of this subsection will reflect the Tax Limitation Amount for such year.

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

Section 4.4. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified

tax roll submitted to the District for each Tax Year pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.5. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 4.2 Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.7, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement. Should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records and other information in accordance with Section 4.6 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the final determination of certification containing the calculations, and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.6. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective; provided, however that the District and the Applicant may mutually agree in writing to extend the date of payment. By such date,

the Applicant shall also pay any amount billed by the Third Party, plus any reasonable and necessary out-of-pocket third party legal expenses paid by the District for which an invoice has been sent to Applicant to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the term of the Tax Limitation Period shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Twelve Thousand Five Hundred Dollars (\$12,500.00). For any Tax Year outside of the Tax Limitation Period, Applicant shall not be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Eight Thousand Dollars (\$8,000.00).

Section 4.7. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Property by the Appraisal District.

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

Section 4.8. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to District within thirty (30) days of receipt of written notice, up to the revenue protection amount limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, 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.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following: all non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project during any project construction year.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

A. Amounts Exclusive of Indemnity Amounts. In addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments to be calculated as set forth in this Article VI. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article VI is separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all Supplemental Payments under Articles IV and V are subject to the limitations contained in Section 7.1, and that all payments under this Article IV are subject to the separate limitations contained in Section 6.2.

B. Adherence to Statutory Limits on Supplemental Payments. It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant under this Article VI shall not exceed the limit imposed by the provisions of Texas Tax Code §313.027(i), as such limit is allowed to be increased by the Legislature for any future year of this Agreement. Should the payment limit be increased, it shall only apply to such Tax Years after the limit becomes effective and cannot be retroactively applied.

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 Application;

B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period:

C. the limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)– (2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District’s Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District’s 2016-2017 Average Daily Attendance of 205, rounded to the nearest whole number.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO ANNUAL PAYMENT LIMIT. Unless the Annual Payment Limit is increased, the District shall receive Supplemental Payments on in the dates set forth on the following schedule.

TAX YEAR	PAYMENT DUE DATE	AMOUNT OF ANNUAL PAYMENT LIMIT
2018	January 31, 2019	\$50,000
2019	January 31, 2020	\$50,000
2020	January 31, 2021	\$50,000
2021	January 31, 2022	\$50,000
2022	January 31, 2023	\$50,000
2023	January 31, 2024	\$50,000
2024	January 31, 2025	\$50,000
2025	January 31, 2026	\$50,000
2026	January 31, 2027	\$50,000
2027	January 31, 2028	\$50,000
2028	January 31, 2029	\$50,000

2029	January 31, 2030	\$50,000
2030	January 31, 2031	\$50,000
2031	January 31, 2032	\$50,000
2032	January 31, 2033	\$50,000

In the event that the statutory limit is increased, the Supplemental Payment amount shall also be increased. However, Applicant shall not be responsible for any payments resulting from such increase that would exceed forty percent (40%) of Applicant's Net Tax Benefit.

Section 6.4. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

- A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.3, above.
- B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6, above.
- C. The payment of all amounts due under this Article shall be made shall be paid on the same date established by Section 4.6 for such Tax Year.

Section 6.5. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement and is in compliance with applicable law, direct that the Applicant's payment obligations under Article VI of this agreement be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District's Board of Trustees at any time.

Any designation of a successor beneficiary under this Section shall not alter the Supplemental Payments calculated as described in Section 6.5, above.

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

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

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

Section 7.2. OPTION TO TERMINATE AGREEMENT. In the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment, the Applicant shall have the option, prior to the beginning of the Tax Limitation Period, to terminate this Agreement by notifying the District in writing of its exercise of such option and such termination will be effective as of the date set forth in the notice. Additionally, in the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred.

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

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

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

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations

required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

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

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

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

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

A. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

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

third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR.

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

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

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

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

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

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the

Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

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

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

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

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

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

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

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

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

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

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

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

F. The Applicant failed to provide payments to the District sufficient to protect future

District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

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

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

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

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

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

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

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

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;

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

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

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

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing

called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:

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

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

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

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

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee’s Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have not greater than seventy-five (75) 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 seventy-five (75) 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 Foard 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 Foard, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim

relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the 30 days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. Consequences of Early Termination or Other Breach by Applicant.

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.2 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the seventy-five (75) 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. 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:

Pam Norwood
Superintendent
Crowell Independent School District
400 E. Logan
Crowell, TX 79227
Phone: 432-527-3880
Email: pam.norwood@crowellisd.net

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

General Counsel

Foard City Wind, LLC
c/o Alterra Power Corp
1100-888 Dunsmuir Street
Vancouver, BC V6C 3K4
Email: generalcounsel@alterrapower.ca

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

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

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

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

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

- i. The Applicant shall submit to the District and the Comptroller:
 - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
 - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;
- ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and
- iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

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

- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;

ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

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

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

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 Foard.

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

Section 10.7. SEVERABILITY. If any term, provision or condition of this Agreement, or any

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

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

Section 10.9. INTERPRETATION.

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

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

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

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

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

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

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

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

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

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

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

Section 10.14. CONFLICTS OF INTEREST.

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

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

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

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION.

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

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

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

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

- B. Delivery is deemed complete as follows:
- i. When delivered if delivered personally or sent by express courier service;
 - ii. Three (3) business days after the date of mailing if sent by registered or

certified U.S. mail, postage prepaid, with return receipt requested;

iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or

iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 9th day of May, 2018.

FOARD CITY WIND, LLC

CROWELL INDEPENDENT SCHOOL DISTRICT

By: 
DIRECTOR

By: _____
PRESIDENT, BOARD OF TRUSTEES

ATTEST:

By: 
SECRETARY, BOARD OF TRUSTEES

OR IN THE EVENT OF A CONFLICT OF INTEREST

By: 
VICE PRESIDENT, BOARD OF TRUSTEES
Whitney Halsell

EXHIBIT 1
DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

At the time of the Application Approval Date, pursuant to Chapter 312 of the Texas Tax Code, the Foard Commissioner's Court designated the below tracts of land as the Foard City Wind Energy Reinvestment Zone. A map of this Foard City Wind y Reinvestment Zone is attached as the last page of this **EXHIBIT 1** following the legal description of the zone. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the Foard City Wind Reinvestment Zone.

**FOARD COUNTY COMMISSIONERS COURT
ORDER DESIGNATING THE FOARD CITY WIND ENERGY
REINVESTMENT ZONE**

**AN ORDER OF THE COMMISSIONERS COURT OF FOARD COUNTY,
TEXAS MAKING CERTAIN FINDINGS OF FACT AND DESIGNATING THE FOARD
CITY WIND ENERGY REINVESTMENT ZONE.**

WHEREAS, on November 28, 2016 the Commissioners Court of Foard County, Texas (sometimes hereinafter referred to as the "Commissioners Court") adopted a resolution or order electing to participate in tax abatement and adopted guidelines and criteria for any tax abatement that is granted by the Commissioners Court; and

WHEREAS, the Commissioners Court, on July 24, 2017 beginning at 9:00 a.m., held a public hearing (the "July 24, 2017 Public Hearing") on the advisability of designating the following tracts of land (hereinafter referred to as the "Subject Lands") as a reinvestment zone pursuant to TEX. TAX CODE §312.401 in the Commissioners Courtroom located at 101 South Main Street, Crowell, Texas but final action on the designation of a reinvestment zone was tabled to the August 14, 2017 meeting of the Commissioners Court; and

WHEREAS, notice of the July 24, 2017 Public Hearing was published in the Foard County News, a newspaper of general circulation in the area where the Subject Lands are located, on July 7, 2017, which publication date is not later than the seventh day before the July 24, 2017 Public Hearing, and evidence of such publication is shown by the publisher's affidavit and clipping from said newspaper which is attached to this order as Exhibit A; and

WHEREAS, notice of the July 24, 2017 Public Hearing was also delivered in writing to the presiding officer of the governing body of each of the following taxing entities: the Crowell Independent School District, the Foard County Hospital District and the Rolling Plains Groundwater Conservation District, as shown by the notice letter and return receipts which are attached hereto as Exhibit B; and

WHEREAS, the Crowell Independent School District, the Foard County Hospital District and the Gateway Groundwater Conservation District are the only taxing units, other than Foard County, that include the Subject Lands in their boundaries; and

WHEREAS, the Subject Lands are those parcels or tracts of land, all located in Foard County, Texas and are more particularly described by reference to their abstract and survey names as follows:

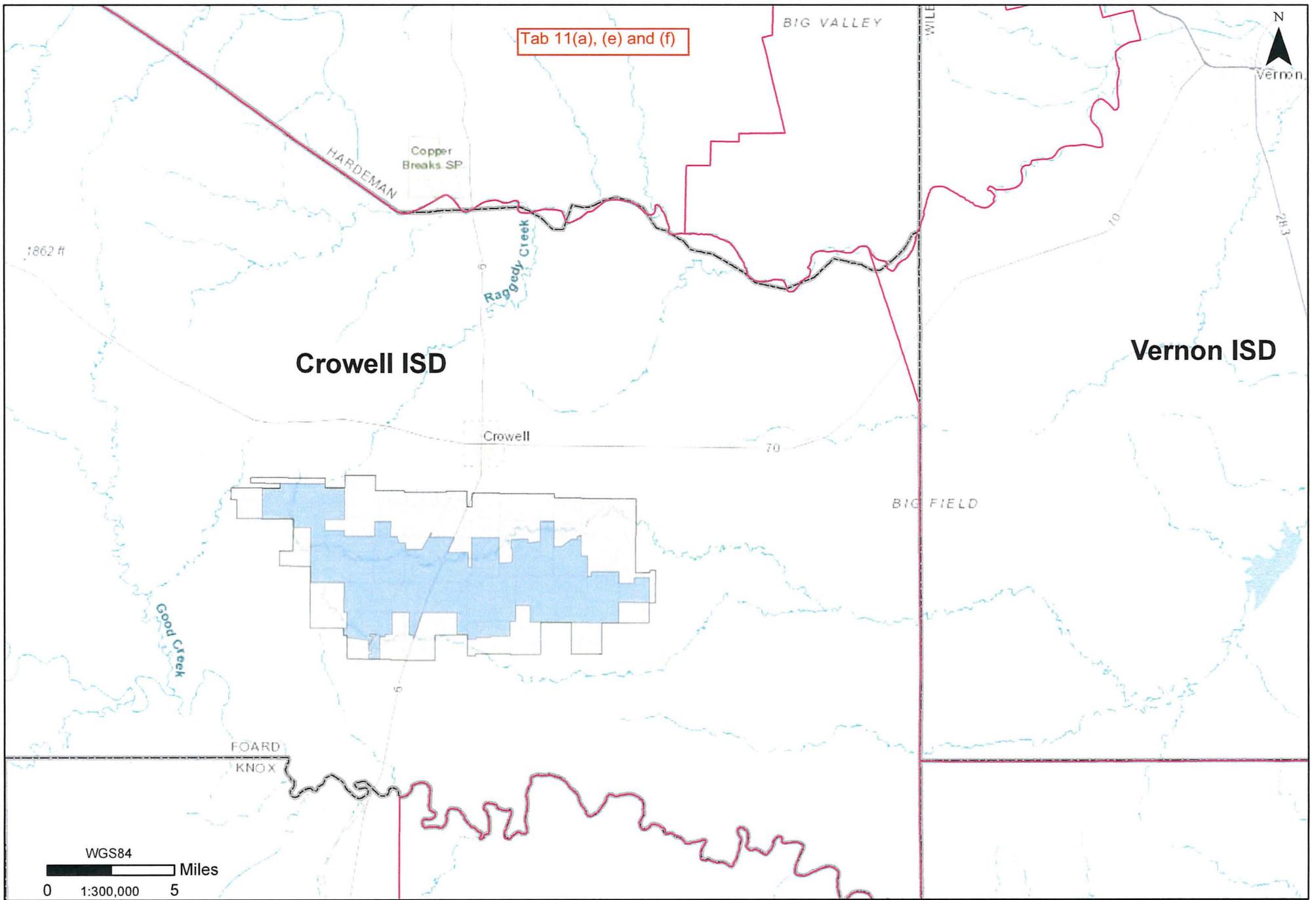
<u>Abstract Nos.</u>	<u>Section Names</u>
1	Isaac Aldridge
5	S. Armour
15	J. Bowie
16	N. Box
81	B. Epperson
83	E.T. R.R. CO., No. 1

<u>Abstract Nos.</u>	<u>Section Names</u>
127	D. M. Hallmark
129	N. A. Horton
130	P. Hinds
158	H. & T. C. R.R. CO. Survey Block A, No. 525
206	H. & T. C. RR. CO. Survey, No. 345
217	H. & T. C. RR. CO. Survey, Block A
250	H. & T. C. R.R. CO. Survey, Block A, No. 449
255	H. & T. C. R.R. CO. Survey, Block A, No. 459
256	H. & T. C. R.R. CO. Survey Block A, No. 461
268	H. & T. C. R.R. CO. Survey, Block A, No. 487
272	H. & T. C. R.R. CO. Survey, Block A, No. 495
274	H. & T. C. R.R. CO. Survey Block A, No. 499
338	H. & T. C. R.R. CO. Survey, Block No. 44
379	H. & T. B. R.R. CO. Survey, No. 1
393	A. Killough
418	Abb Luce Sr. (including Henry Trust land)
433	J. Montez
457	J.Oswalt
488	J. M. Seaton
492	H. Sanches
494	W. J. Sims
497	East half of J. Sinclair (near J.V. Barker)
534	Sul. Fork Iron Works Co. Survey, No. 1
552	E. Taylor
637	Mathew Earl
915	C. Duffel
921	J. Eubank
931	J. Greening Survey, No. 524
965	L. Johnson
971	H. Kenner
972	H. Kenner (No. 498)
974	W. Kinsey
994	J. Meason
1056	M. K. Womack, No. 460
1124	H. Kenner
1128	G. McLarty
1193	J. Greening
1194	J. Greening
1214	L. Thompson
1254	E.T. R.R. CO., No. 2

<u>Abstract Nos.</u>	<u>Section Names</u>
1352	C. Robason
1368	G. Little
1369	G. Little
1390	H. & T. B. R.R. CO. Survey, No. 1
1407	J. Olds
1431	G. Armstrong
1477	C. Duffel
1496	J. Hill Survey, No. 498
1504	Christopher Knolle
71	L. David
157	H. & T. C. R.R. CO. Survey Block A, No. 523 (south 50%, approx 315ac)
159	H. & T. C. RR. CO. Survey, No. 527
267	H. & T. C. R.R. CO. Survey, Block A, No. 485
273	H. & T. C. R.R. CO. Survey, Block A, No. 497
330	H. & T. C. RR. CO. Survey, No. 11
331	H. & T. C. RR. CO. Survey, No. 13 (East 50% of abstract, approx 250ac)
390	W. Irwin
535	Sul. Fork Iron Works Co. Survey, No. 1
815	L. Hart
864	C. Barnett
960	V. Johnson
961	C. Johnson
1045	J. Wishon (H. & T. C. RR. CO. Survey, No. 10)
1181	S. Bishop
1226	H. & T. C. RR. CO. Survey, No. 12 (I. Wishon)
1275	M. Womack
1284	W. Long
1317	Sul. Fork Iron Works Co. Survey, No. 2 (I. Wishon)
1388	H. & T. C. RR. CO. Survey, No. 528
1489	G. Crowell (H. & T. C. RR. CO. Survey, No. 486)
1531	T. Welch (H. & T. C. RR. CO. Survey, No. 528)

WHEREAS, the Subject Lands are not in the taxing jurisdiction of a municipality; and

WHEREAS, the Commissioners Court, on January 23, 2017 and March 27, 2017, adopted orders (the "Prior Reinvestment Zone Orders") designating various portions of the Subject Lands as a reinvestment zone; and



Tab 11(a), (e) and (f)

Crowell ISD

Vernon ISD

- Project Area
- ISD Boundary
- Reinvestment Zone
- County Boundary

Project: Foard City Wind

Location: Foard County, Texas

Date: 10/18/2017

EXHIBIT 2 DESCRIPTION AND LOCATION OF LAND

The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the map attached to **Exhibit 1**.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment shall be all tangible personal property first placed in service after May 9, 2018, that is owned by the Applicant, as more fully described in Tab #7 of the Application, and located within the boundaries of the Crowell Independent School District and the map attached to **Exhibit 1**.

Foard City Wind, LLC plans to construct an approximate 350 MW wind farm in Foard County. This application covers all qualified property within Crowell ISD necessary for the commercial operations of the proposed wind farm described in Tab 4. All of the approximate three hundred and fifty megawatts (350 MW) will be located in Crowell ISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 101 of the 3.45 MW turbines. Foard City Wind is also planning to construct approximately 3.7 miles of generation transmission tie line that will be in Crowell ISD.

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, operations and maintenance building, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.

EXHIBIT 4

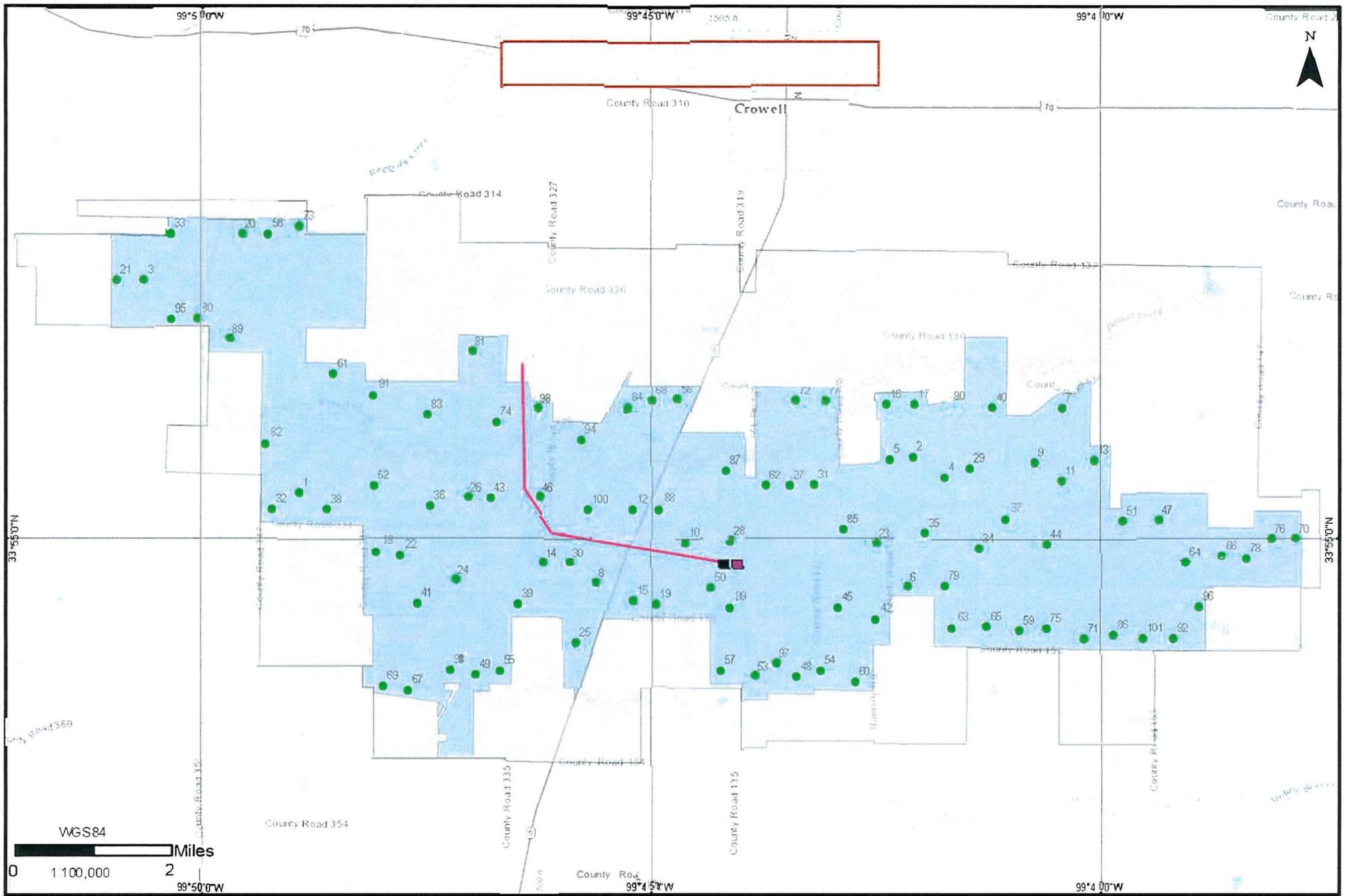
DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property within Crowell ISD necessary for the commercial operations of the solar-powered electric generating facility. All the Qualified Property for this Project will be located within Crowell ISD.

Foard City Wind, LLC plans to construct an approximate 350 MW wind farm in Foard County. This application covers all qualified property within Crowell ISD necessary for the commercial operations of the proposed wind farm described in Tab 4. All of the approximate three hundred and fifty megawatts (350 MW) will be located in Crowell ISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 101 of the 3.45 MW turbines. Foard City Wind is also planning to construct approximately 3.7 miles of generation transmission tie line that will be in Crowell ISD.

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, operations and maintenance building, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.



- O&M Building
- Turbine
- Substation
- Collection Line
- Transmission Line
- Project Area
- Reinvestment Zone

Project: Foard City Wind
 Location: Foard County, Texas
 Date: 10/18/2017

Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

May 9, 2018

President and Members
Board of Trustees
Crowell Independent School District
400 E. Logan
P.O. Box 239
Crowell, Texas 79227

Re: Recommendations and Findings of the firm Concerning Application of Foard City Wind, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Crowell Independent School District, with respect to the pending Application of Foard City Wind, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review, we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District over the course of the Agreement.

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of Foard City Wind, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey

www.moakcasey.com

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW
808 WEST AVE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILE: (512) 494-9919

KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

JUSTIN DEMERATH

BENJAMIN CASTILLO

May 9, 2018

President and Members
Of the Board of Trustees
Crowell Independent School District
400 E. Logan
P.O. Box 239
Crowell, Texas 79227

Re: Recommendations and Findings of the Firm Concerning Application of Foard City Wind, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Crowell Independent School District, with respect to the pending Application of Foard City Wind, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Foard City Wind, LLC. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.

5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Application of Foard City Wind, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", written in a cursive style.

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 7, 2018

Pam Norwood
Superintendent
Crowell Independent School District
400 E. Logan
P. O. Box 239
Crowell, Texas 79227-0239

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Crowell Independent School District and Foard City Wind, LLC, Application 1231

Dear Superintendent Norwood:

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 Crowell Independent School District and Foard City Wind, 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 Annette Holmes with our office. She can be reached by email at annette.holmes@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-3792, or at 512-475-3792.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Counihan", is positioned below the word "Sincerely,".

Will Counihan
Director
Data Analysis & Transparency Division

cc: Dan Casey, Partner, Moak Casey and Associates
Paul Rapp, Vice President, Ford City Wind, LLC
General Counsel, Ford City Wind, LLC
Wes Jackson, Partner, Cummings Westlake LLC

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

In its recent audits of Chapter 313 Agreements, The Texas State Auditor's Office has required documentation of inquiries concerning Board Member conflicts of interest at critical junctions in the Chapter 313 approval process. A local public official or a person related to a local public official in the first degree by either affinity or consanguinity has a substantial interest in a business entity or in real property, the local public official, before a vote or decision on any matter involving the business entity or the real property, is required to file an affidavit with an official Board record keeper stating the nature and extent of the interest and shall abstain from further participation in the matter if:

1. In the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
2. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
3. A person has a substantial interest in a business entity if:
The person owns at least:
 - a. Ten percent of the voting stock or shares of the business entity, or
 - b. Either ten percent or \$15,000 of the fair market value of the business entity; or
 - c. Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.
4. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The Board may contract with a business entity in which a Trustee has a substantial interest if the Trustee follows the disclosure and abstention procedure set out above.

Does any Board Member have a conflict of interest as defined above?

If so, has the required Affidavit, set forth at District Policy BBFA (Exhibit) been filed?

Please have the answers to the foregoing 2 questions and a copy of this Procedure included in the minutes of this meeting.