

High Lonesome Wind Power, LLC

Chapter 313 Application to Rankin ISD

Cummings Westlake, LLC

TAB 1

Pages 1 through 7 of application.



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

Economic Development
and Analysis
Form 50-296-A

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

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

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

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

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

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

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

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

SECTION 1: School District Information

1. Authorized School District Representative

February 7, 2018

Date Application Received by District

Sammy

First Name

Superintendent

Title

Rankin ISD

School District Name

1300 Upton St.

Street Address

P.O. Box 90

Mailing Address

Rankin

City

(432) 693-2461

Phone Number

Mobile Number (optional)

Wyatt

Last Name

TX

State

(432) 693-2353

Fax Number

swyatt@rankinisd.net

Email Address

79778

ZIP

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

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Sara _____ Leon _____
 First Name Last Name

 Title

Powell & Leon, LLP _____
 Firm Name

512-494-1177 _____ 512-494-1188 _____
 Phone Number Fax Number

 Mobile Number (optional) _____ sleon@powell-leon.com _____
 Email Address

4. On what date did the district determine this application complete? February 14, 2018
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)

William _____ Kelsey _____
 First Name Last Name

Partner _____ Wind Conveyor I, LP _____
 Title Organization

184 High St., Suite 701 _____
 Street Address

184 High St., Suite 701 _____
 Mailing Address

Boston _____ MA _____ 02110 _____
 City State ZIP

(866) 319-1949 _____
 Phone Number

 Mobile Number (optional) _____ wkelsey@swiftcurrentenergy.com _____
 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.

 First Name _____
 Last Name

 Title _____
 Organization

 Street Address

 Mailing Address

 City _____ State _____ ZIP _____

 Phone Number _____
 Fax Number

 Mobile Number (optional) _____
 Business Email Address

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

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

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? Yes No
 The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.
 1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.
 For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.
 2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? Yes No N/A
 3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? High Lonesome Wind Power, LLC
 2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32062092443
 3. List the NAICS code 221115
 4. Is the applicant a party to any other pending or active Chapter 313 agreements? Yes No
 4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Corporation
 2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? Yes No
 2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
 3. Is the applicant current on all tax payments due to the State of Texas? Yes No
 4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? Yes No N/A
 5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

- 1. Application approval by school board July 2018
- 2. Commencement of construction December 2018
- 3. Beginning of qualifying time period 2018
- 4. First year of limitation 2020
- 5. Begin hiring new employees 2020
- 6. Commencement of commercial operations December 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? December 2019

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Upton County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Upton 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: Crockett, \$0.950, 44% / Upton, \$0.46872, 56% City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: Rankin Hospital, \$0.3008, 56% Water District: Upton County Water, \$0.003782, 56%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): Crockett County GCD, \$0.2236, 44% Other (describe): Rankin EMS, \$0.015, 56%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
- 5. Is the project located entirely within the ISD listed in Section 1? Yes No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
- 6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 20,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? 25,000,000.00
- 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? March 2018

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 1,234.25
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 605.83
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,143.98
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? 31,503.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 31,550.00
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**.

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 ▶ Sammy Wyatt
Print Name (Authorized School District Representative) Superintendent
sign here ▶ Sammy Wyatt
Signature (Authorized School District Representative) 2/7/2018
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

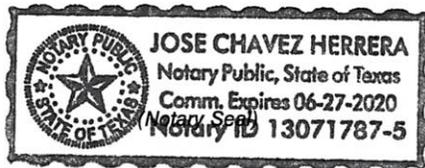
I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best 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 ▶ William Kelsey
Print Name (Authorized Company Representative (Applicant)) Partner
sign here ▶ William Kelsey
Signature (Authorized Company Representative (Applicant)) 2/7/18
Date

GIVEN under my hand and seal of office this, the

7th day of February, 2018
Jose Chavez Herrera
Notary Public in and for the State of Texas



My Commission expires: 06-27-2020

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

High Lonesome Wind Power, LLC

Chapter 313 Application to Rankin ISD

Cummings Westlake, LLC

TAB 2

Proof of Payment of Application Fee

Please find on the attached page, a copy of the check for the \$75,000 application fee paid to Rankin ISD.

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)*

High Lonesome Wind Power, LLC

Chapter 313 Application to Rankin ISD

Cummings Westlake, LLC

TAB 3

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

Not Applicable

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.

High Lonesome Wind Power, LLC (High Lonesome Wind) is requesting an appraised value limitation from Rankin Independent School District (ISD) for the High Lonesome Wind Project (the "Project"), a proposed wind powered electric generating facility in Upton County. The proposed Rankin ISD Project (this application) will be constructed within a Reinvestment Zone that will be established by Upton County by March 2018. A map showing the location of the project is included in TAB 11.

The proposed Rankin ISD portion of the Project is anticipated to have a capacity of approximately 155 MW up to 183 MW located in Rankin 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 estimated plans are to install 93 turbines that will be located in Rankin ISD. 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, O&M 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 December 2018 with completion by December 31, 2019.

**NOTE:* The map in TAB 11 shows the potential locations of 93 of the wind turbines, an O&M building and a collector substation within Rankin 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.

Swift Current Energy (SCE) is a clean energy focused development and investment firm. Founded in 2016 by industry veterans, Swift Current Energy has over a gigawatt of utility scale wind, solar, and energy storage power projects in development across North America. Swift Current Energy is headquartered in Boston, Massachusetts with offices in Illinois, Maine, Montana, New York and Texas.

SCE is keen to develop and build the proposed High Lonesome 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. SCE is active in states throughout the United States, 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. SCE has many wind sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, SCE currently has ongoing project developments in many states, including but not limited to, Illinois, Indiana, Iowa, Maine, Minnesota and Oklahoma.

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 the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

High Lonesome Wind Power, LLC

Chapter 313 Application to Rankin ISD

Cummings Westlake, LLC

TAB 6

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

| | |
|-----------------------------|-------|
| 1) Crockett County | - 44% |
| 2) Crockett County CCSD | - 44% |
| 3) Crockett County GCD | - 44% |
| 4) Upton County | - 56% |
| 5) Rankin Hospital District | - 56% |
| 6) Rankin ISD | - 56% |
| 7) Upton County Water | - 56% |
| 8) Rankin EMS | - 56% |

TAB 7

Description of Qualified Investment

High Lonesome Wind Power, LLC plans to construct a 155 MW up to 183 MW wind farm in Upton County.

This application covers all qualified property within Rankin ISD necessary for the commercial operations of the proposed wind farm described in Tab 4. One hundred and fifty-five (155 MW) up to one hundred and eighty-three megawatts (183 MW) will be located in Rankin ISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 93 turbines.

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, O&M 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 93 of the wind turbines, an O&M building and a collector substation within Rankin 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

High Lonesome Wind Power, LLC plans to construct a 155 MW up to 183 MW wind farm in Upton County.

This application covers all qualified property within Rankin ISD necessary for the commercial operations of the proposed wind farm described in Tab 4. One hundred and fifty-five (155 MW) up to one hundred and eighty-three megawatts (183 MW) will be located in Rankin ISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 93 turbines.

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, O&M 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 93 of the wind turbines, an O&M building and a collector substation within Rankin 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.

High Lonesome Wind Power, LLC

Chapter 313 Application to Rankin ISD

Cummings Westlake, LLC

TAB 9

Description of Land

Not Applicable

High Lonesome Wind Power, LLC

Chapter 313 Application to Rankin ISD

Cummings Westlake, LLC

TAB 10

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

Not Applicable

High Lonesome Wind Power, LLC

Chapter 313 Application to Rankin ISD

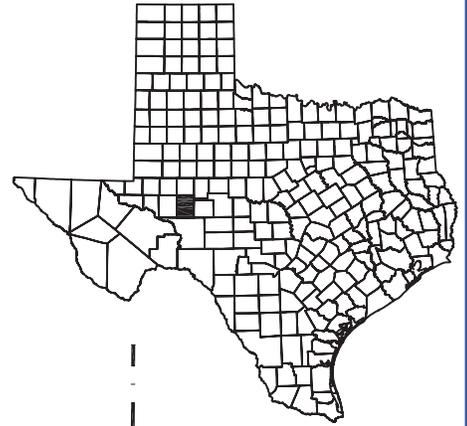
Cummings Westlake, LLC

TAB 11

Maps that clearly show:

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

VICINITY MAP



ECTOR COUNTY

MIDLAND COUNTY

MARTIN COUNTY

CRANE COUNTY

UPTON COUNTY

RANKIN INDEPENDENT
SCHOOL DISTRICT

REAGAN COUNTY

MCCAMEY INDEPENDENT
SCHOOL DISTRICT

○ RANKIN, TEXAS

HIGH LONESOME
WIND PROJECT

CROCKETT COUNTY

HIGH LONESOME WIND

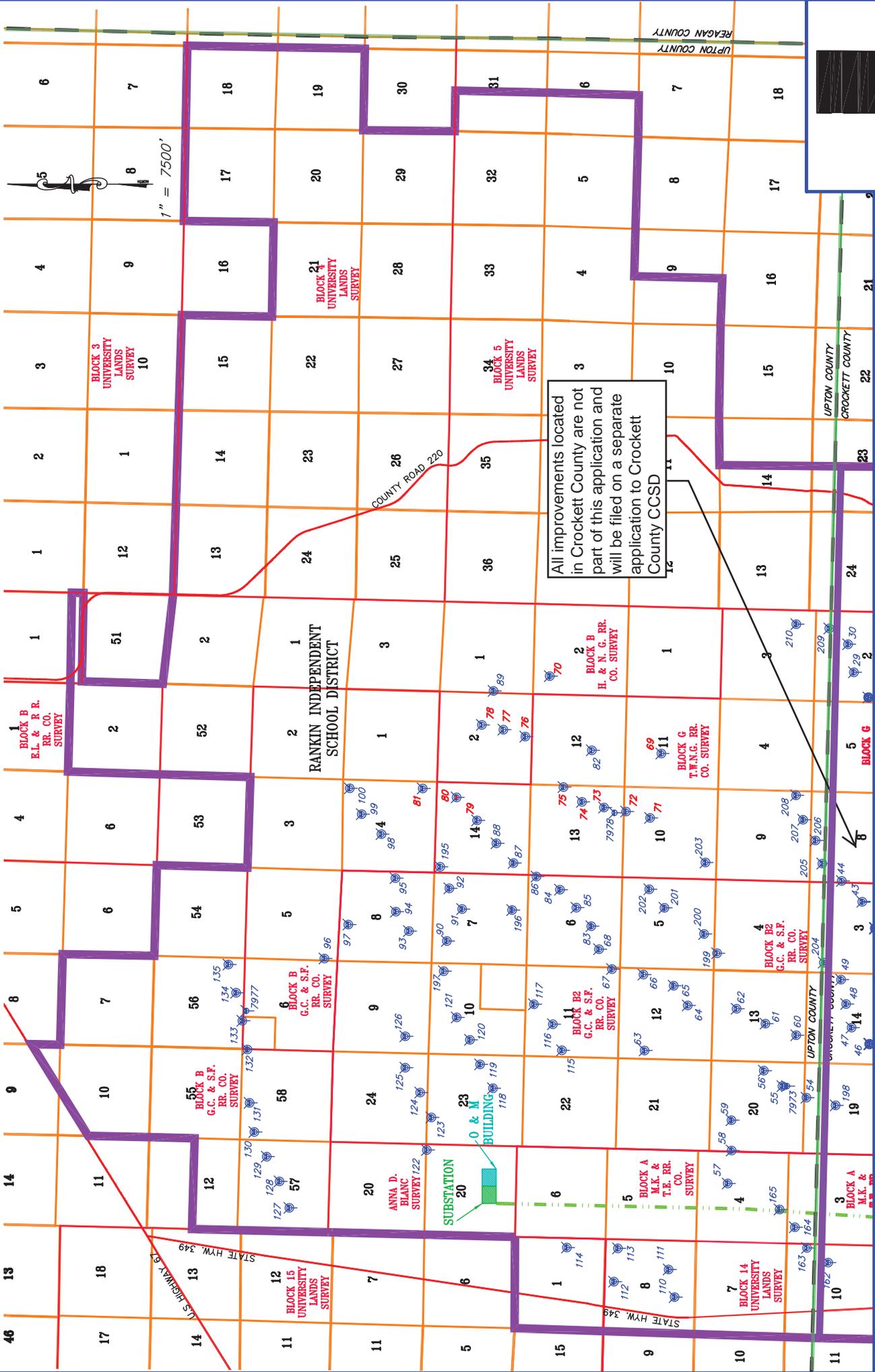
PROJECT SITE MAP

Vicinity Map
Situated in
RANKIN INDEPENDENT SCHOOL DISTRICT

-  PROJECT BOUNDARY/
PROPOSED REINVESTMENT ZONE
-  COUNTY LINE
-  SCHOOL DISTRICT LINE

DATE: 01/12/2018

IMPROVEMENT MAP



All improvements located in Crockett County are not part of this application and will be filed on a separate application to Crockett County CCSD

PROJECT SITE MAP

- Project Boundary
- Proposed Reinvestment Zone
- O&M SITE
- PROPOSED T-LINE
- SCHOOL DISTRICT LINE
- TURBINES
- SUBSTATION
- ROAD
- COUNTY LINE
- OTLS

HIGH LONESOME WIND

Improvement Map Situated in RANKIN INDEPENDENT SCHOOL DISTRICT



DATE: 01/12/2018

1" = 7500'



UPTON COUNTY
CROCKETT COUNTY
STATE HWY. 349
U.S. HIGHWAY 349
STATE HWY. 349
COUNTY ROAD 220
RANKIN INDEPENDENT SCHOOL DISTRICT
BLOCK B E.L. & R.R. CO. SURVEY
BLOCK 3 UNIVERSITY LANDS SURVEY
BLOCK 4 UNIVERSITY LANDS SURVEY
BLOCK 5 UNIVERSITY LANDS SURVEY
BLOCK B G.C. & S.F. RR. CO. SURVEY
BLOCK B2 G.C. & S.F. RR. CO. SURVEY
BLOCK A M.K. & T.E. RR. CO. SURVEY
BLOCK 14 UNIVERSITY LANDS SURVEY
BLOCK A H.L. & RR. CO. SURVEY
BLOCK B H. & N.G. RR. CO. SURVEY
BLOCK G T.W.N.G. RR. CO. SURVEY

High Lonesome Wind Power, LLC

Chapter 313 Application to Rankin ISD

Cummings Westlake, LLC

TAB 12

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

See Attached

CUMMINGS WESTLAKE LLC

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

February 1, 2018

Mr. Sammy Wyatt
Rankin Independent School District
1300 Upton St.
Rankin, TX 79778

Re: Chapter 313 Job Waiver Request

Dear Mr. Wyatt,

High Lonesome Wind Power, LLC (High Lonesome) requests that the Rankin 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.

High Lonesome requests that the Rankin 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, High Lonesome has committed to create 7 total jobs for the project, all of which will be in Rankin 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,



J. Weston Jackson
Partner

TAB 13

Calculation of three possible wage requirements with TWC documentation

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

**HIGH LONESOME WIND POWER, LLC
TAB 13 TO CHAPTER 313 APPLICATION**

**UPTON COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

| QUARTER | YEAR | AVG WEEKLY WAGES* | ANNUALIZED |
|---------|------|-------------------|------------|
| FIRST | 2017 | \$ 1,423 | \$ 73,996 |
| SECOND | 2017 | \$ 1,209 | \$ 62,868 |
| THIRD | 2016 | \$ 1,086 | \$ 56,472 |
| FOURTH | 2016 | \$ 1,219 | \$ 63,388 |
| AVERAGE | | \$ 1,234.25 | \$ 64,181 |

**UPTON COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

| QUARTER | YEAR | AVG WEEKLY WAGES* | ANNUALIZED |
|---------|------|-------------------|------------|
| FIRST | 2008 | \$ 685 | \$ 35,620 |
| SECOND | 2008 | \$ 478 | \$ 24,856 |
| THIRD | 2008 | \$ 591 | \$ 30,732 |
| FOURTH | 2008 | \$ 449 | \$ 23,348 |
| AVERAGE | | \$ 551 | \$ 28,639 |
| X | | 110% | 110% |
| | | \$ 605.83 | \$ 31,503 |

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

| | YEAR | AVG WEEKLY WAGES* | ANNUALIZED |
|---------------|------|-------------------|------------|
| Permian Basin | 2016 | \$ 1,040 | \$ 54,079 |
| X | | 110% | 110% |
| | | \$ 1,143.98 | \$ 59,487 |

* 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 | Upton County | Total All | 00 | 0 | 10 | Total, all industries | \$1,423 |
| 2017 | 2nd Qtr | Upton County | Total All | 00 | 0 | 10 | Total, all industries | \$1,209 |
| 2016 | 3rd Qtr | Upton County | Total All | 00 | 0 | 10 | Total, all industries | \$1,086 |
| 2016 | 4th Qtr | Upton County | Total All | 00 | 0 | 10 | Total, all industries | \$1,219 |

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 |
|--|--|--|---|--|---|--|--|--|
| 2008 | 1st Qtr | Upton County | Total All | 31 | 2 | 31-33 | Manufacturing | \$685 |
| 2008 | 2nd Qtr | Upton County | Total All | 31 | 2 | 31-33 | Manufacturing | \$478 |
| 2008 | 3rd Qtr | Upton County | Total All | 31 | 2 | 31-33 | Manufacturing | \$591 |
| 2008 | 4th Qtr | Upton County | Total All | 31 | 2 | 31-33 | Manufacturing | \$449 |

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

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

110% x \$54,079 = \$59,487

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.

High Lonesome Wind Power, LLC

Chapter 313 Application to Rankin ISD

Cummings Westlake, LLC

TAB 14

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

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

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

| PROPERTY INVESTMENT AMOUNTS | | | | | (Estimated Investment in each year. Do not put cumulative totals.) | | | | |
|--|-------|--|--|---|---|--|---|-------------|-------------|
| | | | Column A | Column B | Column C | Column D | Column E | | |
| | | | personal property (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 not 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 | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | No eligible to become Qualified Property | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | |
| Investment made after filing complete application with district, but before final board approval of application | - | Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period) | 2018 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | |
| Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period | QTP-1 | 2019-2020 | 2019 | 200,600,000 | 700,000 | 0 | 0 | 0 | 201,300,000 |
| | | | | | | | | | |
| Complete six years of qualifying time period | QTP-2 | 2020-2021 | 2020 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | |
| Total Investment through Qualifying Time Period [ENTER this row in Schedule A2] | | | 200,600,000 | 700,000 | 0 | 0 | 0 | 201,300,000 | |
| Total Qualified Investment (sum of green cells) | | | 201,300,000 | | | | | | |

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

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

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

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

Column D: 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.

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 |
| | | | | | 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 nonmovable components of buildings that will become Qualified Property | Other investment made during this year that will NOT become Qualified Property [SEE NOTE] | Other investment made during this year that will become Qualified Property [SEE NOTE] | Total Investment (A+B+C+D) |
| Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | | | Enter amounts from TOTAL row in Schedule A1 in the row below | | | | |
| TOTALS FROM SCHEDULE A1 | | | | | 200,600,000 | 700,000 | 0 | 0 | 201,300,000 |
| Each year prior to start of value limitation period** | <i>Insert as many rows as necessary</i> | | 0 | 2018-2019 | 2018 | | | | 0 |
| Each year prior to start of value limitation period** | <i>Insert as many rows as necessary</i> | | 0 | 2019-2020 | 2019 | | | | 0 |
| Value limitation period*** | 1 | 2020-2021 | 2020 | | 0 | | | | 0 |
| | 2 | 2021-2022 | 2021 | | 0 | | | | 0 |
| | 3 | 2022-2023 | 2022 | | 0 | | | | 0 |
| | 4 | 2023-2024 | 2023 | | 0 | | | | 0 |
| | 5 | 2024-2025 | 2024 | | 0 | | | | 0 |
| | 6 | 2025-2026 | 2025 | | 0 | | | | 0 |
| | 7 | 2026-2027 | 2026 | | 0 | | | | 0 |
| | 8 | 2027-2028 | 2027 | | 0 | | | | 0 |
| | 9 | 2028-2029 | 2028 | | 0 | | | | 0 |
| | 10 | 2029-2030 | 2029 | | 0 | | | | 0 |
| Total Investment made through limitation | | | | | 200,600,000 | 700,000 | 0 | 0 | 201,300,000 |
| Continue to maintain viable presence | | | | | | | | | |
| | | | 11 | 2030-2031 | 2030 | | | | 0 |
| | | | 12 | 2031-2032 | 2031 | | | | 0 |
| | | | 13 | 2032-2033 | 2032 | | | | 0 |
| | | | 14 | 2033-2034 | 2033 | | | | 0 |
| | | | 15 | 2034-2035 | 2034 | | | | 0 |
| | | | 16 | 2035-2036 | 2035 | | | | 0 |
| | | | 17 | 2036-2037 | 2036 | | | | 0 |
| | | | 18 | 2037-2038 | 2037 | | | | 0 |
| | | | 19 | 2038-2039 | 2038 | | | | 0 |
| | | | 20 | 2039-2040 | 2039 | | | | 0 |
| | | | 21 | 2040-2041 | 2040 | | | | 0 |
| | | | 22 | 2041-2042 | 2041 | | | | 0 |
| | | | 23 | 2042-2043 | 2042 | | | | 0 |
| | | | 24 | 2043-2044 | 2043 | | | | 0 |
| | | | 25 | 2044-2045 | 2044 | | | | 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 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
Applicant Name

2/1/2018
High Lonesome Wind Power, LLC

Form 50-296A

ISD Name

Rankin ISD

Revised May 2014

| Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i> | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Qualified Property | | Estimated Taxable Value | | | |
|--|-----------|----------------------------|---|--------------------------------|---|--|--|--|--|
| | | | | Estimated Market Value of Land | Estimated Total Market Value of new buildings or other new improvements | Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements" | Market Value less any exemptions (such as pollution control) and before limitation | Final taxable value for 18S after all reductions | Final taxable value for M&O after all reductions |
| 0 | 2018-2019 | 2018 | 2018 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 2019-2020 | 2019 | 2019 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1 | 2020-2021 | 2020 | 2020 | 0 | 686,000 | 192,576,000 | 193,262,000 | 193,262,000 | 25,000,000 |
| 2 | 2021-2022 | 2021 | 2021 | 0 | 668,850 | 177,169,920 | 177,838,770 | 177,838,770 | 25,000,000 |
| 3 | 2022-2023 | 2022 | 2022 | 0 | 652,130 | 162,996,330 | 163,648,460 | 163,648,460 | 25,000,000 |
| 4 | 2023-2024 | 2023 | 2023 | 0 | 635,830 | 149,956,620 | 150,592,450 | 150,592,450 | 25,000,000 |
| 5 | 2024-2025 | 2024 | 2024 | 0 | 619,930 | 137,960,090 | 138,580,020 | 138,580,020 | 25,000,000 |
| 6 | 2025-2026 | 2025 | 2025 | 0 | 604,430 | 126,923,280 | 127,527,710 | 127,527,710 | 25,000,000 |
| 7 | 2026-2027 | 2026 | 2026 | 0 | 589,320 | 116,769,420 | 117,358,740 | 117,358,740 | 25,000,000 |
| 8 | 2027-2028 | 2027 | 2027 | 0 | 574,590 | 107,427,870 | 108,002,460 | 108,002,460 | 25,000,000 |
| 9 | 2028-2029 | 2028 | 2028 | 0 | 560,230 | 98,833,640 | 99,393,870 | 99,393,870 | 25,000,000 |
| 10 | 2029-2030 | 2029 | 2029 | 0 | 546,220 | 90,926,950 | 91,473,170 | 91,473,170 | 25,000,000 |
| 11 | 2030-2031 | 2030 | 2030 | 0 | 532,560 | 83,652,790 | 84,185,350 | 84,185,350 | 84,185,350 |
| 12 | 2031-2032 | 2031 | 2031 | 0 | 519,250 | 76,960,570 | 77,479,820 | 77,479,820 | 77,479,820 |
| 13 | 2032-2033 | 2032 | 2032 | 0 | 506,270 | 70,803,720 | 71,309,990 | 71,309,990 | 71,309,990 |
| 14 | 2033-2034 | 2033 | 2033 | 0 | 493,610 | 65,139,420 | 65,633,030 | 65,633,030 | 65,633,030 |
| 15 | 2034-2035 | 2034 | 2034 | 0 | 481,270 | 59,928,270 | 60,409,540 | 60,409,540 | 60,409,540 |
| 16 | 2035-2036 | 2035 | 2035 | 0 | 469,240 | 55,134,010 | 55,603,250 | 55,603,250 | 55,603,250 |
| 17 | 2036-2037 | 2036 | 2036 | 0 | 457,510 | 50,723,290 | 51,180,800 | 51,180,800 | 51,180,800 |
| 18 | 2037-2038 | 2037 | 2037 | 0 | 446,070 | 46,665,430 | 47,111,500 | 47,111,500 | 47,111,500 |
| 19 | 2038-2039 | 2038 | 2038 | 0 | 434,920 | 42,932,200 | 43,367,120 | 43,367,120 | 43,367,120 |
| 20 | 2039-2040 | 2039 | 2039 | 0 | 424,050 | 39,497,620 | 39,921,670 | 39,921,670 | 39,921,670 |
| 21 | 2040-2041 | 2040 | 2040 | 0 | 413,450 | 36,337,810 | 36,751,260 | 36,751,260 | 36,751,260 |
| 22 | 2041-2042 | 2041 | 2041 | 0 | 403,110 | 33,430,790 | 33,833,900 | 33,833,900 | 33,833,900 |
| 23 | 2042-2043 | 2042 | 2042 | 0 | 393,030 | 30,756,330 | 31,149,360 | 31,149,360 | 31,149,360 |
| 24 | 2043-2044 | 2043 | 2043 | 0 | 383,200 | 28,295,820 | 28,679,020 | 28,679,020 | 28,679,020 |
| 25 | 2044-2045 | 2044 | 2044 | 0 | 373,620 | 26,032,150 | 26,405,770 | 26,405,770 | 26,405,770 |

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.

Additional years for 25 year economic impact as required by 313.026(c)(1)

Continue to maintain viable presence

Schedule C: Employment Information

Date: 2/1/2018
 Applicant Name: High Lonesome Wind Power, LLC
 ISD Name: Rankin ISD

Form 50-296A
 Revised May 2014

| | Year | School Year (YYYY-YYYY) | Tax Year (Actual tax year) YYYY | Construction | | Qualifying Jobs | | |
|---|---------------|----------------------------|---------------------------------------|---|--|--|---|--|
| | | | | Column A Number of Construction FTE's or man-hours (Specify) | Column B Average annual wage rates for construction workers | Column C Non-Qualifying Jobs Number of non-qualifying jobs applicant estimates it will create (cumulative) | Column D Qualifying Jobs 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 |
| Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i> | 0 | 2018-2019 | 2018 | 26 FTE | 52,500 | 0 | 0 | 0 |
| | 0 | 2019-2020 | 2019 | 250 FTE | 52,500 | 0 | 0 | 0 |
| | 1 | 2020-2021 | 2020 | N/A | N/A | 0 | 7 | 31,550 |
| | 2 | 2021-2022 | 2021 | N/A | N/A | 0 | 7 | 31,550 |
| | 3 | 2022-2023 | 2022 | N/A | N/A | 0 | 7 | 31,550 |
| | 4 | 2023-2024 | 2023 | N/A | N/A | 0 | 7 | 31,550 |
| | 5 | 2024-2025 | 2024 | N/A | N/A | 0 | 7 | 31,550 |
| | 6 | 2025-2026 | 2025 | N/A | N/A | 0 | 7 | 31,550 |
| | 7 | 2026-2027 | 2026 | N/A | N/A | 0 | 7 | 31,550 |
| | 8 | 2027-2028 | 2027 | N/A | N/A | 0 | 7 | 31,550 |
| 9 | 2028-2029 | 2028 | N/A | N/A | 0 | 7 | 31,550 | |
| 10 | 2029-2030 | 2029 | N/A | N/A | 0 | 7 | 31,550 | |
| Years Following Value Limitation Period | 11 through 25 | 2030-2045 | 2030-2044 | N/A | N/A | 0 | 7 | 31,550 |

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

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

Schedule D: Other Incentives (Estimated)

Date: 2/1/2018
 Applicant Name: High Lonesome Wind Power, LLC
 ISD Name: Rankin ISD

| 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: Upton County | 2020 | 10 Years | Avg. \$640,000 | 75% | \$160,000 | |
| | City: | N/A | N/A | N/A | N/A | N/A | |
| | Other: Rankin Hospital | 2020 | 10 Years | Avg. \$410,000 | 75% | \$102,000 | |
| Local Government Code Chapters 380/381 | County: | N/A | N/A | N/A | N/A | N/A | |
| | City: | N/A | N/A | N/A | N/A | N/A | |
| | Other: | N/A | N/A | N/A | N/A | N/A | |
| Freeport Exemptions | N/A | N/A | N/A | N/A | N/A | N/A | |
| Non-Annexation Agreements | N/A | N/A | N/A | N/A | N/A | N/A | |
| Enterprise Zone/Project | N/A | N/A | N/A | N/A | N/A | N/A | |
| Economic Development Corporation | N/A | N/A | N/A | N/A | N/A | N/A | |
| Texas Enterprise Fund | N/A | N/A | N/A | N/A | N/A | N/A | |
| Employee Recruitment | N/A | N/A | N/A | N/A | N/A | N/A | |
| Skills Development Fund | N/A | N/A | N/A | N/A | N/A | N/A | |
| Training Facility Space and Equipment | N/A | N/A | N/A | N/A | N/A | N/A | |
| Infrastructure Incentives | N/A | N/A | N/A | N/A | N/A | N/A | |
| Permitting Assistance | N/A | N/A | N/A | N/A | N/A | N/A | |
| Other: | N/A | N/A | N/A | N/A | N/A | N/A | |
| Other: | N/A | N/A | N/A | N/A | N/A | N/A | |
| Other: | N/A | N/A | N/A | N/A | N/A | N/A | |
| TOTAL | | | | Avg. \$1,050,000 | | \$262,000 | |

Additional information on incentives for this project:

Upton County Terms: No agreement has been signed or discussed.
 Rankin Hospital Terms: No agreement has been signed or discussed.

High Lonesome Wind Power, LLC

Chapter 313 Application to Rankin ISD

Cummings Westlake, LLC

TAB 15

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

None

High Lonesome Wind Power, LLC

Chapter 313 Application to Rankin ISD

Cummings Westlake, LLC

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as a enterprise zone as defined by the Governor's office*
- b) Legal description of reinvestment zone**
- c) Order, resolution, or ordinance established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

16a) Not Applicable

16b) Will be submitted once County establishes the Reinvestment Zone

16c) Will be submitted once County establishes the Reinvestment Zone

16d) See Attached

16d) Upton County Guidelines and Criteria

Guidelines & Criteria for Granting Tax Abatements in Reinvestment Zones Upton County, Texas

Preamble

Pursuant to Chapter 312 of the Texas Tax Code, Upton County may consider an application for tax abatement, designate a reinvestment zone and enter into a tax abatement agreement as provided for in these Guidelines and Criteria.

I. Abatement Application Procedure

(a) Who may apply Any present or potential owner or lessee of taxable property in Upton County may submit an application for tax abatement conforming to the requirements outlined herein.

Abatement may only be granted for the following property constructed or otherwise put in place after the effective date of the tax abatement agreement: new, expanded or modernized buildings and structures, fixed machinery and equipment; site improvements; related fixed improvements; other tangible items necessary to the operation and administration of the project or facility; and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code.

(c) Application provisions. The application shall consist of a completed Upton County Tax Abatement Application Form, which shall contain the following:

- (1) information showing how the project meets the requirements of the criteria outlined in Section II below;
- (2) a map and description of the property;
- (3) a time schedule for completing the planned improvements;
- (4) the estimated taxable value or range of values of the project or facility; and
- (5) basic financial information about the principles sufficient to enable evaluation of the applicant's financial capacity;
- (6) and a \$1000.00 application fee.

(d) Procedure for Application Consideration. The procedure for consideration by the County of a Tax Abatement Application is as follows.

- (1) An applicant may request the Guidelines and Criteria for a Tax Abatement from the County Judge's Secretary.
- (2) After an applicant builds an Application based on the Tax Abatement Guidelines and Criteria, applicant provides a copy to each member to the Upton County Commissioners Court and the County Judge's Secretary.
- (3) After receipt of an application, the Commissioners Court determines within forty-five (45) days how to proceed with the application. The Commissioners Court shall choose either to deny the application, consider the application, or consider the application on an expedited basis.

(A) Denial of application. If the Commissioners Court chooses to deny the application, it shall make a finding by majority vote at a regularly scheduled meeting that the application does not meet the requirements of the criteria provided below in Section II,

(B) Consideration of application. If the County determines that the application should be further considered, the County Judge shall schedule a hearing to obtain public input on the application. At least seven (7) days prior to the hearing, the County must send written notice to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought and must publish notice of the hearing time, place and subject in the local newspaper. At the hearing, the Commissioners Court evaluates the application against the criteria in Section II and decides whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is not designated, the application fails, although it may be amended and resubmitted. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect and may then arrange to consider for approval the tax abatement agreement between the applicant and the county at its next regularly scheduled meeting. At least seven days prior to entering into a tax abatement agreement, the County must give written notice of its intent to do so to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought, along with a copy of the proposed tax abatement agreement. At the regularly scheduled meeting, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement or to decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the county.

(C) Expedited consideration of application. If the County determines that the application should receive expedited consideration, the County Judge shall schedule an opportunity to obtain public input on the application at the Commissioners Court next meeting. At least seven (7) days prior to the meeting, the County must send written notice to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought and must publish notice of the hearing time, place and subject in the local newspaper. Also at this time, the County must give written notice of its intent to enter into a tax abatement agreement to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought, along with a copy of the proposed tax abatement agreement. During the regularly scheduled meeting, the Commissioners Court evaluates the application against the criteria in Section II and decides whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is not designated, the application fails, although it may be amended and resubmitted. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect and may then immediately consider for approval the tax abatement agreement between the applicant and the county. After consideration, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement, or to decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the county.

(e) Confidentiality. As required by Section 312.003 of the Texas Tax Code, information that is provided to Upton County in connection with an application or request for tax abatement under this chapter and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until the tax abatement agreement is executed.

II. Criteria for Designating a Reinvestment Zone

(a) Minimum requirement. To be designated a reinvestment zone, County Commissioners must find by majority vote that:

(1) the property for which the abatement is sought will be reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the county, or meet one or more of the other requirements provided in Section 312.202 of the Texas Tax Code; and

(2) that the improvements sought are feasible and practical and would be a benefit to the land to be included in the zone and to the county after expiration of the tax abatement agreement.

(b) Criteria. In determining whether to designate a reinvestment zone and whether to enter into a tax abatement agreement, the Commissioners Court shall consider the following factors, among others determined appropriate by the Court:

- (1) value of land and existing improvements, if any;
- (2) type and value of proposed improvements;
- (3) productive life of proposed improvements;
- (4) number of existing jobs to be retained by proposed improvements;
- (5) number and type of new jobs, if any, to be created by proposed improvements;
- (6) costs to be incurred by Upton County, if any, to provide facilities or services directly resulting from the new improvements;
- (7) types and values of public improvements, if any, to be made by applicant seeking abatement;
- (8) the amount of ad valorem property taxes to be paid to Upton County after expiration of the abatement agreement;
- (9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any; and
- (10) the overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area.

III. Format for Tax Abatement Agreement

(a) Required provisions. If the Upton County Commissioners Court designates a reinvestment zone, it may consider and execute a tax abatement agreement with the owner of the designated property and lessee, as appropriate, as outlined above. Any tax abatement agreement shall include at least the following:

- (1) the kind, number and location of all proposed improvements of the property;
- (2) provisions allowing for reasonable access to the property for initial and intermittent inspection purposes by County employees or designated representatives to ensure improvements are made in compliance with the agreement;
- (3) provisions limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the area during the period of abatement;
- (4) provisions for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided in the agreement;
- (5) each term agreed to by the recipient of the abatement;
- (6) a requirement that the abatement recipient certify its compliance with the agreement annually to the County; and
- (7) provisions allowing the County to cancel or modify the agreement if the recipient is out of compliance with the agreement.

(b) Optional provisions. The tax abatement agreement may also contain any or all of the following items, in addition to any others deemed appropriate by the contracting parties;

- (1) the estimated taxable value or range of values for which taxes are to be abated;
- (2) percent of value to be abated or payment in-lieu-of tax amount each year;
- (3) the commencement and termination dates of the abatement;
- (4) proposed use of the property;
- (5) nature of construction, time schedule, map, and property description;
- (6) contractual obligations in the event of default or violation of terms or conditions;
- (7) size of investment and number of temporary and permanent jobs involved, if any;
- (8) provisions for dispute resolution.

(c) Duration and portion of abatement. A tax abatement granted by Upton County may be up to, but shall not exceed, ten (10) years in duration and up to but not exceeding 100% in portion of ad valorem property taxes abated.

(d) Time limit. Such agreement shall be executed within 30 days after passage of the resolution approving the agreement, unless the County and the applicant mutually agree otherwise.

IV. Administration of Tax Abatement Agreement

(a) Inspections. County employees or their designated representatives shall have reasonable access to the property for initial and intermittent inspection purposes in order to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement.

(b) Cure provisions. Should Upton County determine that the company or individual

receiving the abatement is in default of the tax abatement agreement, it shall notify the company or individual of such default in writing at the address specified in the agreement, and if such is not cured within sixty (60) days of notice, the agreement may be terminated by the County.

(c) Modification and termination. At any time before the expiration of a tax abatement agreement, an agreement may be modified by the parties to include other provisions that could have been included in the original agreement or to delete provisions that were not necessary to the original agreement. The modification must be made by the same procedure by which the original agreement was made. An agreement may also be terminated by the mutual consent of the parties in the same way the agreement was made, or by other means as agreed by the parties according to the provisions of the agreement.

V. Assignment

An abatement granted by Upton County may be transferred and assigned by the holder to a new owner or lessee of the same property upon the approval by resolution of Upton County subject to the financial capacity of the assignee and provided that all conditions and obligations in the tax abatement agreement are guaranteed by the execution of a new contractual agreement with Upton County. Approval shall not be unreasonably withheld by Upton County.

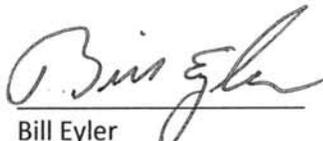
VI. Sunset and Amendment of Guidelines and Criteria

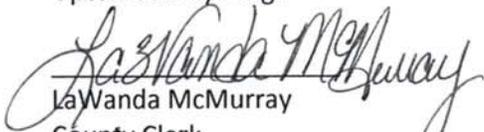
VII. Variance

The Commissioner's Court shall have the authority to grant a variance from the terms and conditions of these Guidelines and Criteria.

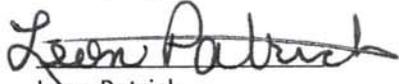
These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, unless amended by three-fourths vote of the Upton County Commissioners Court.

Passed and approved at a regular meeting of the Upton County Commissioners' Court, at which a quorum was present on the 8th day of August, 2016.

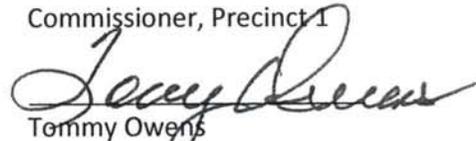

Bill Eyer
Upton County Judge

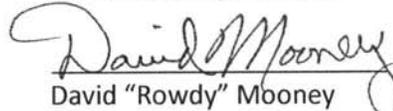

LaWanda McMurray
County Clerk


Melanie Spratt
County Legal Counsel


Leon Patrick
Commissioner, Precinct 4


Dean Titsworth
Commissioner, Precinct 1


Tommy Owens
Commissioner, Precinct 2


David "Rowdy" Mooney
Commissioner, Precinct 3

High Lonesome Wind Power, LLC

Chapter 313 Application to Rankin ISD

Cummings Westlake, LLC

TAB 17

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

See Attached

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here ▶ Sammy Wyatt
Print Name (Authorized School District Representative) Superintendent
sign here ▶ Sammy Wyatt
Signature (Authorized School District Representative) Title
Date 2/7/2018

2. Authorized Company Representative (Applicant) Signature and Notarization

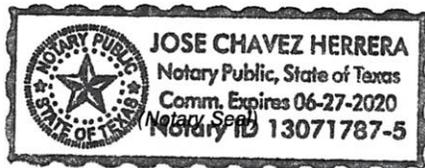
I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best 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 ▶ William Kelsey
Print Name (Authorized Company Representative (Applicant)) Partner
sign here ▶ William Kelsey
Signature (Authorized Company Representative (Applicant)) Title
Date 2/7/18

GIVEN under my hand and seal of office this, the

7th day of February, 2018
Jose Chavez Herrera
Notary Public in and for the State of Texas



My Commission expires: 06-27-2020

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