FINDINGS
OF THE

RANKIN INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES

UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY

HIGH LONESOME WIND POWER, LLC
TEXAS TAXPAYER ID #32062092443
APPLICATION #1237

December 19, 2018

FINDINGS OF THE RANKIN INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY HIGH LONESOME WIND POWER, LLC

STATE OF TEXAS §
§
COUNTY OF UPTON §

On the 19th day of December, 2018, a public meeting of the Board of Trustees of the Rankin Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the Application of High Lonesome Wind Power, LLC (Application #1237) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from attorneys and consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Rankin Independent School District makes the following findings with respect to the Application of High Lonesome Wind Power, LLC #1237, and the economic impact of that Application:

On February 7, 2018, the Superintendent of Schools of the Rankin Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from High Lonesome Wind Power, LLC #1237 for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is posted on the Texas Comptroller's website at:

https://comptroller.texas.gov/data/economy/ch313/rankin-1237-high.php.

The Applicant, High Lonesome Wind Power, LLC (Taxpayer ID 32062092443) ("Applicant"), consists of entities subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. The Board of Trustees acknowledges receipt of the Application, along with the required Application fee, as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Upton County Appraisal District for review pursuant to 34 Texas Administrative Code § 9.1054. The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a determination that the Application was complete was issued on May 4, 2018.

After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation on August 1, 2018 pursuant to Texas Tax Code § 313.026, and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Exhibit A**.

The Board of Trustees also directed that a specific financial analysis be conducted of the impact of the proposed value limitation on the finances of the Rankin Independent School District. A copy of a report prepared by Jigsaw School Finance Solutions, LLC is attached to these findings as **Exhibit B**. The Texas Commissioner of Education has determined that the project will not impact school enrollment.

The Board of Trustees has confirmed that the taxable value of property in the Rankin Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in the 2017 ISD Summary Worksheet posted on the Texas Comptroller's website at:

https://comptroller.texas.gov/data/property-tax/pvs/2017p/2312319021D.php.

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

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

Board Finding Number 1.

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

Board Finding Number 2.

The Applicant's entire proposed investment in the Rankin Independent School District is $330,000,000—all of which is proposed to be Qualified Investment under Texas Tax Code § 313.021.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least $59,490 per year. The review of the Application by the State Comptroller's Office indicates that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs pay more than the minimum weekly wage required for Qualified Jobs under Texas Tax Code § 313.021.

Board Finding Number 4.

The level of the Applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately $55 million on the basis of the 6 new qualifying positions committed to by the Applicant for this project. The project's total investment is $330,000,000, resulting in a relative level of investment per qualifying job of $55,000,000.

Board Finding Number 5.

The Applicant has requested a waiver of the job creation requirement under Section 313.25(f-1), Texas Tax Code, and the Board finds such waiver request should be granted. The Board notes that the number of jobs proposed for this project (6 jobs) is consistent with industry standards in the wind farm industry.

Board Finding Number 6.

Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region. In support of Finding No. 6, the economic impact evaluation states:

Table 2 depicts this project's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 15 years of annual investment and employment levels.

Table 2—Estimated Statewide Economic Impact of High Lonesome Wind Power, LLC (modeled)

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	25	24	49	$ 1,312,500	$ 1,739,500	$ 3,052,000
2019	250	1,682	1932	$ 13,125,000	$ 109,189,000	$ 122,314,000
2020	6	64	70	$ 356,940	$ 14 536,060	$ 14,893,000
2021	6	15	21	$ 356 ,940	$ 8,676,060	$ 9,033,000
2022	6	(22)	-16	$ 356,940	$ 4,404,060	$ 4,761,000
2023	6	(37)	-31	$ 356,940	$ 1,596,060	$ 1,953,000
2024	6	(45)	-39	$ 356,940	$ 9,060	$ 366,000
2025	6	(37)	-31	$ 356,940	-$ 1,088,940	-$ 732,000
2026	6	(37)	-31	$ 356,940	-$ 1,699,940	-$ 1,343,000
2027	6	(31)	-25	$ 356,940	-$ 1,333,940	-$ 977,000
2028	6	(27)	-21	$ 356,940	-$ 1,577,940	-$ 1,221,000
2029	6	(22)	-16	$ 356,940	-$ 1,088,940	-$ 732,000
2030	6	(16)	-10	$ 356,940	-$ 1,088,940	-$ 732,000
2031	6	(14)	-8	$ 356,940	-$ 844,940	-$ 488,000
2032	6	(6)	0	$ 356,940	-$ 844,940	-$ 488,000
2033	6	(8)	-2	$ 356,940	-$ 600,940	-$ 244,000
2034	6	(10)	-4	$ 356,940	-$ 600,940	-$ 244,000

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

Table 4—Estimated Direct Ad Valorem Taxes with All Property Tax Incentives Sought

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		RISD I&S Tax Levy	RISD M&O Tax Levy	RISD M&O and I&S Tax Levies	Upton County Tax Levy	Upton Co. Water Distr. Levy	Rankin Emerg. Svcs. Distr. Tax Levy	Rankin Hosp. Distr. Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.1000	1.0363		0.4687	0.0038	0.0150	0.3008	
2020	$ 316,814,000	$ 25,000,000		$ 316,814	$ 259,075	$ 575,889	$ 371,243	$ 11,982	$ 47,522	$ 238 244	$ 1,244,880
2021	$ 291,506,610	$ 25,000,000		$ 291,507	$ 259,075	$ 550,582	$ 341,587	$ 11,025	$ 43,726	$ 219,213	$ 1,166,133
2022	$ 268,222,870	$ 25,000,000		$ 268,223	$ 259,075	$ 527,298	$ 314,304	$ 10,144	$ 40,233	$ 201,704	$ 1,093,683
2023	$ 246,800,910	$ 25,000,000		$ 246,801	$ 259,075	$ 505,876	$ 289,201	$ 9,334	$ 37,020	$ 185,594	$ 1,027,026
2024	$ 227,091,800	$ 25,000,000		$ 227,092	$ 259,075	$ 486,167	$ 266,106	$ 8,589	$ 34,064	$ 170,773	$ 965,698
2025	$ 208,958,550	$ 25,000,000		$ 208,959	$ 259,075	$ 468,034	$ 244,858	$ 7,903	$ 31,344	$ 157,137	$ 909,275
2026	$ 192,275,110	$ 25,000,000		$ 192,275	$ 259,075	$ 451,350	$ 225,308	$ 7,272	$ 28,841	$ 144,591	$ 857,362
2027	$ 176,925,520	$ 25,000,000		$ 176,926	$ 259,075	$ 436,001	$ 207,321	$ 6,691	$ 26,539	$ 133,048	$ 809,600
2028	$ 162,803,090	$ 25,000,000		$ 162,803	$ 259,075	$ 421,878	$ 190,773	$ 6,157	$ 24,420	$ 122,428	$ 765,656
2029	$ 149,809,650	$ 25,000,000		$ 149,810	$ 259,075	$ 408,885	$ 175,547	$ 5,666	$ 22,471	$ 112,657	$ 725,226
2030	$ 137,854,920	$ 137,854,920		$ 137,855	$ 1,428,591	$ 1,566,445	$ 646,154	$ 5,214	$ 20,678	$ 414,668	$ 2,653,159
2031	$ 126,855,820	$ 126,855,820		$ 126,856	$ 1,314,607	$ 1,441,463	$ 594,599	$ 4,798	$ 19,028	$ 381,582	$ 2,441,470
2032	$ 116,735,910	$ 116,735,910		$ 116,736	$ 1,209,734	$ 1,326,470	$ 547,165	$ 4,415	$ 17,510	$ 351,142	$ 2,246,702
2033	$ 107,424,880	$ 107,424,880		$ 107,425	$ 1,113,244	$ 1,220,669	$ 503,522	$ 4,063	$ 16,114	$ 323,134	$ 2,067,501
2034	$ 98,858.040	$ 98,858,040		$ 98,858	$ 1,024,466	$ 1,123,324	$ 463,367	$ 3,739	$ 14,829	$ 297,365	$ 1,902,624
			Total	**$ 2,828,938**	**$ 8,681,392**	**$ 11,510,329**	**$ 5,381,054**	**$ 106,990**	**$ 424,341**	**$ 3,453,279**	**$ 20,875,993**
			Diff	**$ 0**	**$ 20,634,890**	**$ 20,634,890**	**$ 7,878,743**	**$ 0**	**$ 0**	**$ 5,056,165**	**$ 24,636,013**

[1]Tax Rate per $100 Valuation

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

Table 3—Estimated Direct Ad Valorem Taxes without Property Tax Incentives

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		RISD I&S Tax Levy	RISD M&O Tax Levy	RISD M&O and I&S Tax Levies	Upton County Tax Levy	Upton Co. Water Distr. Levy	Rankin Emerg. Svcs. Distr. Tax Levy	Rankin Hosp. Distr. Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.1000	1.0363		0.4687	0.0038	0.0150	0.3008	
2020	$ 316,814,000	$ 316,814,000		$ 316,814	$ 3,283,143	$ 3,599,957	$ 1,484,971	$ 11,982	$ 47,522	$ 952,977	$ 5,096,910
2021	$ 291,506,610	$ 291,506,610		$ 291,507	$ 3,020,883	$ 3,312,390	$ 1,366,350	$ 11,025	$ 43,726	$ 876,852	$ 4,689,764
2022	$ 268,222,870	$ 268,222,870		$ 268,223	$ 2,779,594	$ 3,047,816	$ 1,257,214	$ 10,144	$ 40,233	$ 806,814	$ 4,315,175
2023	$ 246,800,910	$ 246,800,910		$ 246,801	$ 2,557,598	$ 2,804,399	$ 1,156,805	$ 9,334	$ 37,020	$ 742,377	$ 3,970,538
2024	$ 227,091,800	$ 227,091,800		$ 227,092	$ 2,353,352	$ 2,580,444	$ 1,064,425	$ 8,589	$ 34,064	$ 683,092	$ 3,653,457
2025	$ 208,958,550	$ 208,958,550		$ 208,959	$ 2,165,437	$ 2,374,396	$ 979,431	$ 7,903	$ 31,344	$ 628,547	$ 3,361,729
2026	$ 192,275,110	$ 192,275,110		$ 192,275	$ 1,992,547	$ 2,184,822	$ 901,232	$ 7,272	$ 28,841	$ 578,364	$ 3,093,326
2027	$ 176,925,520	$ 176,925,520		$ 176,926	$ 1,833,479	$ 2,010,405	$ 829,285	$ 6,691	$ 26,539	$ 532,192	$ 2,846,381
2028	$ 162,803,090	$ 162,803,090		$ 162,803	$ 1,687,128	$ 1,849,932	$ 763,091	$ 6,157	$ 24,420	$ 489,712	$ 2,619,179
2029	$ 149,809,650	$ 149,809.650		$ 149,810	$ 1,552,477	$ 1,702,287	$ 702,188	$ 5,666	$ 22,471	$ 450,627	$ 2,410,141
2030	$ 137,854,920	$ 137,854,920		$ 137,855	$ 1,428,591	$ 1,566,445	$ 646,154	$ 5,214	$ 20,678	$ 414,668	$ 2,217,813
2031	$ 126,855,820	$ 126,855,820		$ 126,856	$ 1,314,607	$ 1,441,463	$ 594,599	$ 4,798	$ 19,028	$ 381,582	$ 2,040,859
2032	$ 116,735,910	$ 116,735,910		$ 116,736	$ 1,209,734	$ 1,326,470	$ 547,165	$ 4,415	$ 17,510	$ 351,142	$ 1,878,050
2033	$ 107,424,880	$ 107,424,880		$ 107,425	$ 1,113.244	$ 1,220,669	$ 503,522	$ 4,063	$ 16,114	$ 323,134	$ 1,728,254
2034	$ 98,858,040	$ 98,858,040		$ 98,858	$ 1,024,466	$ 1,123,324	$ 463,367	$ 3,739	$ 14,829	$ 297,365	$ 1,590,430
			Total	**$ 2,828,938**	**$ 29,316,281**	**$ 32,145,219**	**$ 13,259,797**	**$ 106,990**	**$ 424,341**	**$ 8,509,445**	**$ 45,512,006**

[1]Tax Rate per $100 Valuation

Board Finding Number 7.

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

Board Finding Number 8.

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

Board Finding Number 9.

The Applicant's project is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the Agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the Application. Attachment B of the economic impact study contains a year-by-year analysis as depicted in the following table:

Board Findings of the Rankin Independent School District

	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	$ 259,075	$ 259,075	$ 3,024,068	$ 3,024,068
	2021	$ 259,075	$ 518,150	$ 2,761,808	$ 5,785,876
	2022	$ 259,075	$ 777,225	$ 2,520,519	$ 8,306,395
	2023	$ 259,075	$ 1,036,300	$ 2,298,523	$ 10,604,918
	2024	$ 259,075	$ 1,295,375	$ 2,094,277	$ 12,699,195
	2025	$ 259,075	$ 1,554,450	$ 1,906,362	$ 14,605,558
	2026	$ 259,075	$ 1,813,525	$ 1,733,472	$ 16,339,030
	2027	$ 259,075	$ 2,072,600	$ 1,574,404	$ 17,913,434
	2028	$ 259,075	$ 2,331,675	$ 1,428,053	$ 19,341,487
	2029	$ 259,075	$ 2,590,750	$ 1,293,402	$ 20,634,890
Maintain Viable Presence (5 Years)	2030	$ 1,428,591	$ 4,019,341	$ 0	$ 20,634,890
	2031	$ 1,314,607	$ 5,333,947	$ 0	$ 20,634,890
	2032	$ 1,209,734	$ 6,543,682	$ 0	$ 20,634,890
	2033	$ 1,113,244	$ 7,656,926	$ 0	$ 20,634,890
	2034	$ 1,024,466	$ 8,681,392	$ 0	$ 20,634,890
Additional Years as Required by § 313.026(c)(1) (10 Years)	2035	$ 942,783	$ 9,624,174	$ 0	$ 20,634,890
	2036	$ 867,628	$ 10,491,802	$ 0	$ 20,634,890
	2037	$ 798,478	$ 11,290,281	$ 0	$ 20,634,890
	2038	$ 734,854	$ 12,025,135	$ 0	$ 20,634,890
	2039	$ 676,314	$ 12,701,449	$ 0	$ 20,634,890
	2040	$ 622,450	$ 13,323,899	$ 0	$ 20,634,890
	2041	$ 572,890	$ 13,896,789	$ 0	$ 20,634,890
	2042	$ 527,289	$ 14,424,078	$ 0	$ 20,634,890
	2043	$ 485,329	$ 14,909,407	$ 0	$ 20,634,890
	2044	$ 446,721	$ 15,356,129	$ 0	$ 20,634,890

$ 15,356,129	is less than	**$ 20,634,890**

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**

Tax Revenue Over 25 Years

	Employment			Personal Income			Revenue & Expenditure		
Year	**Direct**	**Indirect + Induced**	**Total**	**Direct**	**Indirect + Induced**	**Total**	**Revenue**	**Expenditure**	**Net Tax Effect**
2018	25	24	49	$ 1,312,500	$ 1,739,500	$ 3,052,000	160,000	-92,000	$ 252,000
2019	250	1,682	1,932	$ 13,125,000	$109,189,000	$122,314,000	14,336,000	-3,494,000	$ 17,830,000
2020	6	64	70	$ 356,940	$ 14,536,060	$ 14,893,000	664,000	1,396,000	-$ 732,000
2021	6	15	21	$ 356,940	$ 8,676,060	$ 9,033,000	481,000	1,350,000	-$ 869,000
2022	6	(22)	-16	$ 356,940	$ 4,404,060	$ 4,761,000	237,000	1,266,000	-$ 1,029,000
2023	6	(37)	-31	$ 356,940	$ 1,596,060	$ 1,953,000	122,000	1,160,000	-$ 1,038,000
2024	6	(45)	-39	$ 356,940	$ 9,060	$ 366,000	122,000	1,038,000	-$ 916,000
2025	6	(37)	-31	$ 356,940	-$ 1,088,940	-$ 732,000	46,000	908,000	-$ 862,000
2026	6	(37)	-31	$ 356,940	-$ 1,699,940	-$ 1,343,000	46,000	793,000	-$ 747,000
2027	6	(31)	-25	$ 356,940	-$ 1,333,940	-$ 977,000	46,000	656,000	-$ 610,000
2028	6	(27)	-21	$ 356,940	-$ 1,577,940	-$ 1,221,000	53,000	580,000	-$ 527,000
2029	6	(22)	-16	$ 356,940	-$ 1,088,940	-$ 732,000	53,000	496,000	-$ 443,000
2030	6	(16)	-10	$ 356,940	-$ 1,088,940	-$ 732,000	53,000	420,000	-$ 367,000
2031	6	(14)	-8	$ 356,940	-$ 844,940	-$ 488,000	53,000	359,000	-$ 306,000
2032	6	(6)	0	$ 356,940	-$ 844,940	-$ 488,000	46,000	320,000	-$ 274,000
2033	6	(8)	-2	$ 356,940	-$ 600,940	-$ 244,000	15,000	267,000	-$ 252,000
2034	6	(10)	-4	$ 356,940	-$ 600,940	-$ 244,000	-31,000	214,000	-$ 245,000
2035	6	(8)	-2	$ 356,940	-$ 112,940	$ 244,000	-38,000	160,000	-$ 198,000
2036	6	(6)	0	$ 356,940	-$ 844,940	-$ 488,000	-92,000	99,000	-$ 191,000
2037	6	(10)	-4	$ 356,940	-$ 600,940	-$ 244,000	-114,000	69,000	-$ 183,000
2038	6	(12)	-6	$ 356,940	-$ 356,940	$ 0	-122,000	53,000	-$ 175,000
2039	6	(10)	-4	$ 356,940	-$ 356,940	$ 0	-168,000	-15,000	-$ 153,000
2040	6	(12)	-6	$ 356,940	-$ 1,088,940	-$ 732,000	-198,000	-53,000	-$ 145,000
2041	6	(10)	-4	$ 356,940	-$ 844,940	-$ 488,000	-214,000	-99,000	-$ 115,000
2042	6	(14)	-8	$ 356,940	-$ 1,088,940	-$ 732,000	-214,000	-130,000	-$ 84,000
2043	6	(14)	-8	$ 356,940	-$ 844,940	-$ 488,000	-183,000	-160,000	-$ 23,000
2044	6	(14)	-8	$ 356,940	-$ 356,940	$ 0	-198,000	-183,000	-$ 15,000
2045	6	(14)	-8	$ 356,940	-$ 844,940	-$ 488,000	-259,000	-244,000	-$ 15,000
						Total	$ 14,702,000	$ 7,134,000	$ 7,568,000

$ 22,924,129	**is greater than**	**$ 20,634,890**

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

Board Finding Number 10.

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

Board Finding Number 11.

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

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

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

I. Per High Lonesome Wind Power LLC in Tab 5 of their Application for a Limitation on Appraised Value:
   A. "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."
   B. "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."
   C. "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."
   D. "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."
   E. "Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited."

II. According to a Regular Meeting of the Board of Trustees of Rankin ISD on February 7, 2018, "Consideration and/or action to accept the application of High Lonesome Wind Power, LLC for an appraised value limitation on qualified property; authorize the superintendent to review the application for completeness and submit to the Comptroller; and authorize the superintendent to into any agreement to extend the deadline for Board action beyond 150 days subject to Board ratification."

III. According to the Upton County Commissioners dated April 11, 2018, "Discuss and Act on possibly approving the Tax Abatement Agreement between Upton County and High Lonesome Wind Power, LLC. Pursuant to Chapter 312, Texas Tax Code."

Supporting Information

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

Board Finding Number 12.

The Board of Trustees of the Rankin Independent School District hired consultants to review and verify the information in Application #1237. Based upon the consultants' review, the Board has determined that the information provided by the Applicant appears to be true and correct.

Board Finding Number 13.

The Board of Trustees has determined that the Tax Limitation Amount requested by the Applicant is currently $25 Million Dollars ($25,000,000), which is consistent with the minimum values currently set out by Texas Tax Code § 313.027(b).

Board Finding Number 14.

The Applicant (Taxpayer ID 32062092443) is eligible for the limitation on appraised value of Qualified Property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

Board Finding Number 15.

The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Exhibit C, includes adequate and appropriate revenue protection provisions for the District.

Board Finding Number 16.

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

It is therefore ORDERED that the Agreement attached hereto as **Exhibit C** is approved and hereby authorized to be executed and delivered by and on behalf of the Rankin Independent School District. It is further ORDERED that these Findings and the Attachments referred to herein be attached to the official minutes of this meeting and maintained in the permanent records of the Board of Trustees of the Rankin Independent School District.

Dated the 19th day of December, 2018.

RANKIN INDEPENDENT SCHOOL DISTRICT

By: Amanda Evridge

Amanda Evridge
President, Board of Trustees

ATTEST:

By: Cody Acevedo

~~Karrie Self~~ Co
Secretary, Board of Trustees

Findings and Order of the Rankin Independent School District
Board of Trustees under the Texas Economic Development Act on the Application Submitted by
High Lonesome Wind Power, LLC (Tax ID 32062092443) (Application #1237)

EXHIBIT A

Comptroller's Economic Impact Analysis

August 1, 2018

Sammy Wyatt
Superintendent
Rankin Independent School District
P.O. Box 90
Rankin, Texas 79778

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Rankin Independent School District and High Lonesome Wind Power, LLC, Application 1237

Dear Superintendent Wyatt:

On May 4, 2018, the Comptroller issued written notice that High Lonesome Wind Power, LLC (applicant) submitted a completed application (Application 1237) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on February 7, 2018, to the Rankin 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 1237.

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 May 4, 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 High Lonesome Wind Power, LLC (project) applying to Rankin 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 High Lonesome Wind Power, LLC.

Applicant	High Lonesome Wind Power, LLC
Tax Code, 313.024 Eligibility Category	Renewable Electric Energy Generation
School District	Rankin ISD
2016-2017 Average Daily Attendance	247
County	Upton
Proposed Total Investment in District	$330,000,000
Proposed Qualified Investment	$330,000,000
Limitation Amount	$25,000,000
Qualifying Time Period (Full Years)	2019-2020
Number of new qualifying jobs committed to by applicant	6*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	$1,144
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$1,144
Minimum annual wage committed to by applicant for qualified jobs	$59,490
Minimum weekly wage required for non-qualifying jobs	$1,287
Minimum annual wage required for non-qualifying jobs	$66,899
Investment per Qualifying Job	$55,000,000
Estimated M&O levy without any limit (15 years)	$29,316,281
Estimated M&O levy with Limitation (15 years)	$8,681,392
Estimated gross M&O tax benefit (15 years)	$20,634,889

** 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 High Lonesome Wind Power, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	25	24	49	$1,312,500	$1,739,500	$3,052,000
2019	250	1,682	1931.64	$13,125,000	$109,189,000	$122,314,000
2020	6	64	70	$356,940	$14,536,060	$14,893,000
2021	6	15	21	$356,940	$8,676,060	$9,033,000
2022	6	(22)	-16	$356,940	$4,404,060	$4,761,000
2023	6	(37)	-31	$356,940	$1,596,060	$1,953,000
2024	6	(45)	-39	$356,940	$9,060	$366,000
2025	6	(37)	-31	$356,940	-$1,088,940	-$732,000
2026	6	(37)	-31	$356,940	-$1,699,940	-$1,343,000
2027	6	(31)	-25	$356,940	-$1,333,940	-$977,000
2028	6	(27)	-21	$356,940	-$1,577,940	-$1,221,000
2029	6	(22)	-16	$356,940	-$1,088,940	-$732,000
2030	6	(16)	-10	$356,940	-$1,088,940	-$732,000
2031	6	(14)	-8	$356,940	-$844,940	-$488,000
2032	6	(6)	0	$356,940	-$844,940	-$488,000
2033	6	(8)	-2	$356,940	-$600,940	-$244,000
2034	6	(10)	-4	$356,940	-$600,940	-$244,000

Source: CPA REMI, High Lonesome Wind Power, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Rankin ISD I&S Tax Levy	Rankin ISD M&O Tax Levy	Rankin ISD M&O and I&S Tax Levies	Upton County Tax Levy	Upton County Water District Levy	Rankin Emergency Services District #1 Tax Levy	Ranking Hospital Distrcit Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1000	1.0363		0.4687	0.0038	0.0150	0.3008	
2020	$316,814,000	$316,814,000		$316,814	$3,283,143	$3,599,957	$1,484,971	$11,982	$47,522	$952,977	$5,096,910
2021	$291,506,610	$291,506,610		$291,507	$3,020,883	$3,312,390	$1,366,350	$11,025	$43,726	$876,852	$4,689,764
2022	$268,222,870	$268,222,870		$268,223	$2,779,594	$3,047,816	$1,257,214	$10,144	$40,233	$806,814	$4,315,175
2023	$246,800,910	$246,800,910		$246,801	$2,557,598	$2,804,399	$1,156,805	$9,334	$37,020	$742,377	$3,970,538
2024	$227,091,800	$227,091,800		$227,092	$2,353,352	$2,580,444	$1,064,425	$8,589	$34,064	$683,092	$3,653,457
2025	$208,958,550	$208,958,550		$208,959	$2,165,437	$2,374,396	$979,431	$7,903	$31,344	$628,547	$3,361,729
2026	$192,275,110	$192,275,110		$192,275	$1,992,547	$2,184,822	$901,232	$7,272	$28,841	$578,364	$3,093,326
2027	$176,925,520	$176,925,520		$176,926	$1,833,479	$2,010,405	$829,285	$6,691	$26,539	$532,192	$2,846,381
2028	$162,803,090	$162,803,090		$162,803	$1,687,128	$1,849,932	$763,091	$6,157	$24,420	$489,712	$2,619,179
2029	$149,809,650	$149,809,650		$149,810	$1,552,477	$1,702,287	$702,188	$5,666	$22,471	$450,627	$2,410,141
2030	$137,854,920	$137,854,920		$137,855	$1,428,591	$1,566,445	$646,154	$5,214	$20,678	$414,668	$2,217,813
2031	$126,855,820	$126,855,820		$126,856	$1,314,607	$1,441,463	$594,599	$4,798	$19,028	$381,582	$2,040,859
2032	$116,735,910	$116,735,910		$116,736	$1,209,734	$1,326,470	$547,165	$4,415	$17,510	$351,142	$1,878,050
2033	$107,424,880	$107,424,880		$107,425	$1,113,244	$1,220,669	$503,522	$4,063	$16,114	$323,134	$1,728,254
2034	$98,858,040	$98,858,040		$98,858	$1,024,466	$1,123,324	$463,367	$3,739	$14,829	$297,365	$1,590,430
			Total	$2,828,938	$29,316,281	$32,145,219	$13,259,797	$106,990	$424,341	$8,509,445	$45,512,006

Source: CPA, High Lonesome Wind Power, LLC
*Tax Rate per $100 Valuation

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

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Rankin ISD I&S Tax Levy	Rankin ISD M&O Tax Levy	Rankin ISD M&O and I&S Tax Levies	Upton County Tax Levy	Upton County Water District Levy	Rankin Emergency Services District #1 Tax Levy	Ranking Hospital Distrcit Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1000	1.0363		0.4687	0.0038	0.0150	0.3008	
2020	$316,814,000	$25,000,000		$316,814	$259,075	$575,889	$371,243	$11,982	$47,522	$238,244	$1,244,880
2021	$291,506,610	$25,000,000		$291,507	$259,075	$550,582	$341,587	$11,025	$43,726	$219,213	$1,166,133
2022	$268,222,870	$25,000,000		$268,223	$259,075	$527,298	$314,304	$10,144	$40,233	$201,704	$1,093,683
2023	$246,800,910	$25,000,000		$246,801	$259,075	$505,876	$289,201	$9,334	$37,020	$185,594	$1,027,026
2024	$227,091,800	$25,000,000		$227,092	$259,075	$486,167	$266,106	$8,589	$34,064	$170,773	$965,698
2025	$208,958,550	$25,000,000		$208,959	$259,075	$468,034	$244,858	$7,903	$31,344	$157,137	$909,275
2026	$192,275,110	$25,000,000		$192,275	$259,075	$451,350	$225,308	$7,272	$28,841	$144,591	$857,362
2027	$176,925,520	$25,000,000		$176,926	$259,075	$436,001	$207,321	$6,691	$26,539	$133,048	$809,600
2028	$162,803,090	$25,000,000		$162,803	$259,075	$421,878	$190,773	$6,157	$24,420	$122,428	$765,656
2029	$149,809,650	$25,000,000		$149,810	$259,075	$408,885	$175,547	$5,666	$22,471	$112,657	$725,226
2030	$137,854,920	$137,854,920		$137,855	$1,428,591	$1,566,445	$646,154	$5,214	$20,678	$414,668	$2,653,159
2031	$126,855,820	$126,855,820		$126,856	$1,314,607	$1,441,463	$594,599	$4,798	$19,028	$381,582	$2,441,470
2032	$116,735,910	$116,735,910		$116,736	$1,209,734	$1,326,470	$547,165	$4,415	$17,510	$351,142	$2,246,702
2033	$107,424,880	$107,424,880		$107,425	$1,113,244	$1,220,669	$503,522	$4,063	$16,114	$323,134	$2,067,501
2034	$98,858,040	$98,858,040		$98,858	$1,024,466	$1,123,324	$463,367	$3,739	$14,829	$297,365	$1,902,624
			Total	$2,828,938	$8,681,392	$11,510,329	$5,381,054	$106,990	$424,341	$3,453,279	$20,875,993
			Diff	$0	$20,634,890	$20,634,890	$7,878,743	$0	$0	$5,056,165	$24,636,013
Assumes School Value Limitation and Tax Abatements with the County.											

Source: CPA, High Lonesome Wind Power, LLC

*Tax Rate per $100 Valuation

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

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

This represents the Comptroller's determination that High Lonesome Wind Power, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy 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	$259,075	$259,075	$3,024,068	$3,024,068
	2021	$259,075	$518,150	$2,761,808	$5,785,876
	2022	$259,075	$777,225	$2,520,519	$8,306,395
	2023	$259,075	$1,036,300	$2,298,523	$10,604,918
	2024	$259,075	$1,295,375	$2,094,277	$12,699,195
	2025	$259,075	$1,554,450	$1,906,362	$14,605,558
	2026	$259,075	$1,813,525	$1,733,472	$16,339,030
	2027	$259,075	$2,072,600	$1,574,404	$17,913,434
	2028	$259,075	$2,331,675	$1,428,053	$19,341,487
	2029	$259,075	$2,590,750	$1,293,402	$20,634,890
Maintain Viable Presence (5 Years)	2030	$1,428,591	$4,019,341	$0	$20,634,890
	2031	$1,314,607	$5,333,947	$0	$20,634,890
	2032	$1,209,734	$6,543,682	$0	$20,634,890
	2033	$1,113,244	$7,656,926	$0	$20,634,890
	2034	$1,024,466	$8,681,392	$0	$20,634,890
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	$942,783	$9,624,174	$0	$20,634,890
	2036	$867,628	$10,491,802	$0	$20,634,890
	2037	$798,478	$11,290,281	$0	$20,634,890
	2038	$734,854	$12,025,135	$0	$20,634,890
	2039	$676,314	$12,701,449	$0	$20,634,890
	2040	$622,450	$13,323,899	$0	$20,634,890
	2041	$572,890	$13,896,789	$0	$20,634,890
	2042	$527,289	$14,424,078	$0	$20,634,890
	2043	$485,329	$14,909,407	$0	$20,634,890
	2044	$446,721	$15,356,129	$0	$20,634,890

$15,356,129 is less than **$20,634,890**

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

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

Source: CPA, High Lonesome Wind Power, LLC

	Employment			Personal Income			Revenue & Expenditure		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2018	25	24	49	$1,312,500	$1,739,500	$3,052,000	160000	-92000	$252,000
2019	250	1,682	1931.64	$13,125,000	$109,189,000	$122,314,000	14336000	-3494000	$17,830,000
2020	6	64	70	$356,940	$14,536,060	$14,893,000	664000	1396000	-$732,000
2021	6	15	21	$356,940	$8,676,060	$9,033,000	481000	1350000	-$869,000
2022	6	(22)	-16	$356,940	$4,404,060	$4,761,000	237000	1266000	-$1,029,000
2023	6	(37)	-31	$356,940	$1,596,060	$1,953,000	122000	1160000	-$1,038,000
2024	6	(45)	-39	$356,940	$9,060	$366,000	122000	1038000	-$916,000
2025	6	(37)	-31	$356,940	-$1,088,940	-$732,000	46000	908000	-$862,000
2026	6	(37)	-31	$356,940	-$1,699,940	-$1,343,000	46000	793000	-$747,000
2027	6	(31)	-25	$356,940	-$1,333,940	-$977,000	46000	656000	-$610,000
2028	6	(27)	-21	$356,940	-$1,577,940	-$1,221,000	53000	580000	-$527,000
2029	6	(22)	-16	$356,940	-$1,088,940	-$732,000	53000	496000	-$443,000
2030	6	(16)	-10	$356,940	-$1,088,940	-$732,000	53000	420000	-$367,000
2031	6	(14)	-8	$356,940	-$844,940	-$488,000	53000	359000	-$306,000
2032	6	(6)	0	$356,940	-$844,940	-$488,000	46000	320000	-$274,000
2033	6	(8)	-2	$356,940	-$600,940	-$244,000	15000	267000	-$252,000
2034	6	(10)	-4	$356,940	-$600,940	-$244,000	-31000	214000	-$245,000
2035	6	(8)	-2	$356,940	-$112,940	$244,000	-38000	160000	-$198,000
2036	6	(6)	0	$356,940	-$844,940	-$488,000	-92000	99000	-$191,000
2037	6	(10)	-4	$356,940	-$600,940	-$244,000	-114000	69000	-$183,000
2038	6	(12)	-6	$356,940	-$356,940	$0	-122000	53000	-$175,000
2039	6	(10)	-4	$356,940	-$356,940	$0	-168000	-15000	-$153,000
2040	6	(12)	-6	$356,940	-$1,088,940	-$732,000	-198000	-53000	-$145,000
2041	6	(10)	-4	$356,940	-$844,940	-$488,000	-214000	-99000	-$115,000
2042	6	(14)	-8	$356,940	-$1,088,940	-$732,000	-214000	-130000	-$84,000
2043	6	(14)	-8	$356,940	-$844,940	-$488,000	-183000	-160000	-$23,000
2044	6	(14)	-8	$356,940	-$356,940	$0	-198000	-183000	-$15,000
2045	6	(14)	-8	$356,940	-$844,940	-$488,000	-259000	-244000	-$15,000
						Total	$14,702,000	$7,134,000	$7,568,000
							$22,924,129	is greater than	$20,634,890

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

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 High Lonesome Wind Power, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per High Lonesome Wind Power LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "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."
  B. "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."
  C. "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."
  D. "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."

E. "Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited."

- According to a Regular Meeting of the Board of Trustees of Rankin ISD on February 7, 2018, "Consideration and/or action to accept the application of High Lonesome Wind Power, LLC for an appraised value limitation on qualified property; authorize the superintendent to review the application for completeness and submit to the Comptroller; and authorize the superintendent to into any agreement to extend the deadline for Board action beyond 150 days subject to Board ratification."
- According to the Upton County Commissioners dated April 11, 2018, "Discuss and Act on possibly approving the Tax Abatement Agreement between Upton County and High Lonesome Wind Power, LLC. Pursuant to Chapter 312, Texas Tax Code."

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:
   - ☑ Land has no existing improvements
   - ☐ Land has existing improvements *(complete Section 13)*
   - ☐ Expansion of existing operation on the land *(complete Section 13)*
   - ☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

Supporting Information

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

TAB 5

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

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.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

Agenda of Regular Meeting
The Board of Trustees

A Regular Meeting of the Board of Trustees of Rankin ISD will be held February 7, 2018, beginning at 6:00 PM in the Rankin ISD Administration Building, 1300 Upton Street, Rankin, Texas 79778.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

1. PRESENT AT MEETING
2. CALL TO ORDER
3. AUDIENCE /PUBLIC COMMENT
4. ANNUAL REPORT PUBLIC MEETING - 2016-2017 TEXAS ACADEMIC PERFORMANCE REPORT
   Presenter: Mr. Samuel Wyatt
5. SPECIAL RECOGNITION
   A. ELEMENTARY PARA-PROFESSIONALS
      Veronica Cura, Chris Gaddis, Carla Jackson, Candi Kinney, Cindy Covington
      Presenter: Mr. Brad Riker
   B. HIGH SCHOOL PARA-PROFESSIONALS
      MARTHA ALFARO
      JUANITA GODDETTE
      Presenter: Mr. Adrian Gallardo
6. INFORMATION ITEMS
   A. PRINCIPALS' REPORTS
      1. ENROLLMENT
      2. ATTENDANCE
      3. UPCOMING EVENTS
   B. ATHLETIC DIRECTOR'S REPORT
      1. ATHLETIC PROGRAMS
      2. UPCOMING EVENTS
      3. SPECIAL RECOGNITION
   C. BUSINESS MANAGER'S REPORT
      1. DISBURSEMENTS
      2. INVESTMENTS
      3. BUDGET AMENDMENTS
7. CONSENT AGENDA ITEMS
   A. MINUTES
   B. INVESTMENT SCHEDULE
   C. DISBURSEMENTS
   D. BOARD REPORTS
8. CONSIDERATION AND/OR ACTION ITEM
   A. CONSIDERATION AND/OR ACTION TO APPROVE AUDITOR FOR THE YEAR ENDING AUGUST 31, 2018
   B. CONSIDERATION AND/OR ACTION TO APPROVE 2018-2019 SCHOOL CALENDAR
   C. CONSIDERATION AND/OR ACTION OF UPTON COUNTY APPRAISAL DISTRICT REFUND
   D. CONSIDERATION AND/OR ACTION TO APPROVE PURCHASING BAND UNIFORMS AS PRESENTED.
   E. CONSIDERATION AND/OR ACTION TO APPROVE PURCHASING DRUMLINE INSTRUMENTS AND ACCESSORIES AS PRESENTED.
   F. CONSIDERATION AND/OR ACTION TO ACCEPT THE APPLICATION OF ***HIGH LONESOME WIND POWER, LLC*** FOR AN APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY; AUTHORIZE THE SUPERINTENDENT TO REVIEW THE APPLICATION FOR COMPLETENESS AND SUBMIT TO THE COMPTROLLER; AND AUTHORIZE THE SUPERINTENDENT TO ENTER INTO ANY AGREEMENT TO EXTEND THE DEADLINE FOR BOARD ACTION BEYOND 150 DAYS SUBJECT TO BOARD RATIFICATION.

G. CONSIDERATION AND/OR ACTION TO RETAIN CONSULTANTS TO ASSIST THE DISTRICT IN PROCESSING OF APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY FROM ***HIGH LONESOME WIND POWER, LLC.***

9. SUPERINTENDENT'S REPORT
   A. WINTER GOVERNANCE CONFERENCE
   B. MIDWINTER CONFERENCE RECAP
   C. MARCH 21, 2018? NEXT MEETING DATE (WEDNESDAY AFTER SPRING BREAK)
   D. TMSCA UPDATE
   E. ACTIVE SHOOTER & LOCKDOWN TRAINING
   F. POLE VAULT FOUNDATION WORK
10. CLOSED MEETING (TEX. GOV'T CODE 551.074)
   A. CONSIDER SUPERINTENDENT RECOMMENDATIONS REGARDING EMPLOYMENT, RESIGNATIONS, DUTIES, AND CONTRACT STATUS OF TEACHERS/COACHES/ADMINISTRATORS, AND ALL NON-CONTRACTUAL PERSONEL
      1. TEACHER RESIGNATION
      2. PRINCIPALS' CONTRACTS
      3. BUSINESS MANAGER CONTRACT
      4. DIRECTOR OF MAINTENANCE
      5. DIRECTOR OF INFORMATION TECHNOLOGY
   B. DISCUSS COMMERCIAL OR FINANCIAL INFORMATION RECEIVED ***HIGH LONESOME WIND POWER, LLC*** WITH WHOM THE DISTRICT MAY BE COMMENCING ECONOMIC DEVELOPMENT NEGOTIATIONS.
11. OPEN MEETING: ACTION RESULTING FROM CLOSED MEETING
   A. TEACHER CONTRACT--CONTRACT RELEASE
   B. PRINCIPAL CONTRACTS
   C. BUSINESS MANAGER CONTRACT
   D. SALARY FOR MAINTENANCE DIRECTOR AND DIRECTOR OF TECHNOLOGY
12. ADJOURN

NO. 51

NOTICE OF MEETING OF THE UPTON COUNTY COMMISSIONERS COURT

THERE WILL BE A MEETING OF THE UPTON COUNTY COMMISSIONERS COURT ON APRIL 11, 2018 AT 9:00A.M., IN THE COMMISSIONERS COURTROOM, UPTON COUNTY COURTHOUSE, 205 EAST 10TH STREET, RANKIN, TEXAS TO CONSIDER AND TAKE ACTION ON THE FOLLOWING AGENDA:

1. Pay Bills
2. Accept reports, deputations and any additions to the bond list.
3. Approve the minutes of April 09, 2018
4. Approve budget amendments.
5. Discuss and Act on possibly approving the Tax Abatement Agreement between Upton County and High Lonesome Wind Power, LLC. Pursuant to Chapter 312, Texas Tax Code. Wes Jackson
6. Discuss and Act on approving the April 12, 2018 payroll

LaWanda McMurray
County Clerk
By [signature]
Deputy

In Accordance with the Texas Open Meetings Act, Items on this Agenda may be subjected to being discussed in either open or closed session of the Court.
The Upton County Commissioners' Court meetings are available to all persons regardless of disability. Individuals with disabilities who require special assistance should contact the Upton County Commissioners' Assistant at 432/693-2321 ext. 2 or 205 East 10th Street, County Judge's office, Rankin, Texas 79778 during normal business hours and at least one (1) business day in advance.

FILED 4/5/2018 AT 2:32pm
LaWANDA McMURRAY
CLERK, COUNTY/DISTRICT COURT
UPTON COUNTY
[signature] CLERK/DEPUTY

UPTON COUNTY, TEXAS

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Rankin ISD – High Lonesome Wind Power, LLC App. #1237

Comptroller Questions (via email on July 27, 2018):

1. *Is the High Lonesome Wind Power, LLC project currently known by any other project names?*

2. *Has this project applied to ERCOT at this time? If so, please provide the project's GINR number and when was it assign.*

Applicant Response (via email on July 30, 2018):

1. *No. High Lonesome Wind Power, LLC is the only legal name of the project.*

2. *Yes, the application has applied with ERCOT. The project's GINR No. is 191NR0038. ERCOT assigned this number to the project on March 6, 2017.*

Findings and Order of the Rankin Independent School District
Board of Trustees under the Texas Economic Development Act on the Application Submitted by
High Lonesome Wind Power, LLC (Tax ID 32062092443) (Application #1237)

EXHIBIT B

**Summary of Financial Impact on
Rankin ISD Prepared by
Jigsaw School Finance Solutions, LLC**

Jigsaw School Finance Solutions, LLC

SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED

HIGH LONESOME WIND POWER, LLC PROJECT (#1237)

ON THE FINANCES OF RANKIN INDEPENDENT SCHOOL DISTRICT

UNDER A REQUESTED CHAPTER 313 APPRAISED VALUE LIMITATION

PREPARED BY
JIGSAW SCHOOL FINANCE SOLUTIONS, LLC
AUGUST 20, 2018

Introduction

High Lonesome Wind Power, LLC is requesting an appraised value limitation under Chapter 313 of the Texas Tax Code from the Rankin Independent School District for the High Lonesome Wind Project, a proposed wind powered electric generating project in Upton County. The owner of the project is Swift Current Energy (SCE), a clean energy focused development and investment firm headquartered in Boston, Massachusetts. The company was founded in 2016 and has over a gigawatt of utility scale wind, solar, and energy storage power projects in development across North America. Swift Current Energy has offices in Illinois, Maine, Montana, New York and Texas. 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 complete. Current estimated plans are to install 93 turbines that will be located in Rankin ISD, 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. The company expects full construction of the project to begin in December 2018 with completion by December 31, 2019.

Local government entities in Texas, including school districts, rely heavily on the ad valorem property tax to fund operations and building projects. The property tax burden that Texas imposes on individuals and business entities is higher compared to most other states. Seeking to incentivize economic development and to attract large scale capital investment, the 77th Texas Legislature in 2001 enacted House Bill 1200, creating Tax Code Chapter 313, of the Texas Economic Development Act. The act, as amended by the legislature in 2007, 2009, and 2013, grants eligibility to clean energy projects such as the proposed High Lonesome Wind Power, LLC. Under the provisions of the Texas Economic Development Act, Rankin Independent School District may grant a value limitation for maintenance and operation taxes in the amount of $25 million for a period of ten years. Swift Current Energy believes that the Upton County site is favorable for a wind powered energy generation facility and is anxious to complete the project. However, the company contends that it has numerous other sites in Illinois, Indiana, Iowa, Maine, Minnesota and Oklahoma that would be appropriate for wind farm construction. They argue that local tax incentives granted by local taxing entities such as the one provided by a Chapter 313 Tax Limitation agreement are essential to attract investors and make the project economically viable in Texas.

The application calls for any value associated with the project to be fully taxable for both maintenance and operation (M&O) and interest and sinking (I&S) during the 2018-19 and 2019-20 school years. Beginning with the 2020-21 school year, the value of the project would be limited to $25 million for maintenance and operation (M&O) tax purposes and remain limited through the 2029-30 school year. The full value of the project will be taxable for debt service purposes in all years of the agreement.

Revenue Protection Payments to Rankin ISD	$ 1,241,280
Supplemental Payments to Rankin ISD	$ 700,000
Total Revenue Attributed to Agreement for Rankin ISD	$ 1,941,280
Total Tax Savings to Company after all Payments	$ 19,393,610

School Finance Mechanics

The Texas system of public school funding is based on the ad valorem property tax. Schools levy a tax rate for maintenance and operation (M&O) and interest and sinking (I&S) against a current year tax roll. State funding, and/or recapture, is calculated using a prior year value certified by the Comptroller's Property Tax Division (CPTD). Texas school districts are funded by some combination of local ad valorem property taxes and state aid. Most of the money that a school district generates through the funding formulas is generated in Tier 1. Local M&O collections at the compressed tax rate generate Tier 1 funding. Through school year 2016-17, a school district's Tier I revenue was the greater of the adjusted minimum target revenue amount or the state share of Tier 1 plus local M&O collections at the compressed rate. Through the 2016-17 school year, Rankin Independent School District's Adjusted Target Revenue Funding was greater than the State Share of Tier 1 plus local Tax Collections at the compressed rate, generating Additional State Aid for Tax Reduction. Beginning with the 2017-18 school year, Additional State Aid for Tax Reduction or ASATR is eliminated. All school districts in the state will be formula funded. However a special session of the Texas Legislature in the summer of 2017 provided hold harmless money for districts that would have generated Additional State Aid for Tax Reduction in 2017-18. That money is currently being distributed to the ASATR eligible districts in the form of a grant. Rankin Independent School District will receive approximately $330,000 in grant money for 2017-18 and likely will be eligible for additional grant money in 2018-19. This money is over and above money generated in the Foundation School Program formulas.

The Tier 1 formulas start with a Basic Allotment per student of $5,140. Calculations that use the number of students in average daily attendance, the number of students who participate in special programs and adjustments for size, sparsity, and location determine a Total Cost of Tier 1. A Local Fund Assignment is determined by multiplying the district's compressed tax rate by the previous year (CPTD) property value. This formula determines the local ad valorem property taxes the district must collect in order to satisfy the district's share of the Tier 1 cost. Rankin Independent School District currently is a relatively property wealthy "Category 3" school district that has a wealth per student of more than the statewide wealth per student. School districts that are relatively property wealthy per student, such as Rankin Independent School District, will generate more than the Total Cost of Tier 1 and will fund most of the Total Cost of Tier 1 with local ad valorem property taxes. School districts that are relatively property poor per student will receive most of the Total Cost of Tier 1 from state aid.

Pennies that districts levy over and above the compressed tax rate and up to $1.17 generate additional state and local funding in Tier 2 Level 1 and Tier 2 Level 2. Current funding formulas provide for a Guaranteed Yield per penny per WADA of $99.41 in 2017-18 and $106.28 in 2018-19 for Tier 2 Level 1 and a Guaranteed Yield per penny per WADA of $31.95 per penny per WADA in Tier 2 Level 2. The district currently levies an M&O rate of $1.0363.

In an attempt to provide some degree of funding equity among school districts, the formulas provide two equalized wealth levels. Districts that exceed the first equalized wealth level of $514,000 per weighted ADA are subject to recapture on taxes collected at the compressed rate. Districts that exceed the second equalized wealth level of $319,500 per weighted ADA are subject to recapture on revenues collected on pennies that exceed six pennies over the compressed rate. Wealth per Weighted ADA calculations currently show the Rankin Independent School District to have a wealth per weighted ADA of approximately $4,613,004, making the district subject to recapture at the district's compressed rate of

$0.9763 . The district also greatly exceeds the second equalized wealth level of $319,500 per WADA but will not be subject to recapture at the second equalized wealth level unless district voters approve pennies in excess of six pennies over the compressed rate in a future Tax Rate Election.

Swift Current Energy is requesting that the value of the High Lonesome Wind Power, LLC project be limited to $25 million in years three through twelve of the agreement. The full value of the project would be subject to interest and sinking taxes (I&S) levied by the Rankin Independent School District in all years of the agreement. The Revenue Protection Clause of the proposed agreement calls for the school district to be held harmless against total state and local maintenance and operation revenue losses as a result of the value limitation agreement. Revenue Protection calculations are to be made using whatever property tax laws and school funding formulas are in place at that time in years three through twelve of the agreement. In the third year of these agreements, the first year when the value of the property is limited, the school district will likely see a significant loss in total revenue. Estimates show a loss of approximately $1,241,280 in years three through twelve when the prior year CPTD values are more closely aligned to the current year CAD values, no losses or smaller losses in total state and local revenue should be anticipated. As per the language in the contract, the company will be required to make Revenue Protection Payments to the district in an amount equal to the loss of state and local revenue as a result of the limitation in all years of the agreement.

Underlying Assumptions

The Rankin Independent School District Board of Trustees and administration need reasonable estimates of the long term impact that the proposed value limitation will have on school district revenue streams. Calculations for both Maintenance and Operation and Interest and Sinking are needed in order to determine whether the agreement is in the long term financial best interest of the school district.

The approach used in this report was to predict fifteen years of base data, including average daily attendance, M&O and I&S tax rates, maintenance and operation (M&O) tax collections, current year (CAD) values and prior year (CPTD) values for each year of the agreement. Current year (CAD) values and prior year (CPTD) values were forecast both with the full and the limited value of the project.

To isolate the impact of the value limitation on the school district's finances over this fifteen year agreement, Average Daily Attendance and Maintenance and Operation tax rates were held constant at levels that exist in the 2017-18 school year. An ADA of 284 and an M&O tax rate of $1.0363 were used for each forecasted year. The Upton County Appraisal District certified Rankin Independent School District's 2017 taxable value at $2,467,957,131. These values were used as the basis for subsequent current year (CAD) values in this report. The final 2016 T1, T2, T3, T4, T7, T9 and T10 Comptroller Property Tax Division (CPTD) values also certified to the school district in late July 2017 were used as a basis for predicting prior year (CPTD) values for each of the agreement years.

The proposed agreement calls for the Rankin Independent School District to be held harmless against total state and local revenue losses that might occur as a result of the value limitation being in effect for any given year of the agreement. In order to predict when and if these revenue losses may occur, two models were developed. The **Table 2** illustration incorporates the full value of the High Lonesome Wind Power, LLC project into the state and local funding calculations. The **Table 3** illustration assumes that only the limited value of the High Lonesome Wind Farm, LLC project is available for M&O taxation purposes. In any year of the limitation period where total state and local funding with the full project value exceeds the total state and local funding produced when the limited value is used, a Revenue Protection Payment is indicated for that year. The results of these calculations are illustrated in **Table 4**.

Financial Impact on the School District

Utilizing the assumptions and methodology described above, total Maintenance and Operation revenue was calculated with the limitation in place and without the limitation in place for each year of the agreement. The calculations show a total loss of state and local revenue in the 2020-21 school year totaling $395,617. The 2020 tax year, which applies to the 2020-21 school year, is the year that the full value of the project is predicted to be $316,814,000 and the first year that the value limitation is in place. The calculations show that when the full value of the project is included, it generates an additional $3,283,143 in state and local tax revenue when compared to the calculation in **Table 3** that factors in only the limited value of the project. The revenue loss to the district is due to additional M&O tax collections net of recapture at the compressed rate on the calculation using the full value of the project and additional M&O tax revenue on the calculation with the full value of the project generated by the six pennies levied over and above the compressed rate. Calculations show small revenue losses in years four through twelve.

M&O Impact on Taxpayer

The terms of the proposed agreement call for the Maintenance and Operation (M&O) value of the High Lonesome Wind Power, LLC project to be limited to $25 million starting in tax year 2020 (school year 2020-21) and remaining limited through tax year 2029 (school year 2029-30). The potential gross and net tax savings to Swift Current Energy are shown in **Table 5**. As stated earlier, an M&O tax rate of $1.0363 and a collection rate of 100% is used throughout the calculations in this report. **Table 5** shows gross tax savings due to the limitation of $20,634,890 throughout the length of the contract. Tax savings net of the Revenue Protection Payments and Supplemental Payments are estimated to be $18,893,610.

Facilities Funding Impact

Reports submitted by Swift Current Energy show the full value of the property being depreciated over time. Even so, the full value of the project will be available to the district for I&S and will enhance the district's ability to service current and future debt obligations. Texas funding laws provide assistance to school districts for debt service purposes in the form of the Instructional Facilities Allotment and the Existing Debt Allotment. The formulas provide a guarantee of $35 per penny per ADA for the Instructional Facilities Allotment and approximately $38 per ADA per penny of tax effort for the Existing Debt Allotment. Rankin ISD School District has property wealth per ADA that greatly exceeds this amount and is thus not eligible for this state assistance. While the project is expected to provide additional employment opportunities in the area, the impact on student enrollment is predicted to be minimal.

Conclusion

The tax limitation agreement that is proposed by Swift Current Energy will benefit the community, the school district, and Swift Current Energy. The wind farm and related infrastructure brings large scale capital investment to the area and will act as an economic stimulus. Rankin Independent School District will benefit from a growing tax base that can be leveraged to provide first class facilities for faculty and students. The estimates in this report show substantial property tax savings available to Swift Current Energy due to the ten year limitation that applies to Maintenance and Operation (M&O) taxes.

Table 1—Base District Information with High Lonesome Wind Power - Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	Assumed M&O Tax Rate	Assumed I&S Tax Rate	CAD Value No Limit	CAD Value with Limitation	CPTD No Limit	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
0	2018-19	284	525	$1.0363	$0.1000	$3,552,675,488	$3,552,675,488	$2,467,957,131	$2,467,957,131	$4,700,871	$4,700,871
QTP1	2019-20	284	525	$1.0363	$0.1000	$3,552,675,488	$3,552,675,488	$3,552,675,488	$3,552,675,488	$6,767,001	$6,767,001
QTP2/L1	2020-21	284	525	$1.0363	$0.1000	$3,869,489,488	$3,577,675,488	$3,552,675,488	$3,552,675,488	$6,767,001	$6,767,001
L2	2021-22	284	525	$1.0363	$0.1000	$3,844,182,098	$3,577,675,488	$3,869,489,488	$3,577,675,488	$7,370,456	$6,814,620
L3	2022-23	284	525	$1.0363	$0.1000	$3,820,898,358	$3,577,675,488	$3,844,182,098	$3,577,675,488	$7,322,252	$6,814,620
L4	2023-24	284	525	$1.0363	$0.1000	$3,799,476,398	$3,577,675,488	$3,820,898,358	$3,577,675,488	$7,277,902	$6,814,620
L5	2024-25	284	525	$1.0363	$0.1000	$3,822,725,377	$3,620,633,577	$3,799,476,398	$3,577,675,488	$7,237,098	$6,814,620
L6	2025-26	284	525	$1.0363	$0.1000	$3,801,444,223	$3,617,485,673	$3,822,725,377	$3,620,633,577	$7,281,382	$6,896,445
L7	2026-27	284	525	$1.0363	$0.1000	$3,781,770,273	$3,614,495,163	$3,801,444,223	$3,617,485,673	$7,240,846	$6,890,449
L8	2027-28	284	525	$1.0363	$0.1000	$3,823,221,110	$3,671,295,590	$3,781,770,273	$3,614,495,163	$7,203,372	$6,884,753
L9	2028-29	284	525	$1.0363	$0.1000	$3,803,214,088	$3,665,410,998	$3,823,221,110	$3,671,295,590	$7,282,326	$6,992,944
L10	2029-30	284	525	$1.0363	$0.1000	$3,784,598,430	$3,659,788,780	$3,803,214,088	$3,665,410,998	$7,244,217	$6,981,735
MVP1	2030-31	284	525	$1.0363	$0.1000	$3,767,272,011	$3,767,272,011	$3,784,598,430	$3,659,788,780	$7,208,759	$6,971,026
MVP2	2031-32	284	525	$1.0363	$0.1000	$3,751,140,447	$3,751,140,447	$3,767,272,011	$3,767,272,011	$7,175,756	$7,175,756
MVP3	2032-33	284	525	$1.0363	$0.1000	$3,736,116,512	$3,736,116,512	$3,751,140,447	$3,751,140,447	$7,145,029	$7,145,029
MVP4	2033-34	284	525	$1.0363	$0.1000	$3,722,119,601	$3,722,119,601	$3,736,116,512	$3,736,116,512	$7,116,412	$7,116,412
MVP5	2034-35	284	525	$1.0363	$0.1000	$3,712,270,794	$3,712,270,794	$3,722,119,601	$3,722,119,601	$7,089,752	$7,089,752
	2035-36	284	525	$1.0363	$0.1000	$3,702,889,492	$3,702,889,492	$3,712,270,794	$3,712,270,794	$7,070,992	$7,070,992
	2036-37	284	525	$1.0363	$0.1000	$3,604,778,894	$3,604,778,894	$3,702,889,492	$3,702,889,492	$7,053,123	$7,053,123
	2037-38	284	525	$1.0363	$0.1000	$3,600,173,724	$3,600,173,724	$3,604,778,894	$3,604,778,894	$6,866,246	$6,866,246

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

Year of Agreement	School Year	Foundation School Fund	Available School Fund	M&O Rev From Local Taxes (net of recapture and up to compressed rate)	M&O Rev From Local Taxes (up to $.06 above compressed rate; no recapture)	M&O Rev From Local Taxes (net of any recapture)	Recapture at Level 1 EWL	Recapture at Level 2 EWL	Other State Aid	Total General Fund
0	2018-19	$35,285	$127,425	$4,203,631	$2,131,605	$0	$30,481,140	$0	$0	$6,497,946
QTP1	2019-20	$35,425	$56,990	$3,199,804	$2,131,605	$0	$31,484,967	$0	$0	$5,423,825
QTP2/L1	2020-21	$35,585	$106,857	$3,432,472	$2,321,694	$0	$34,345,354	$0	$0	$5,896,608
L2	2021-22	$35,612	$56,990	$3,231,360	$2,306,509	$0	$34,299,390	$0	$0	$5,630,471
L3	2022-23	$35,599	$106,857	$3,222,329	$2,292,539	$0	$34,081,102	$0	$0	$5,657,323
L4	2023-24	$35,585	$127,425	$3,219,913	$2,279,686	$0	$33,874,375	$0	$0	$5,662,609
L5	2024-25	$35,592	$56,990	$3,254,566	$2,293,635	$0	$34,066,701	$0	$0	$5,640,784
L6	2025-26	$35,586	$106,857	$3,220,303	$2,280,867	$0	$33,893,197	$0	$0	$5,643,613
L7	2026-27	$35,572	$56,990	$3,224,475	$2,269,062	$0	$33,696,948	$0	$0	$5,586,099
L8	2027-28	$35,592	$106,857	$3,258,274	$2,293,933	$0	$34,067,834	$0	$0	$5,694,655
L9	2028-29	$35,587	$127,425	$3,221,277	$2,281,928	$0	$33,909,502	$0	$0	$5,666,217
L10	2029-30	$35,574	$56,990	$3,225,505	$2,270,759	$0	$33,723,530	$0	$0	$5,588,828
MVP1	2030-31	$35,564	$106,857	$3,217,022	$2,260,363	$0	$33,562,854	$0	$0	$5,619,807
MVP2	2031-32	$35,552	$56,990	$3,221,577	$2,250,684	$0	$33,400,807	$0	$0	$5,564,804
MVP3	2032-33	$35,544	$106,857	$3,213,352	$2,241,670	$0	$33,262,353	$0	$0	$5,597,423
MVP4	2033-34	$35,535	$127,425	$3,211,708	$2,233,272	$0	$33,127,345	$0	$0	$5,607,940
MVP5	2034-35	$35,527	$56,990	$3,218,974	$2,227,362	$0	$33,023,926	$0	$0	$5,538,854
0	2035-36	$35,522	$106,857	$3,211,268	$2,221,734	$0	$32,940,042	$0	$0	$5,575,381
0	2036-37	$35,470	$56,990	$3,151,803	$2,162,867	$0	$32,041,654	$0	$0	$5,407,131
0	2037-38	$35,457	$106,857	$3,197,891	$2,160,104	$0	$31,950,605	$0	$0	$5,500,309

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

Year of Agreement	School Year	Foundation School Fund	Available School Fund	M&O Rev From Local Taxes (net of recapture and up to compressed rate)	M&O Rev From Local Taxes (up to $.06 above compressed rate; no recapture)	M&O Rev From Local Taxes (net of any recapture)	Recapture at Level 1 EWL	Recapture at Level 2 EWL	Other State Aid	Total General Fund
0	2018-19	$35,285	$127,425	$4,203,631	$2,131,605	$0	$30,481,140	$0	$0	$6,497,946
QTP1	2019-20	$35,425	$56,990	$3,199,804	$2,131,605	$0	$31,484,967	$0	$0	$5,423,825
QTP2/L1	2020-21	$35,439	$106,857	$3,212,089	$2,146,605	$0	$31,716,757	$0	$0	$5,500,990
L2	2021-22	$35,441	$56,990	$3,203,683	$2,146,605	$0	$31,725,163	$0	$0	$5,442,719
L3	2022-23	$35,442	$106,857	$3,197,100	$2,146,605	$0	$31,731,746	$0	$0	$5,486,004
L4	2023-24	$35,442	$127,425	$3,197,100	$2,146,605	$0	$31,731,746	$0	$0	$5,506,572
L5	2024-25	$35,462	$56,990	$3,235,999	$2,172,380	$0	$32,112,247	$0	$0	$5,500,831
L6	2025-26	$35,468	$106,857	$3,201,453	$2,170,491	$0	$32,116,059	$0	$0	$5,514,269
L7	2026-27	$35,464	$56,990	$3,207,635	$2,168,697	$0	$32,080,681	$0	$0	$5,468,787
L8	2027-28	$35,494	$106,857	$3,244,993	$2,202,777	$0	$32,597,865	$0	$0	$5,590,122
L9	2028-29	$35,498	$127,425	$3,207,371	$2,199,247	$0	$32,578,037	$0	$0	$5,569,540
L10	2029-30	$35,493	$56,990	$3,213,168	$2,195,873	$0	$32,517,350	$0	$0	$5,501,525
MVP1	2030-31	$35,548	$106,857	$3,288,677	$2,260,363	$0	$33,491,199	$0	$0	$5,691,445
MVP2	2031-32	$35,552	$56,990	$3,221,577	$2,250,684	$0	$33,400,807	$0	$0	$5,564,804
MVP3	2032-33	$35,544	$106,857	$3,213,352	$2,241,670	$0	$33,262,353	$0	$0	$5,597,423
MVP4	2033-34	$35,535	$127,425	$3,211,708	$2,233,272	$0	$33,127,345	$0	$0	$5,607,940
MVP5	2034-35	$35,527	$56,990	$3,218,974	$2,227,362	$0	$33,023,926	$0	$0	$5,538,854
0	2035-36	$35,522	$106,857	$3,211,268	$2,221,734	$0	$32,940,042	$0	$0	$5,575,381
0	2036-37	$35,470	$56,990	$3,151,803	$2,162,867	$0	$32,041,654	$0	$0	$5,407,131
0	2037-38	$35,457	$106,857	$3,197,891	$2,160,104	$0	$31,950,605	$0	$0	$5,500,309

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

Year of Agreement	School Year	Foundation School Fund	Available School Fund	M&O Rev From Local Taxes (net of recapture and up to compressed rate)	M&O Rev From Local Taxes (up to $.06 above compressed rate; no recapture)	M&O Rev From Local Taxes (net of any recapture)	Recapture at Level 1 EWL	Recapture at Level 2 EWL	Other State Aid	Total General Fund	School District Revenue Losses "Replace all positive numbers with 0s"
0	2018-19	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
QTP1	2019-20	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
QTP2/L1	2020-21	-$147	$0	-$220,383	-$175,088	$0	-$2,628,598	$0	$0	-$395,617	-$395,617
L2	2021-22	-$172	$0	-$27,676	-$159,904	$0	-$2,574,228	$0	$0	-$187,752	-$187,752
L3	2022-23	-$157	$0	-$25,229	-$145,934	$0	-$2,349,356	$0	$0	-$171,319	-$171,319
L4	2023-24	-$143	$0	-$22,813	-$133,081	$0	-$2,142,629	$0	$0	-$156,037	-$156,037
L5	2024-25	-$130	$0	-$18,568	-$121,255	$0	-$1,954,454	$0	$0	$0	$0
L6	2025-26	-$119	$0	-$18,850	-$110,375	$0	-$1,777,137	$0	$0	-$129,344	-$129,344
L7	2026-27	-$108	$0	-$16,840	-$100,365	$0	-$1,616,267	$0	$0	$0	$0
L8	2027-28	-$98	$0	-$13,280	-$91,155	$0	-$1,469,969	$0	$0	-$104,533	-$104,533
L9	2028-29	-$89	$0	-$13,906	-$82,682	$0	-$1,331,465	$0	$0	-$96,677	-$96,677
L10	2029-30	-$81	$0	-$12,337	-$74,886	$0	-$1,206,180	$0	$0	$0	$0
MVP1	2030-31	-$16	$0	$71,655	$0	$0	-$71,655	$0	$0	$0	$0
MVP2	2031-32	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
MVP3	2032-33	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
MVP4	2033-34	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
MVP5	2034-35	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
0	2035-36	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
0	2036-37	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
0	2037-38	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Table 5—Estimated Financial Impact

	Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits	School District Benefit $100 per ADA	Company Tax Benefit
QTP1	2019	2019-20	$0	$0	$0	1.0363	$0	$0	$0	$0	$0	$0	$50,000	-$50,000
QTP2/L1	2020	2020-21	$316,814,000	$25,000,000	$291,814,000	1.0363	$3,283,143	$259,075	$3,024,068	$3,024,068	-$395,617	$2,628,451	$50,000	$2,578,451
L2	2021	2021-22	$291,506,610	$25,000,000	$266,506,610	1.0363	$3,020,883	$259,075	$2,761,808	$2,761,808	-$187,752	$2,574,056	$50,000	$2,524,056
L3	2022	2022-23	$268,222,870	$25,000,000	$243,222,870	1.0363	$2,779,594	$259,075	$2,520,519	$2,520,519	-$171,319	$2,349,199	$50,000	$2,299,199
L4	2023	2023-24	$246,800,910	$25,000,000	$221,800,910	1.0363	$2,557,598	$259,075	$2,298,523	$2,298,523	-$156,037	$2,142,486	$50,000	$2,092,486
L5	2024	2024-25	$227,091,800	$25,000,000	$202,091,800	1.0363	$2,353,352	$259,075	$2,094,277	$2,094,277	$0	$2,094,277	$50,000	$2,044,277
L6	2025	2025-26	$208,958,550	$25,000,000	$183,958,550	1.0363	$2,165,437	$259,075	$1,906,362	$1,906,362	-$129,344	$1,777,018	$50,000	$1,727,018
L7	2026	2026-27	$192,275,110	$25,000,000	$167,275,110	1.0363	$1,992,547	$259,075	$1,733,472	$1,733,472	$0	$1,733,472	$50,000	$1,683,472
L8	2027	2027-28	$176,925,520	$25,000,000	$151,925,520	1.0363	$1,833,479	$259,075	$1,574,404	$1,574,404	-$104,533	$1,469,871	$50,000	$1,419,871
L9	2028	2028-29	$162,803,090	$25,000,000	$137,803,090	1.0363	$1,687,128	$259,075	$1,428,053	$1,428,053	-$96,677	$1,331,376	$50,000	$1,281,376
L10	2029	2029-30	$149,809,650	$25,000,000	$124,809,650	1.0363	$1,552,477	$259,075	$1,293,402	$1,293,402	$0	$1,293,402	$50,000	$1,243,402
MVP1	2030	2030-31	$137,854,920	$137,854,920	$0	1.0363	$1,428,591	$1,428,591	$0	$0	$0	$0	$50,000	-$50,000
MVP2	2031	2031-32	$126,855,820	$126,855,820	$0	1.0363	$1,314,607	$1,314,607	$0	$0	$0	$0	$50,000	-$50,000
MVP3	2032	2032-33	$116,735,910	$116,735,910	$0	1.0363	$1,209,734	$1,209,734	$0	$0	$0	$0	$50,000	-$50,000
MVP4	2033	2033-34	$107,424,880	$107,424,880	$0	1.0363	$1,113,244	$1,113,244	$0	$0	$0	$0	$0	$0
MVP5	2034	2034-35	$98,858,040	$98,858,040	$0	1.0363	$1,024,466	$1,024,466	$0	$0	$0	$0	$0	$0
	2035	2035-36	$90,975,870	$90,975,870	$0	1.0363	$942,783	$942,783	$0	$0	$0	$0	$0	$0
	2036	2036-37	$83,723,610	$83,723,610	$0	1.0363	$867,628	$867,628	$0	$0	$0	$0	$0	$0
	2037	2037-38	$77,050,880	$77,050,880	$0	1.0363	$798,478	$798,478	$0	$0	$0	$0	$0	$0
	TOTALS						$31,925,170	$11,290,281	$20,634,890	$20,634,890	-$1,241,280	$19,393,610	$700,000	$18,693,610

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

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

Table 5 Estimated Financial Impact
Rankin ISD High Lonesome #1237 - August 23,2018

	Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits	School District Benefit $100 per ADA	Company Tax Benefit
QTP1	2019	2019-20	$0	$0	$0	1.0363	$0	$0	$0	$0	$0	$0	$50,000	-$50,000
QTP2/L1	2020	2020-21	$316,814,000	$25,000,000	$291,814,000	1.0363	$3,283,143	$259,075	$3,024,068	$3,024,068	-$395,617	$2,628,451	$50,000	$2,578,451
L2	2021	2021-22	$291,506,610	$25,000,000	$266,506,610	1.0363	$3,020,883	$259,075	$2,761,808	$2,761,808	-$187,752	$2,574,056	$50,000	$2,524,056
L3	2022	2022-23	$268,222,870	$25,000,000	$243,222,870	1.0363	$2,779,594	$259,075	$2,520,519	$2,520,519	-$171,319	$2,349,199	$50,000	$2,299,199
L4	2023	2023-24	$246,800,910	$25,000,000	$221,800,910	1.0363	$2,557,598	$259,075	$2,298,523	$2,298,523	-$156,037	$2,142,486	$50,000	$2,092,486
L5	2024	2024-25	$227,091,800	$25,000,000	$202,091,800	1.0363	$2,353,352	$259,075	$2,094,277	$2,094,277	$0	$2,094,277	$50,000	$2,044,277
L6	2025	2025-26	$208,958,550	$25,000,000	$183,958,550	1.0363	$2,165,437	$259,075	$1,906,362	$1,906,362	-$129,344	$1,777,018	$50,000	$1,727,018
L7	2026	2026-27	$192,275,110	$25,000,000	$167,275,110	1.0363	$1,992,547	$259,075	$1,733,472	$1,733,472	$0	$1,733,472	$50,000	$1,683,472
L8	2027	2027-28	$176,925,520	$25,000,000	$151,925,520	1.0363	$1,833,479	$259,075	$1,574,404	$1,574,404	-$104,533	$1,469,871	$50,000	$1,419,871
L9	2028	2028-29	$162,803,090	$25,000,000	$137,803,090	1.0363	$1,687,128	$259,075	$1,428,053	$1,428,053	-$96,677	$1,331,376	$50,000	$1,281,376
L10	2029	2029-30	$149,809,650	$25,000,000	$124,809,650	1.0363	$1,552,477	$259,075	$1,293,402	$1,293,402	$0	$1,293,402	$50,000	$1,243,402
MVP1	2030	2030-31	$137,854,920	$137,854,920	$0	1.0363	$1,428,591	$1,428,591	$0	$0	$0	$0	$50,000	-$50,000
MVP2	2031	2031-32	$126,855,820	$126,855,820	$0	1.0363	$1,314,607	$1,314,607	$0	$0	$0	$0	$50,000	-$50,000
MVP3	2032	2032-33	$116,735,910	$116,735,910	$0	1.0363	$1,209,734	$1,209,734	$0	$0	$0	$0	$50,000	-$50,000
MVP4	2033	2033-34	$107,424,880	$107,424,880	$0	1.0363	$1,113,244	$1,113,244	$0	$0	$0	$0	$0	$0
MVP5	2034	2034-35	$98,858,040	$98,858,040	$0	1.0363	$1,024,466	$1,024,466	$0	$0	$0	$0	$0	$0
	2035	2035-36	$90,975,870	$90,975,870	$0	1.0363	$942,783	$942,783	$0	$0	$0	$0	$0	$0
	2036	2036-37	$83,723,610	$83,723,610	$0	1.0363	$867,628	$867,628	$0	$0	$0	$0	$0	$0
	2037	2037-38	$77,050,880	$77,050,880	$0	1.0363	$798,478	$798,478	$0	$0	$0	$0	$0	$0
	TOTALS						$31,925,170	$11,290,281	$20,634,890	$20,634,890	-$1,241,280	$19,393,610	$700,000	$18,693,610

*Note: School District Revenue-Loss estimates are subject to change based on various factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year project appraisal values, and changes in school district tax rates. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

EXHIBIT C

**Proposed Agreement between
Rankin Independent School District
and High Lonesome Wind Power, LLC**

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 18, 2018

Sammy Wyatt
Superintendent
Rankin Independent School District
P.O. Box 90
Rankin, Texas 79778

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Rankin Independent School District and High Lonesome Wind Power, LLC, Application 1237

Dear Superintendent Wyatt:

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 Rankin Independent School District and High Lonesome Wind Power, LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that 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 Deisy Perez with our office. She can be reached by email at deisy.perez@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-2410, or at 512-475-2410.

Sincerely,

Will Counihan
Director
Data Analysis & Transparency Division

cc: Sara Leon, Powell & Leon, LLP
William Kelsey, Wind Conveyer I, LP
Wes Jackson, Cummings Westlake, LLC

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

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by and between

RANKIN INDEPENDENT SCHOOL DISTRICT

and

HIGH LONESOME WIND POWER, LLC

(Texas Taxpayer ID #32062092443)

Comptroller Application #1237

Dated

December 19, 2018

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

STATE OF TEXAS §
§
COUNTY OF UPTON §

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 **RANKIN INDPENDENT 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 **HIGH LONESOME WIND POWER, LLC,** Texas Taxpayer Identification Number 32062092443 hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on February 7, 2018, the Superintendent of Schools of the Rankin Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on February 7, 2018, 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(a-1) of the TEXAS TAX CODE;

WHEREAS, the District and the Texas Comptroller's Office have determined that the Application is complete and May 4, 2018 is the Application Review Start Date as that term is defined by 34 TEXAS ADMINISTRATIVE CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMINISTRATIVE CODE Section 9.1054, the Application was delivered to the Upton County Appraisal District established in Upton County, Texas (the "Upton County Appraisal District"), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on August 1, 2018, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, on September 20, 2018, the Superintendent of Schools, acting as delegee of the Board of Trustees, extended the statutory deadline by which the District must consider the Application until December 31, 2018, and the Comptroller was provided notice of such extension as set out under 34 TEXAS ADMIN. CODE Section 9.1054(d);

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

WHEREAS, on December 19, 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 December 19, 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 December 19, 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 December 18, 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 December 19, 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 to execute and deliver such Agreement to the Applicant; and,

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

ARTICLE I
DEFINITIONS

Section 1.1. DEFINITIONS.

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

"*Act*" means the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, including any statutory amendments that are applicable to Applicant.

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

"*Applicant*" means High Lonesome Wind Power, LLC, *(Texas Taxpayer ID #32062092443*), 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 February 7, 2018. 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 Upton County Appraisal District.

"*Board of Trustees*" means the Board of Trustees of the Rankin Independent School District.

"*Commercial Operation*" shall mean the date on which the project described in the Application becomes commercially operational and has begun selling energy in commercial quantities to a third party purchaser.

"*Comptroller*" means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

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

"*County*" means Upton County, Texas.

"*District*" *or* "*School District*" means the Rankin 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 60 (sixty) business days of the existence of such Force Majeure or otherwise waive this right as a defense.

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

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

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

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

Comptroller's Rules.

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

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

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

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

"*State*" means the State of Texas.

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

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

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

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

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

Section 1.2. NEGOTIATED DEFINITIONS.

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

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

"*Lost M&O Revenue*" means the reduction in Maintenance and Operations ad valorem tax revenue to the District resulting from, or on account of, this Agreement for each year starting in the first year of the Tax Limitation Period and ending on December 31st of the last year of the Tax Limitation Period.

"*New M&O Revenue*" means the total State and local Maintenance and Operations revenue that the District actually received for such school year, after all adjustments have been made to such Maintenance and Operations revenue in accordance with the provisions of the Applicable School Finance Law for such school year

"*Net Tax Benefit*" means an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties; *minus*, (ii) an amount equal to the sum of all maintenance and operations ad valorem school taxes actually due to the District for all Tax Years during the term of this Agreement, including any and all payments due to the District under Articles IV, V, and VI of this Agreement.

"*Original M&O Revenue*" means the total State and local Maintenance and Operations revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant's Qualified Property been subject to the District's full ad valorem maintenance & operations tax at the rate applicable for such tax year. For purposes of this calculation, the third party (hereinafter defined in Section 4.4 of this Agreement) 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 which is or would be used for the calculation of the District's tax levy for debt tax purposes. For the calculation of Original M&O Revenue, Applicant's Taxable value for its Qualified Property for M&O purposes will not be used.

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

ARTICLE II
AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

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

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

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is May 4, 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 December 19, 2018.
C. The Qualifying Time Period for this Agreement:
    i. Starts on January 1, 2019; and
    ii. Ends on December 31, 2020.
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 commencement of Commercial Operation; and
    ii. Ends on December 31, 2029; which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i plus 9 years.
E. The Final Termination Date for this Agreement is December 31, 2034, which is the last year of the Tax Limitation Period as defined in Section 2.3.D.ii plus 5 years
F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION. So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

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

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

Section 2.5. TAX LIMITATION ELIGIBILITY. In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:

A. Have completed the Applicant's Qualified Investment in the amount of Twenty Million Dollars ($20,000,000.00) during the Qualifying Time Period;
B. Have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
C. Pay an average weekly wage of at least $1,287.00 for all New Non-Qualifying Jobs created by the Applicant.

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

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

ARTICLE III
QUALIFIED PROPERTY

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

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

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

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

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

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF PARTIES.

Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE that the District shall be compensated by the Applicant as provided in this Article IV for any Lost M&O Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI of this Agreement. Subject to the limitations contained in this Agreement (including Section 7.1), **it is the intent of the Parties that the risk of any and all Lost M&O Revenue as a result of, or on account of, entering into this Agreement, will be borne by the Applicant and not by the District.**

Subject to the limitations contained in this Agreement (including Section 7.1), the calculation of any Lost M&O Revenue required to be paid by the Applicant under this Article IV shall be made for the first time in the first year of the Tax Limitation Period, and every year thereafter during the term of this Agreement.

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 Applicable School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and,

iii. May change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2 **CALCULATING LOST M&O REVENUE.**

Subject to the limitations contained in this Agreement (including Section 7.1), the amount to be paid by the Applicant to compensate the District for loss of M&O Revenue resulting from, or on account of, this Agreement for each year starting in the first year of the Tax Limitation Period and ending on December 31st of the last year of the Tax Limitation Period (the "Lost M&O Revenue") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

Subject to the limitations contained in this Agreement (including Section 7.1), the Lost M&O Revenue owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue.

In making the calculations required by this Section 4.2:

i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.

ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property 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 this Section 4.2 of this Agreement, Subsection ii of this subsection will reflect the Tax Limitation Amount for such year.

v. All calculations made under this Section 4.2 shall be made by a methodology which isolates only the full Maintenance and Operation Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or on account of or otherwise arising out of any other factors not contained in this Agreement.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY.

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") selected and appointed each year by the District, subject to approval by Applicant in writing, which approval shall not unreasonably be withheld.

Section 4.4. DATA USED FOR CALCULATIONS.

The calculations for payments under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including the Applicant's Qualified 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 and appointed 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. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.

If the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and such appeal remains unresolved at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property by the Appraisal District. The calculations shall be readjusted, if necessary, based on the outcome of the appeal as set forth below.

If as a result of an appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amount to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.6. DELIVERY OF CALCULATIONS.

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under this Article IV, Article V, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.8, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until four (4) years after the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.7. STATUTORY CHANGES AFFECTING MAINTENANCE & OPERATION REVENUE.

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District that are necessary to fully reimburse and hold the District harmless from any actual negative impact on the District's Maintenance and Operation 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 the District. Such payment shall be made no later than thirty (30) days following notice from the District of such determination and calculation. The District shall use reasonable efforts to mitigate the economic effects of any such statutory change or administrative interpretation, and if the Applicant disagrees with any calculation or determination by the District of any adverse impact described in this Article IV, the Applicant shall have the right to appeal such calculation or determination in accordance with the procedures set forth in Section 4.9.

Section 4.8. PAYMENT BY APPLICANT.

Subject to Section 4.9 below, the Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 of the year next following the tax levy for each year for which this Agreement is effective. Subject to the limitation set forth in this Section 4.8 below, by such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 4.4, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas, for any audits conducted by the State Auditor's Office, or for other legal expenses which are, or may be required under the terms of, or because of, the execution of this Agreement. The Applicant shall only be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.8 not to exceed Fifteen Thousand Dollars ($15,000.00).

Section 4.9. RESOLUTION OF DISPUTES.

Should the Applicant disagree with the Third Party calculations made pursuant to this Article IV or Article V, Article VI or Section 7.1 of this Agreement, 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 4.4 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 calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the District's Board of Trustees within thirty (30) days after receipt of the final determination of the calculations. Any appeal by the Applicant of the final determination of calculations shall in no way limit Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.10. PAYMENT LIMITATION.

Notwithstanding any other provision in this Agreement, in no event shall the Revenue Protection Amount paid under this Article IV calculated for a Tax Year of this Agreement during the period from the Tax Year that includes the date on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i, and ending with the first Tax Year following the end of the Tax Limitation Period, exceed an amount equal to One Hundred Percent (100%) of the Applicant's Net Tax Benefit for such Tax Year. For each year of the Limitation Period of this Agreement, revenue protection amounts otherwise due and owing by the Applicant to the District which, by virtue of the application of the payment limitation set forth in this Section 4.10, are not payable to the District for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, but shall be subject, in each subsequent Tax Year, to the limit set forth in this Section 4.10. Any of the Revenue Protection Payments which cannot be paid to the District prior to the end of the first Tax Year following the end of the Tax Limitation Period because such payment would exceed the Applicant's Net Tax Benefit under this Agreement will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

In the event that any Revenue Protection Payment otherwise due from the Applicant to the District is subject to reduction in accordance with the provisions of Section 4.10, 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 4.10 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 4.10 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.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES. In addition to the amounts determined pursuant to Section 4 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for all non-reimbursed costs, certified by the Third Party 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.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

In interpreting the provisions of this Article VI, the Parties agree that, 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 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 of the Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under this Article VI are separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all payments under Articles IV, V, and VI are subject to such limitations as are contained in Section 7.1, and that all payments under Article VI are subject to the separate limitations contained in Section 6.2 and Section 6.3. Each Supplemental Payment shall be due and payable on January 31st of the year following that in which such

Supplemental Payment accrued.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

A. the total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars ($100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars ($50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application.

B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.

C. the limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)–(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of $50,000 or $100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's Average Daily Attendance for the previous school year.

SECTION 6.3. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF AGGREGATE LIMIT. Pursuant to Texas Tax Code Section 313.027(i), the parties agree that Supplemental Payments under this Article VI shall be owed for each year of the period beginning in the first year of the Qualifying Time Period and ending the third year after the date the Applicant's eligibility for a limitation agreement expires.

A. If, for any Tax Year during the Limitation Period of this Agreement, the amount of the Applicant's Supplemental Payment, calculated under Section 6.2 above for such Tax Year, which, by virtue of the application of the payment limitation set forth in Section 7.1 below, are not payable to the District for such Tax Year, such sums shall be carried forward from year-to-year into subsequent Tax Years during the Limitation Period of this Agreement, but shall be subject, in each subsequent Tax Year, to the Payment limit set forth in Section 7.1.

B. Pursuant to Texas Tax Code Section 313.027(i), the parties agree that Supplemental Payments under this Section 6 shall be owed for each year of the period beginning in the first year of the Qualifying Time Period (2019 Tax Year) and ending the third year after the date the Applicant's eligibility for a limitation agreement expires (2032 Tax Year). The limitation under Section 7.1 applies only to payments due during the Limitation Period.

Failure to pay Supplemental Payments shall constitute Material Breach of this Agreement (subject to applicable notice and cure periods), as set forth more fully herein at Article IX.

Section 6.4. SUPPLEMENTAL PAYMENT CHANGES. In the event Chapter 313 is modified or amended to allow the District to receive Supplemental Payments in excess of the foregoing limitation in Sections 6.2A and B Applicant agrees to cooperate with the District to amend this Agreement to allow District to receive the maximum amount of Supplemental Payments as allowed by law; provided however, the total Supplemental Payments for any given year of this Agreement shall not exceed the greater of forty percent (40%) of Applicant's Net Tax Benefit under this Agreement in such year (calculated without taking Supplemental Payments into account) or the amount calculated under Section 6.2.A above, as determined for that school year. This Section 6.6 shall only apply if Chapter 313 of the TEXAS TAX CODE is amended so that the District is permitted to receive Supplemental Payments greater than as described in Section 6.2A above; otherwise, Section 6.2D shall apply.

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

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

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

A. The Parties respective rights and obligations under this Agreement with respect to the Tax

Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

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

ARTICLE VIII
ADDITIONAL OBLIGATIONS OF APPLICANT

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

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMINISTRATIVE CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

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

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

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

A. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR. By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

i. date of submission of the final payment;
ii. Final Termination Date; or
iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

A. Represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;

B. Agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and

C. Acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX
MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT. The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a "Material Breach"):

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;

C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;

D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;

E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;

F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;

M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement; or,

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:
   i. Whether or not a breach of this Agreement has occurred;
   ii. Whether or not such breach is a Material Breach;
   iii. The date such breach occurred, if any;
   iv. Whether or not any such breach has been cured; and

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:
   i. The amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
   ii. The amount of any penalty or interest under Section 9.4.E that are owed to the District; and
   iii. In the event of a finding of a Material Breach, whether to terminate this Agreement.

D. After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination") and provide a copy to the Comptroller.

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have not greater than ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Upton 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 Upton County, Texas, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the ninety (90) 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 ninety (90) 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 ninety (90) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

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

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

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

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make Twenty Million Dollars ($20,000,000.00) of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN 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:

To the District		With Copy to
Name:	Rankin ISD	Powell & Leon. LLP
Attn:	Superintendent Sammy Wyatt, Or his successor	Sara Hardner Leon
Address:	1300 Upton Street	108 Wild Basin Road #100
City/Zip:	Rankin, Texas 79778	West Lake Hills TX 78746
Phone :	432-693-2461	Phone : 512-494-1177
Fax :	432-693-2353	Fax : 512-494-1188
Email:	swyatt@rankinisd.net	sleon@powell-leon.com

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

To the Applicant

Name:	High Lonesome Wind Power, LLC
Attn:	William Kelsey, Partner
Address:	184 High St., Suite 701
City/Zip:	Boston, MA 02110
Phone :	(866) 319-1949
Email:	wkelsey@swiftcurrentenergy.com

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

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

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

B. By official action of the District's Board of Trustees, the Application and this Agreement may only be amended according to the following:
   i. The Applicant shall submit to the District and the Comptroller:
      a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
      b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
      c. and any additional information requested by the District or the Comptroller

necessary to evaluate the amendment or modification;

ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and,

iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

i. Require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;

ii. Clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

Section 10.3. ASSIGNMENT.

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

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

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

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

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

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

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

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

Section 10.9. INTERPRETATION.

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

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

C. The provisions of the Act and the Comptroller's Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:
   i. The Act;
   ii. The Comptroller's Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
   iii. This Agreement and its Attachments including the Application as incorporated by reference.

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

Section 10.11. PUBLICATION OF DOCUMENTS.

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

A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website.
B. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website.
C. This Section does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

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

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

Section 10.14. CONFLICT OF INTEREST.

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this

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

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

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

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

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

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

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

B. Delivery is deemed complete as follows:
   i. When delivered if delivered personally or sent by express courier service;
   ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;

iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or

iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

[*Signature Page to Follow*]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 19th day of December, 2018.

HIGH LONESOME WIND POWER, LLC

By: ______________________

Name: WILLIAM KELSEY

Title: MANAGER

RANKIN INDEPENDENT SCHOOL DISTRICT

By: Amanda Evridge

AMANDA EVRIDGE
President, Board of Trustees

ATTEST:

By: Cody Owens

~~KARRIE SELF~~ CO
Secretary, Board of Trustees

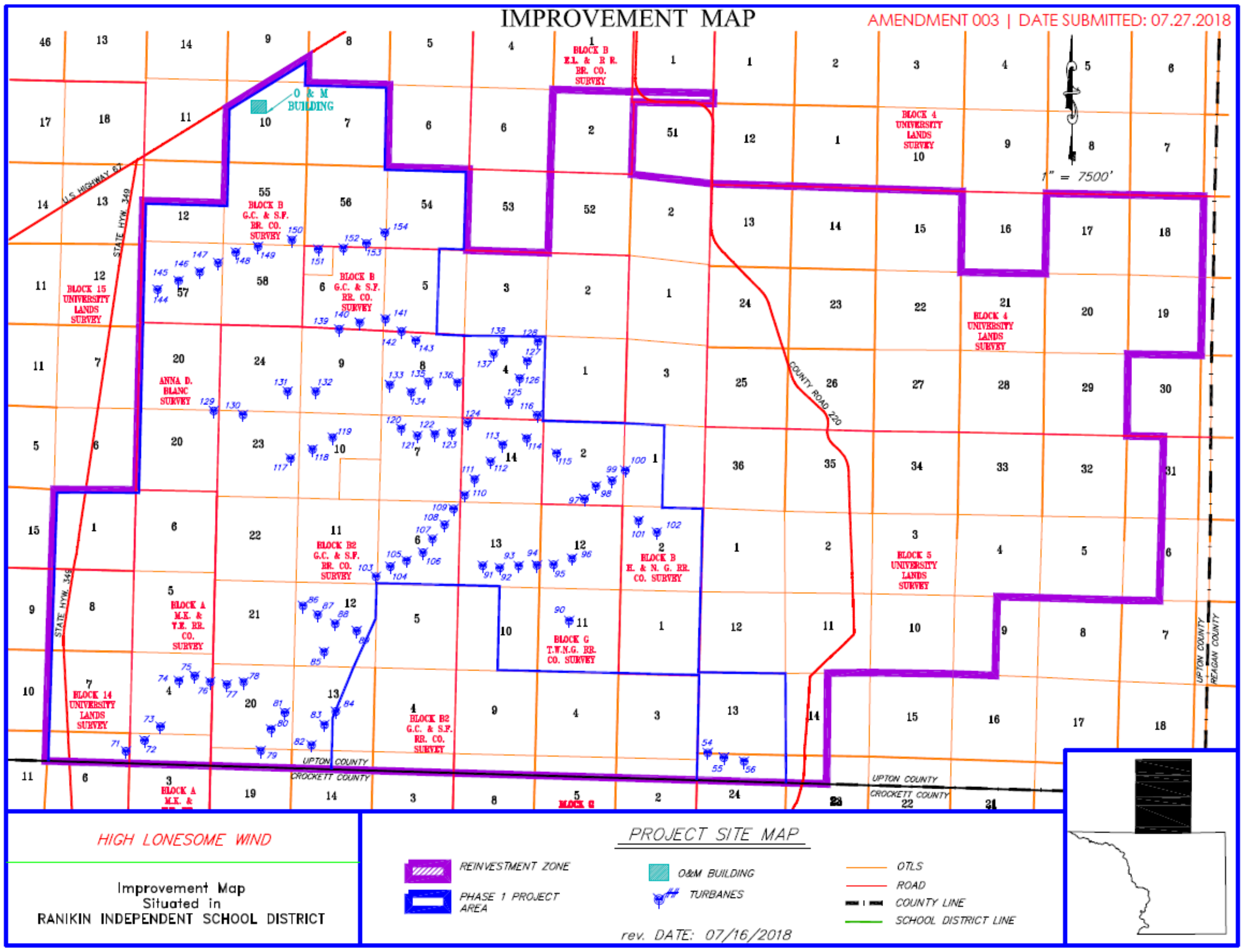
EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The reinvestment zone was created and is in effect at the time of the approval of this Application. The High Lonesome Wind Power, LLC Reinvestment Zone was created on February 28, 2018, by action of the Upton County Commissioner's Court. As a result, all of the following real property is within the boundaries of the *High Lonesome Wind Power Reinvestment Zone*.

SECTION	BLOCK	SURVEY	ABSTARCT	COUNTY
9	B	G.C. & S.F. RR. CO.	A-164	UPTON
10	B	G.C. & S.F. RR. CO.	A-570	UPTON
7	B	G.C. & S.F. RR. CO.	A-157	UPTON
12	B	G.C. & S.F. RR. CO.	A-1050	UPTON
55	B	G.C. & S.F. RR. CO.	A-162	UPTON
56	B	G.C. & S.F. RR. CO.	A-894	UPTON
54	B	G.C. & S.F. RR. CO.	A-571	UPTON
57	B	G.C. & S.F. RR. CO.	A-163	UPTON
58	B	G.C. & S.F. RR. CO.	A-844	UPTON
6	B	G.C. & S.F. RR. CO.	A-895	UPTON
5	B	G.C. & S.F. RR. CO.	A-197	UPTON
20		ANNA D. BLANC	A-1032	UPTON
24	B2	G.C. & S.F. RR. CO.	A-859	UPTON
9	B2	G.C. & S.F. RR. CO.	A-200	UPTON
4	B	G.C. & S.F. RR. CO.	A-917	UPTON
20		ANNA D. BLANC	A-858	UPTON
23	B2	G.C. & S.F. RR. CO.	A-205	UPTON
10	B2	G.C. & S.F. RR. CO.	A-864	UPTON
7	B2	G.C. & S.F. RR. CO.	A-199	UPTON
14	G	T.W. & N.G. RR. CO.	A-916	UPTON
2		H. & G. N. RR. CO.	A-1149	UPTON
1		H. & G. N. RR. CO.	A-236	UPTON
1	15	UNIVERSITY LANDS	U-106	UPTON
6	A	M.K. & T.E. RR. CO.	A-973	UPTON
32	B2	G.C. & S.F. RR. CO.	A-974	UPTON
11	B2	G.C. & S.F. RR. CO.	A-201	UPTON
6	B2	G.C. & S.F. RR. CO.	A-1041	UPTON
13	G	T.W.N.G. RR. CO.	A-539	UPTON
12	G	T.W.N.G. RR. CO.	A-1238	UPTON
2		G.C. & S.F. RR. CO.	A-1239	UPTON
8	14	UNIVERSITY LANDS	U-099	UPTON
5	A	M.K. & T.E. RR. CO.	A-341	UPTON
21	B2	G.C. & S.F. RR. CO.	A-204	UPTON
12	B2	G.C. & S.F. RR. CO.	A-1148	UPTON
5	B2	G.C. & S.F. RR. CO.	A-198	UPTON
10	G	T.W. & N.G. RR. CO.	A-1017	UPTON
11	G	T.W. & N.G. RR. CO.	A-538	UPTON
1		G.C. & S.F. RR. CO.	A-182	UPTON
7	14	UNIVERSITY LANDS	U-098	UPTON
4	A	M.K. & T.E. RR. CO.	A-795	UPTON
20	B2	G.C. & S.F. RR. CO.	A-794	UPTON
13	B2	G.C. & S.F. RR. CO.	A-202	UPTON
4	B2	T.W. & N.G. RR. CO.	A-1325	UPTON
9	G	T.W. & N.G. RR. CO.	A-541	UPTON
4	G	T.W. & N.G. RR. CO.	A-1016	UPTON

3	G	T.W. & N.G. RR. CO.	A-540	UPTON
10	14	UNIVERSITY LANDS	U-97	UPTON
3	A	M.K. & T.E. RR. CO.	A-1348	UPTON
19	B2	G.C. & S.F. RR. CO.	A-1339	UPTON
14	B2	G.C. & S.F. RR. CO.	A-1346	UPTON
3	B2	G.C. & S.F. RR. CO.	A-1340	UPTON
8	G	T.W. & N.G. RR. CO.	A-1344	UPTON
5	G	T.W. & N.G. RR. CO.	A-1359	UPTON
2	G	T.W. & N.G. RR. CO.	A-540	UPTON
2	B	E.L. & R R. RR. CO.	A-1240	UPTON
1	58	UNIVERSITY LANDS	U-U124	UPTON
3	B	G.C. & S.F. RR. CO.	A-196	UPTON
52		G.C. & S.F. RR. CO.	A-1241	UPTON
2		G.C. & S.F. RR. CO.	A-1040	UPTON
13	4	UNIVERSITY LANDS	U-49	UPTON
14	4	UNIVERSITY LANDS	U-50	UPTON
15	4	UNIVERSITY LANDS	U-51	UPTON
17	4	UNIVERSITY LANDS	U-53	UPTON
18	4	UNIVERSITY LANDS	U-54	UPTON
19	4	UNIVERSITY LANDS	U-55	UPTON
20	4	UNIVERSITY LANDS	U-56	UPTON
21	4	UNIVERSITY LANDS	U-57	UPTON
22	4	UNIVERSITY LANDS	U-58	UPTON
23	4	UNIVERSITY LANDS	U-59	UPTON
24	4	UNIVERSITY LANDS	U-60	UPTON
1		G.C. & S.F. RR. CO.	A-183	UPTON
2	B	G.C. & S.F. RR. CO.	A-1022	UPTON
1	B	G.C. & S.F. RR. CO.	A-195	UPTON
3		G.C. & S.F. RR. CO.	A-290	UPTON
25	4	UNIVERSITY LANDS	U-61	UPTON
26	4	UNIVERSITY LANDS	U-62	UPTON
27	4	UNIVERSITY LANDS	U-63	UPTON
28	4	UNIVERSITY LANDS	U-64	UPTON
29	4	UNIVERSITY LANDS	U-65	UPTON
31	5	UNIVERSITY LANDS	U-67	UPTON
32	5	UNIVERSITY LANDS	U-68	UPTON
33	5	UNIVERSITY LANDS	U-69	UPTON
34	5	UNIVERSITY LANDS	U-70	UPTON
35	5	UNIVERSITY LANDS	U-71	UPTON
36	5	UNIVERSITY LANDS	U-72	UPTON
1	5	UNIVERSITY LANDS	U-73	UPTON
2	5	UNIVERSITY LANDS	U-74	UPTON
3	5	UNIVERSITY LANDS	U-75	UPTON
4	5	UNIVERSITY LANDS	U-76	UPTON
5	5	UNIVERSITY LANDS	U-77	UPTON
6	5	UNIVERSITY LANDS	U-76	UPTON
9	5	UNIVERSITY LANDS	U-81	UPTON
10	5	UNIVERSITY LANDS	U-82	UPTON
11	5	UNIVERSITY LANDS	U-83	UPTON
12	5	UNIVERSITY LANDS	U-84	UPTON
13	5	UNIVERSITY LANDS	U-85	UPTON
14	5	UNIVERSITY LANDS	U-86	UPTON
24	5	UNIVERSITY LANDS	U-96	UPTON
23	5	UNIVERSITY LANDS	U-95	UPTON



Agreement for Limitation on Appraised Value
Between Rankin Independent School District and High Lonesome Wind Power, LLC
TEXAS COMPTROLLER APPLICATION NUMBER 1237
December 19, 2018

EXHIBIT 1

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

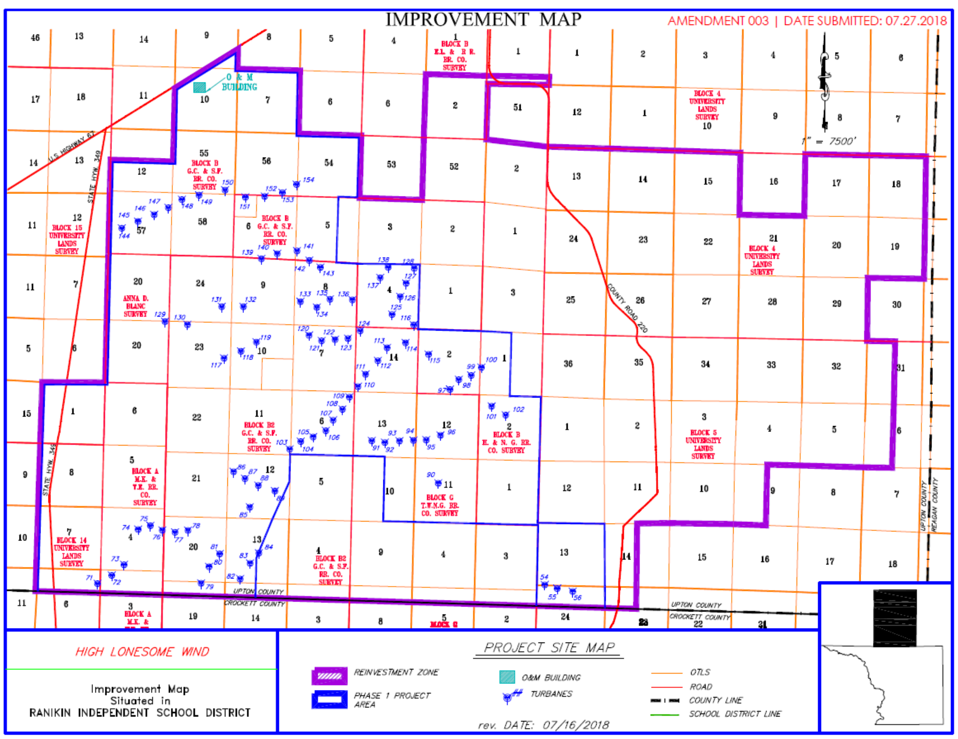
APPLICANT'S QUALIFIED INVESTMENT

High Lonesome Wind Power, LLC plans to construct a 300.15 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. Three hundred and fifteen one-hundredths megawatts (300.15 MW) will be located in Rankin ISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 87 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, transmission lines, electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.



NOTE: The map shows the potential locations of 87 of the wind turbines, an O&M building 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.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

High Lonesome Wind Power, LLC plans to construct a 300.15 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. Three hundred and fifteen one-hundredths megawatts (300.15 MW) will be located in Rankin ISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 87 turbines.

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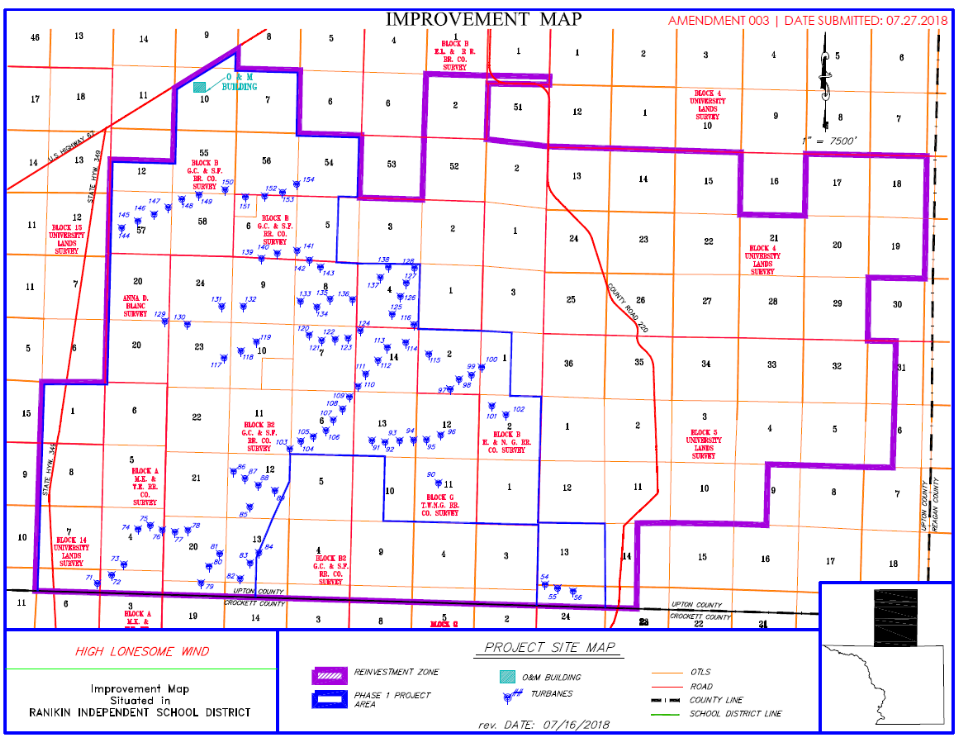

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