
**FINDINGS
OF THE
EDINBURG CONSOLIDATED INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
MONTE CRISTO WINDPOWER, LLC (#1269)**

OCTOBER 25, 2018

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INDEPENDENT SCHOOL DISTRICT BOARD OF
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STATE OF TEXAS §

COUNTY OF HIDALGO §

On the 25th day of October 2018, a public meeting of the Board of Trustees of the Edinburg Consolidated Independent School District (“District”) was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Monte Cristo Windpower, LLC (“Applicant”) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District’s administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On June 12, 2018, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts (“Comptroller”) received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32063911468), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

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

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Hidalgo County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054. On August 30, 2018, the Comptroller determined the Application to be complete.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on October 18, 2018, in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

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

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

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

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in

accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

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

Board Finding Number 1.

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

In support of Finding 1, the Application indicates that:

Monte Cristo Windpower, LLC, ("Monte Cristo") is a special purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project. Terra-Gen Development Company, LLC, ("Terra-Gen") the exclusive developer of Monte Cristo, is in the business of initiating, developing, producing and owning and operating electricity from renewable energy projects including wind, solar, and geothermal.

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

Board Finding Number 2.

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

Board Finding Number 3.

Based on the information certified by the Comptroller, the limitation on appraised value is a determining factor in the applicant's decision to

invest capital and construct the project in this state (as detailed in Attachment C of the Comptroller's Certification).

Board Finding Number 4.

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

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

Board Finding Number 5.

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

In its Application, Applicant has committed to creating six (6) new qualifying jobs. The average salary level of qualifying jobs will be at least \$40,867 per year. The review of the application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

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

(E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Board Finding Number 6.

Based upon the information provided to the District with regard to the industry standard for staffing ratios of similar projects in the State of Texas, the District has determined that if the job creation requirement set forth in Texas Tax Code § 313.021(2)(A)(iv)(b) was applied, for the size and scope of the project described in the Application, the required number of jobs meets or exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

Board Finding Number 7.

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

In its Application, Applicant has indicated that it does not intend to create any non-qualifying jobs. For all non-qualifying jobs, the Applicant should create the Applicant will be required to pay at least the county average wage of \$33,788 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

Board Finding Number 8.

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$228 million to the tax base that would be available for debt service purposes at the peak investment level for the 2020-21 school year, with existing state facilities support expected to continue in the future.

Board Finding Number 9.

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

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

Board Finding Number 10.

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

Board Finding Number 11.

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

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

As a part of its verification process the Board notes that the Chapter 313 Application for which these Findings are being made has been submitted by the Applicant under oath. Chapter 313 Applications are governmental records under Tex. Penal Code §37.01(2)(A); as a result, all statements contained therein are representations of fact within the meaning of Tex. Penal Code § 37.01(3). Since Board action upon the adoption of these Findings

and the approval of the Chapter 313 Tax Limitation Agreement (**Attachment G**) is an “official proceeding,” a false statement on a Chapter 313 application constitutes perjury under Tex. Penal Code § 37.03.

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

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

Board Finding Number 12.

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

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller’s Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts’ School and Appraisal Districts’ Property Value Study 2015 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F. The total industrial value for the District is \$497 million. The District is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. The District is

classified as a “rural” district due to its placement in a strategic investment area. Given that the value of industrial property is more than \$200 million, it is classified as a Category I district which can offer a minimum value limitation of \$30 million.

Board Finding Number 13.

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

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

Board Finding Number 14.

The Applicant (Taxpayer No. 32063911468) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32063911468), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise tax payer by the Comptroller. See Attachment B. The Board also finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 15.

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

Board Finding Number 16.

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

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the first year that the value limitation is in effect without

the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. The Agreement contains adequate revenue protection measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (**Attachment H**)

Board Finding Number 17.

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

Board Finding Number 18.

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

The Board finds that with the adoption of District Policies BBFA and BBFB, both (Legal) and (Local), set forth at <https://pol.tasb.org/home/index/635>, that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

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

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

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

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

Board Finding Number 19.

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

Board Finding Number 20.

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

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

Dated the 25th day of October 2018.

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

By: _____
Xavier Salinas, President, Board of Trustees

ATTEST:

By: _____
Carmen Gonzalez, Vice President, Board of Trustees

Attachment A

Application

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

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

June 22, 2018

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

RE: Application to the Edinburg Consolidated Independent School District from Monte Cristo Windpower, LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Edinburg Consolidated Independent School District is notifying Monte Cristo Windpower, LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. The Applicant submitted the Application to the school district on June 12, 2018. The Board voted to accept the application on June 12, 2018. The application has been determined complete as of June 22, 2018. The Applicant has provided the schedules in both electronic format and paper copies. The electronic copy is identical to the hard copy that will be hand delivered.

The Applicant has requested that a portion of Tab 11, specifically the detailed layout of the planned wind farm, be kept confidential until such time the Board votes to approve the application. In accordance with 34 TAC 9.1053, the information that is the subject of this request is segregated from the materials submitted contemporaneously with this application, that is, the proprietary commercial information regarding the competitive siting decisions for the possible project and proprietary information regarding the proposed layout of the project. The confidential materials are being submitted separately to protect against unintended disclosure. The maps depicting the planned location of the project display proprietary commercial information regarding the specific location of the possible project and the nature of the business that will be conducted at the site. The materials are protected by the trade secret exception set forth in Texas Government Code §552.110.

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

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Hidalgo County Appraisal District
Monte Cristo Windpower, LLC

Application for Appraised Value Limitation
On Qualified Property

Submitted to:

Edinburg Consolidated Independent School District



By:

Terra-Gen, LLC



Monte Cristo Windpower, LLC

June 12, 2018

**Application for Chapter 313
Appraised Value Limitation by
Monte Cristo Windpower, LLC
to Edinburg CISD**

June 12, 2018

Attachment 1

Please see executed application attached.

Application for Appraised Value Limitation on Qualified Property

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

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

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

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

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

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

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

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

Please visit the Comptroller's website to find out more about the program at comptroller.texas.gov/economy/local/ch313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

June 12, 2018

Date Application Received by District

Rene

First Name

Gutierrez

Last Name

Superintendent

Title

Edinburg Consolidated Independent School District

School District Name

411 North 8th Ave

Street Address

Mailing Address

Edinburg

City

(956)289-2300

Phone Number

Texas

State

78541

ZIP

Fax Number

rene.gutierrez@ecisd.us

Email Address

Mobile Number (optional)

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

Yes

No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Kevin	O'Hanlon
First Name	Last Name
Attorney	
Title	
O'Hanlon, Demerath & Castillo	
Firm Name	
(512)494-9949	(512)494-9919
Phone Number	Fax Number
	kohanlon@808west.com
Mobile Number (optional)	Email Address

4. On what date did the district determine this application complete? June 22, 2018
5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Milton	Howard	
First Name	Last Name	
Vice President of Renewable Development	Terra-Gen, LLC	
Title	Organization	
11455 El Camino Real, Suite 160		
Street Address		
Mailing Address		
San Diego	California	92130
City	State	ZIP
(858)764-3754	(858)767-3750	
Phone Number	Fax Number	
	MHoward@terra-gen.com	
Mobile Number (optional)	Business Email Address	

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? Yes No
- 2a. If yes, please fill out contact information for that person.

Damon	Huplosky	
First Name	Last Name	
Managing Director	Terra-Gen, LLC	
Title	Organization	
437 Madison Ave		
Street Address		
Mailing Address		
New York	New York	10022-7001
City	State	ZIP
(646)829-3915		
Phone Number	Fax Number	
	DHuplosky@terra-gen.com	
Mobile Number (optional)	Business Email Address	

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

First Name

Last Name

Title

Firm Name

Phone Number

Fax Number

Business Email Address

SECTION 3: Fees and Payments

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

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

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

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

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? Yes No N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Monte Cristo Windpower, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32063911468
3. List the NAICS code 221115
4. Is the applicant a party to any other pending or active Chapter 313 agreements? Yes No
- 4a. If yes, please list application number, name of school district and year of agreement
- _____

SECTION 5: Applicant Business Structure

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

- 1. Application approval by school board QTR 2 2018
- 2. Commencement of construction QTR 2 2019
- 3. Beginning of qualifying time period Dec 2018
- 4. First year of limitation 2021
- 5. Begin hiring new employees June 2020
- 6. Commencement of commercial operations QTR 4 2020
- 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? Yes No
 Note: Improvements made before that time may not be considered qualified property.
- 8. When do you anticipate the new buildings or improvements will be placed in service? QTR 3 2020

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Hidalgo County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Hidalgo County Appraisal District
- 3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes No
- 4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: Hidalgo County, 0.5800, 100% City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: N/A Water District: Drainage Dist. #1, 0.09510, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): South Texas College, 0.1850, 100% Other (describe): South Texas ISD, 0.04920, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
- 5. Is the project located entirely within the ISD listed in Section 1? Yes No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
- 6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/economy/local/ch313/.

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? 30,000,000.00
 Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
- 3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
- 4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 7);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (Tab 11).
- 5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? Yes No

SECTION 12: Qualified Property

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

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

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

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

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0

2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2018
(year)

3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).

4. What is the number of new qualifying jobs you are committing to create? 6

5. What is the number of new non-qualifying jobs you are estimating you will create? 0

6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 646.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 872.85
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 772.20

8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)

9. What is the minimum required annual wage for each qualifying job based on the qualified property? 40,154.40

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 40,154.40

11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No

12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).

13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

Attachment 2

Proof of Payment of Application Fee

Please find on the attached page, a copy of the wire for the \$75,000 application fee to Edinburg CISD.

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

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

Attachment 3

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

Not Applicable.

Attachment 4

Detailed description of the project.

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.

Monte Cristo Windpower, LLC, (“Monte Cristo”) is a special purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project. Terra-Gen Development Company, LLC, (“Terra-Gen”) the exclusive developer of Monte Cristo, is in the business of initiating, developing, producing and owning and operating electricity from renewable energy projects including wind, solar, and geothermal.

Terra-Gen, currently has many projects in development across the United States and is evaluating other renewable energy project opportunities across the country.

Monte Cristo Windpower, LLC was recently created for the purpose of interconnecting the Monte Cristo into the ERCOT market and there are no existing 312 or 313 agreements in place for this project. Monte Cristo is requesting an appraised value limitation from Edinburg CISD for a proposed wind energy project using wind turbines and transmission located in Hidalgo County. The wind farm and its associated infrastructure will be constructed within the jurisdiction of Edinburg CISD and Hidalgo County, Texas. A map showing the location of the wind farm is included as Attachment 11a.

The wind farm will have an estimated capacity of 201 megawatts (“MW”). To construct the wind farm, Monte Cristo expects 88 wind turbines comprised of 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45MW, all within Edinburg CISD boundaries. In addition to the wind turbine generating units, there will be the supporting electrical collection system and roads to be constructed and improved as necessary, as well as a collection substation to permit the interconnection and transmission of electricity generated by the wind turbines, and an operations and maintenance building constructed within the Project’s boundary.

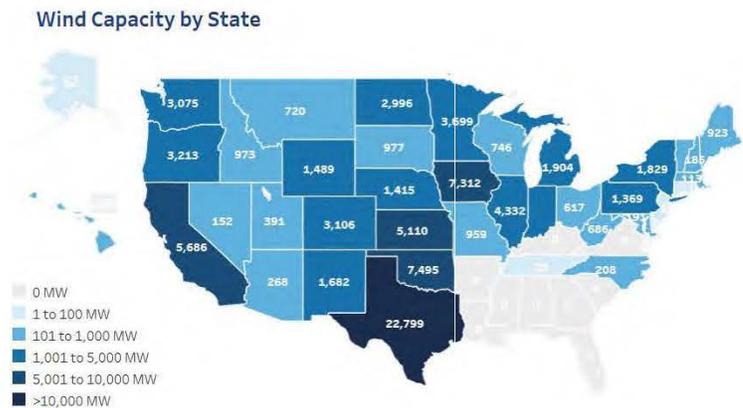
Construction of the wind farm is proposed to begin in June 2019 and is expected to take approximately 15 months to complete, with an estimated commercial operations date no later than December 2020, contingent upon favorable economics for the project.

While the wind regime for Monte Cristo is very good, there are many favorable locations for wind projects that could be developed across the United States. Monte Cristo has modeled its economics with an expectation that having a Limitation of Appraised Value Agreement with Edinburg CISD is a key and invaluable portion of the project.

In today’s competitive energy market, project investors and power purchasers require wind energy projects to have secured tax incentives, so that they can compete with wind projects across the U.S. and can locate projects in a wide variety of locations should Monte Cristo be unable to develop a competitive project in Texas that is able to generate returns sufficient to attract investment capital.

Wind farms are operating and under development in many states throughout the country. According to the American Wind Energy Association (“AWEA”) there are now over 54,000 turbines with a combined capacity of 89,379 MW operating in 41 states within the United States, Guam and Puerto Rico. During 2017, the U.S. wind industry grew 9% adding 7,017 MW of new wind power capacity. During the first quarter of 2018, the U.S. wind industry installed an additional 406 MW of wind power capacity.

A graphic provided by AWEA demonstrates the national geographic diversity of capacity throughout the United States for 2017.



Clearly locations for the development of wind projects are abundant and the Applicant can locate a project in a wide variety of locations across the United States, should it be unable to develop a competitive project in Texas that is able to generate returns sufficient enough to attract investment capital.

Terra-Gen, the developer of Monte Cristo Windpower, LLC, is a national developer of wind projects, and has operations across the US and states within the contiguous United States. As construction is one of the most significant costs in creating wind farm, the physical improvements of the Monte Cristo Project, once completed, cannot be feasibly moved to another location. The wind turbines and supporting infrastructure are long-lived assets engineered and designed specifically for this project location. The cost of installing the improvements on the site is substantial and the cost to remove, redesign, and relocate the improvements to a different location would be prohibitive.

Monte Cristo was formed for the express purpose of developing a community sponsored wind farm that would help bring significant economic development to an area that is historically economically distressed. Terra-Gen identified Texas, and in particular Hidalgo County, for its strong wind resource, access to available transmission capacity and the ERCOT market, and favorable property tax incentives under the Tax Code for Chapter 312 abatement and Chapter 313 Appraised Value Limitation.

Terra-Gen prefers to develop and build the proposed Monte Cristo Project as described throughout this Application but should it not be granted the limitation, then it is likely that Monte

Cristo would not be economically viable compared to other projects in development across the U.S.

The Monte Cristo Project is still in the early stages of development, however, as of May 16, 2018, Monte Cristo physical assets are valued at less than \$40,000. The entirety of this capital is comprised of non-qualified property, more specifically described as one (1) temporary 60 meter meteorological tower and one (1) temporary 87 meter meteorological tower erected on the Project site made of galvanized steel tubular tilt up pole. Each meteorological tower pole is supported by four guy wires and contains wind test equipment made up of anemometers, a barometric pressure unit, & an SD card recorder.

The Project has also invested additional capital in an Interconnection Study with ERCOT, avian studies, environmental studies, and in leasing land for the project.

Should the Appraised Value Limitation be granted, Monte Cristo has created a development and investment plan that is capitalized to implement the project. Without such a limitation the Project, competing against other Texas projects that have qualified, would likely be forced to redeploy its assets and capital to other states competing for similar wind projects.

Attachment 5

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

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.

2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Monte Cristo Windpower, LLC was formed in 2017. In support of its creation, the participating members of Terra-Gen, executed documents necessary to form the entity including an Operating Agreement and a Development Agreement with Monte Cristo Windpower, LLC.

Terra-Gen has entered into the following representative agreements and contracts for the development of a project within Edinburg CISD and intends to assign these assets to Monte Cristo Windpower, LLC:

- Grants of leases and easements covering approximately 26,000 acres of land
- Avian Study and contract
- Bat Acoustic Study and contract
- Threatened & Endangered Species Studies and contract
- Enterprise Zone with Hidalgo County Commissioners Court
- Interconnection Application with ERCOT

7. Is the applicant evaluating other locations not in Texas for the proposed project?

Yes. Terra-Gen management team is uniquely qualified to develop and construct wind and other renewable energy projects in the United States. In North America, Terra-Gen currently operates over 2,000 MW of renewable energy projects. Based on this experience the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the State of Texas as WITHIN the State of Texas. Other locations being evaluated include, but are not limited to:

California
Oklahoma
Louisiana
Colorado
Wyoming
Nevada

For these reasons, Terra-Gen studies and evaluates various competing sites throughout the market areas across the U.S. where wind development is attractive. Without a Value Limitation program, Terra-Gen would seek to move to alternative sites outside of the State of Texas.

Monte Cristo is currently in a period of assessment to determine whether the identified site within Edinburg CISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the Project for a planned 201 MW could be redeployed to other renewable energy development projects in other power markets in the United States.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is economically competitive with other wind projects with similar incentives. Without the requested value limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$228.388M needed to purchase wind turbines and other infrastructure, and to fund the construction of the facility.

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?

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of the Project.

Attachment 6

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

5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.

All of the planned Qualified Property for the Project is solely located within the boundaries of Edinburg CISD and in no other school district.

Attachment 7

Description of Qualified Investment

- a. A specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code 313.021(7) (Tab 7).***

The Applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property within Edinburg CISD, which is located in Hidalgo County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: up to 88 wind turbines, with a combined make up of 82- 2.2 MW wind turbines and 6- 3.45 MW wind turbines and a combined total generating capacity of approximately 201 MW; up to 88 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 88 electric power transformers; underground conductor cables used to transport electricity from each turbine tower to an electrical substation; and a new electrical substation interconnected to the ETT Lobo to North Edinburg, 345kV transmission line located in central Hidalgo County.

Additionally, the map provided does not represent the final location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Investment Area as shown on Map Exhibit on Attachment 11a.

None of the above-mentioned property is covered under an existing County Appraisal District account number.

- b. A description of any new buildings proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7).***

The Applicant intends to construct a Maintenance and Operations building to house supplies, and other miscellaneous related equipment. This includes, but is not limited to junction boxes, transformer equipment, and turbine electronic controls. The Applicant will also be constructing an electrical substation facility for integration and transmission of power into the electrical grid.

Attachment 8

Description of Qualified Property

Monte Cristo Windpower, LLC plans to construct an estimated 201 MW wind farm in Hidalgo County, located entirely within Edinburg CISD. Additional improvements of Qualified Property include:

- 88 Wind Turbines 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45MW;
- 88 Wind Turbine Foundations;
- Several thousand feet of Transmission Collection System cable & Junction Boxes;
- Overhead Transmission and Interconnection infrastructure;
- Additional meteorological towers;
- All weather Road work sloped for drainage;
- Operations and maintenance building for storage of spare parts, and control systems necessary for commercial generation of electricity;
- Electric substation including power transformers, associated circuit breakers, switches, reactive power compensation equipment and control building & fencing of perimeter.

For purposes of this application, the Project anticipates using 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45 MW. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within Edinburg CISD boundaries. Current plans are to install turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind resource evaluation, engineering, land leasing, and turbine selection. The final number and location of turbines and supporting structures will be determined before construction begins. However, any changes in the number and location of turbines will not have a significant impact on the total investment. Monte Cristo intends to connect to ETT Lobo to North Edinburg, 345kV transmission line internal to the Project, located within Edinburg CISD boundaries. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

Attachment 9

Description of Land

Not Applicable.

Attachment 10

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

At present the Project has 2 temporary meteorological towers located on site that will not become part of the wind project when complete. A map reflecting their placement is provided below and in Attachment 11d.

The meteorological towers are valued at less than \$40,000. The entirety of this capital is comprised of non-qualified property, more specifically described as one (1) temporary NRG XSD 87 meter meteorological towers and one (1) NRG XHD 60 meter meteorological tower erected on the Project site that are mono-pole type structures no more than 4 inches in diameter & made of galvanized steel. Each meteorological tower pole is supported by four guide wires and contains wind test equipment made up of anemometers, barometric pressure unit, & an SD card recorder. The meteorological testing towers are being utilized to gather wind speed data, weather station data such as barometric pressure and air density. The following table below provides specific meteorological tower information:

Site ID	Height (meters)	Project Name	Business Unit	Region	State Name	County	Met Status	Commissioning Date	Latitude	Longitude
	60	Monte Cristo	Development	USA_Own	Texas	Hidalgo	Active		26.28.10.240 N	98.15.41.950 W
	87	Monte Cristo	Development	USA_Own	Texas	Hidalgo	Active		26.26.43.110 N	98.21.19.150 W

When the project enters into construction, it is expected the two (2) temporary structures will be replaced with more permanent structures made of 4-leg steel poles, cement casings, & cross section steel lattice supports.

The testing towers are temporary and, at this time, have not yet been identified by the Hidalgo County Appraisal District for tax purposes.

Please see the attached map on Attachment 11d which provides location information relevant to the meteorological towers within the project vicinity.

Attachment 11

Maps that clearly show:

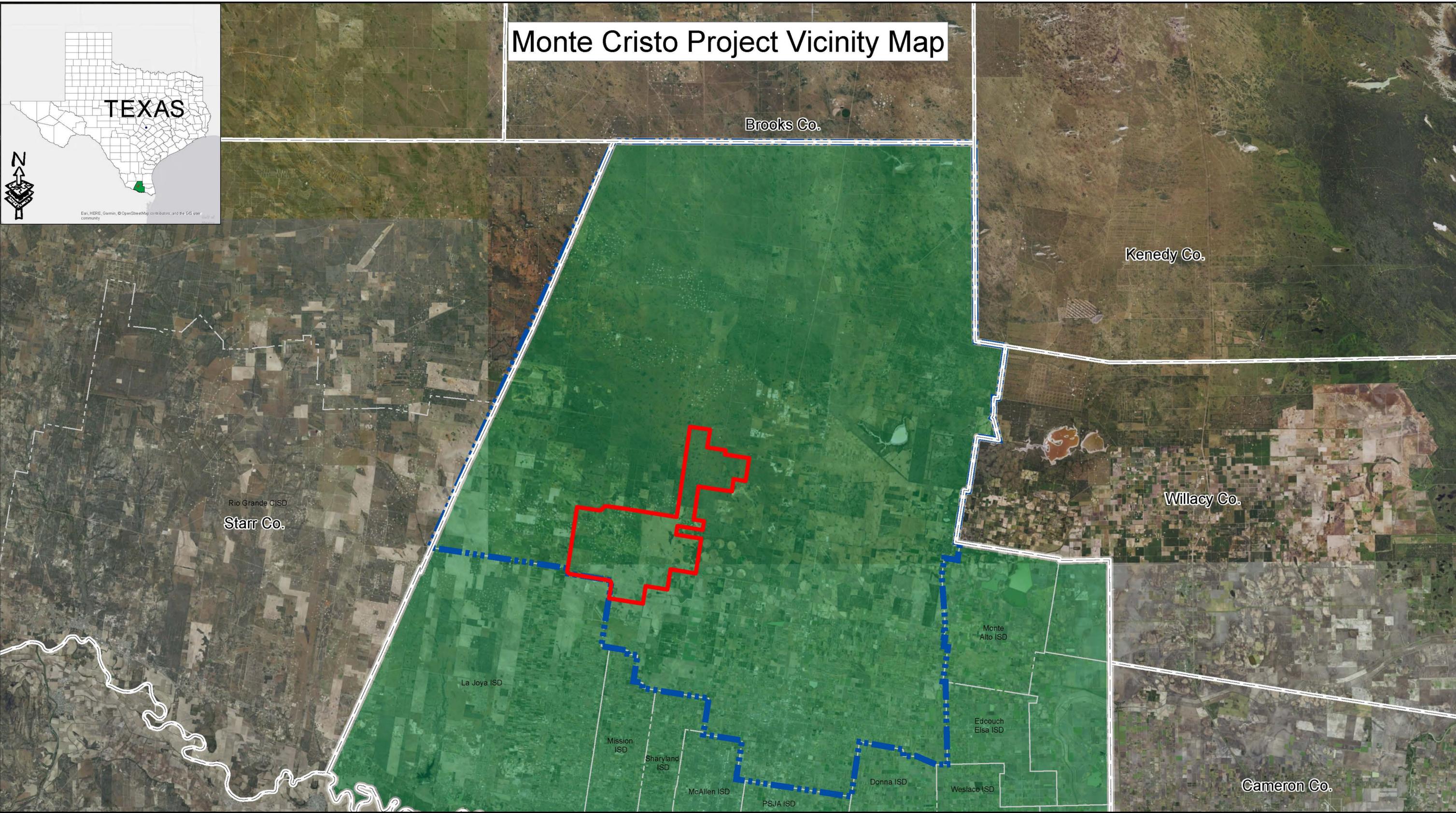
- a. Project vicinity***
- b. Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period***
- c. Qualified property including location of new buildings or new improvements***
- d. Existing property***
- e. Land location within vicinity map***
- f. Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

Attachment 11a

a. Project vicinity

Please see attached map below.

Monte Cristo Project Vicinity Map



Legend
[Red Outline] MONTE CRISTO BNDRY [Blue Outline] EDINBURG ISD [Green Shaded] HIDALGO CO.

Terra-Gen, LLC
Monte Cristo Project
Phase 1 - 200MW

Project Location: Hidalgo County, Texas

Draft-Subject to change

Prepared by: MBJ Date: 4/4/2018

June 12, 2018

Re: Confidentiality of Maps Submitted with Monte Cristo Windpower, LLC Chapter 313 Appraised Value limitation Application with Edinburg CISD

To Whom It May Concern:

As an attachment to the Monte Cristo Windpower, LLC Chapter 313 Appraised Value Limitation Application submitted to Edinburg CISD on June 12, 2018 ("Application"), we designated certain maps, the Qualified Investment and Qualified Property maps (Attachments 11b & 11c), attached thereto ("Maps") as "Confidential". We submit this letter to comply with the requirements by which both Edinburg CISD and the Comptroller's office can withhold confidential or proprietary information from public release while the Application is pending. This letter is submitted to identify the documents for which confidentiality is sought and provide the specific reasons, stating why the material is believed to be confidential.

The Maps reflect the proposed specific site plan and the location of tangible personal property to be located on real property covered by the Application- all of which continue to be refined. In addition and at this time, disclosure of the Maps could be potentially valuable to our competitors and any disclosure could negatively impact the project. The Maps include commercially valuable geological or geophysical information regarding the exploration or development of natural resources and is protected from disclosure under section 552.113 of the Texas Government Code.

As required, the Maps were submitted as segregated in the application from other information in the application and specifically notated as "Confidential".

It is our intention to complete negotiations relating to both the location of the property and the tangible personal property during the time the Application is pending and understand that the Maps can only remain confidential and withheld from public release unless and until the governing body of the school district acts on the application.

To the extent you have any questions regarding this letter, please contact me for further clarification.

Sincerely,



Milton Howard
Vice President of Renewable Development
Terra-Gen Development Company, LLC

Attachment 11b

- b. Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period***

CONFIDENTIAL- FOR SEPARATE FILING

Attachment 11c

- c. Qualified property including location of new buildings or new improvements*

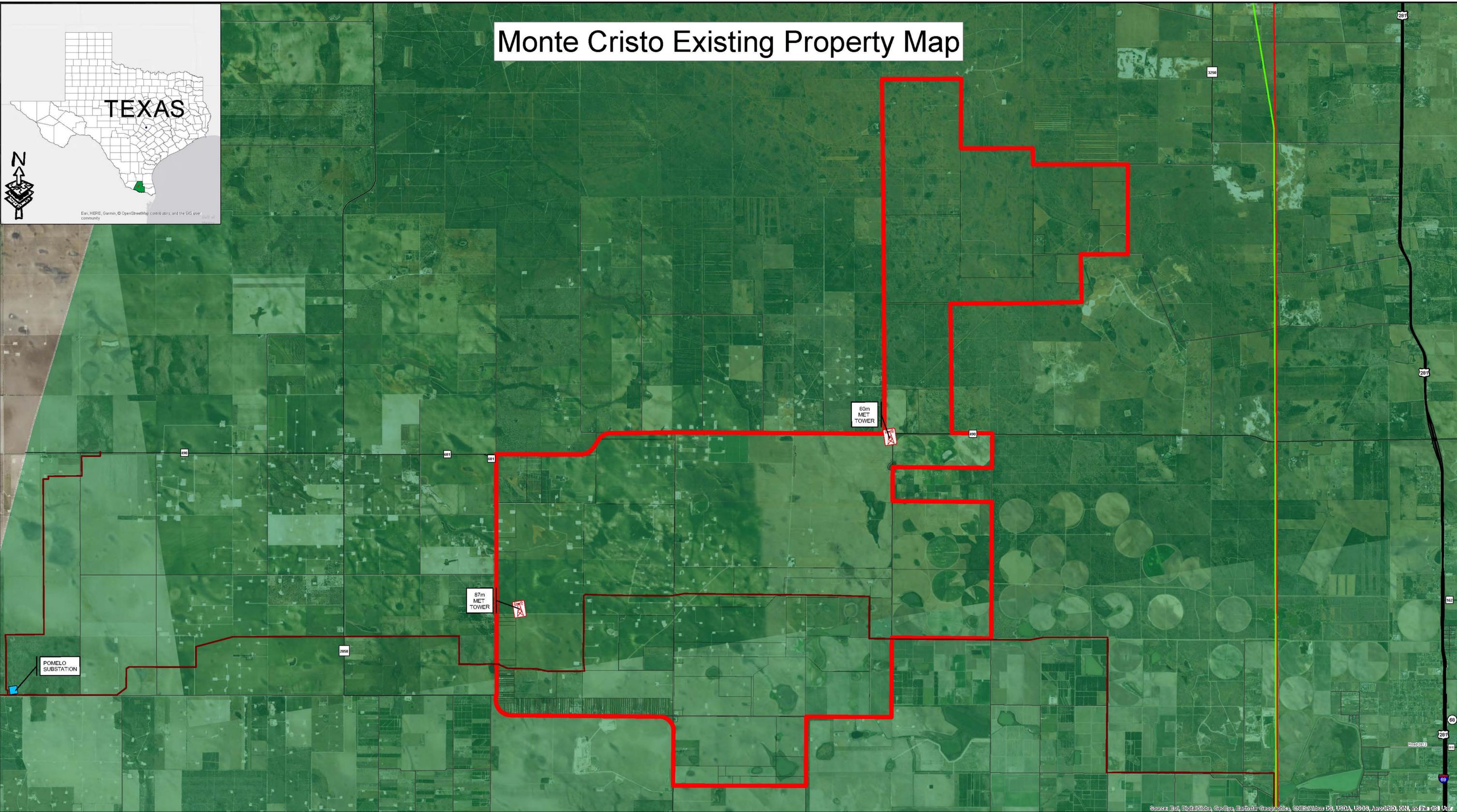
CONFIDENTIAL- FOR SEPARATE FILING

Attachment 11d

d. Existing property

Please see attached map below.

Monte Cristo Existing Property Map



Source: Esri, DigitalGlobe, GeoEye, Earthstar, ©Geographic, ©NES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User



- Legend**
- MET TOWER
 - POI
 - 138 KV AEP TLINE
 - 345 KV AEP TLINE
 - 345 KV ETT TLINE
 - PARCEL
 - MONTE CRISTO BNDRY
 - HIDALGO CO.

Terra-Gen, LLC
Monte Cristo Project
Phase 1 - 200MW

Project Location: Hidalgo County, Texas

Draft-Subject to change

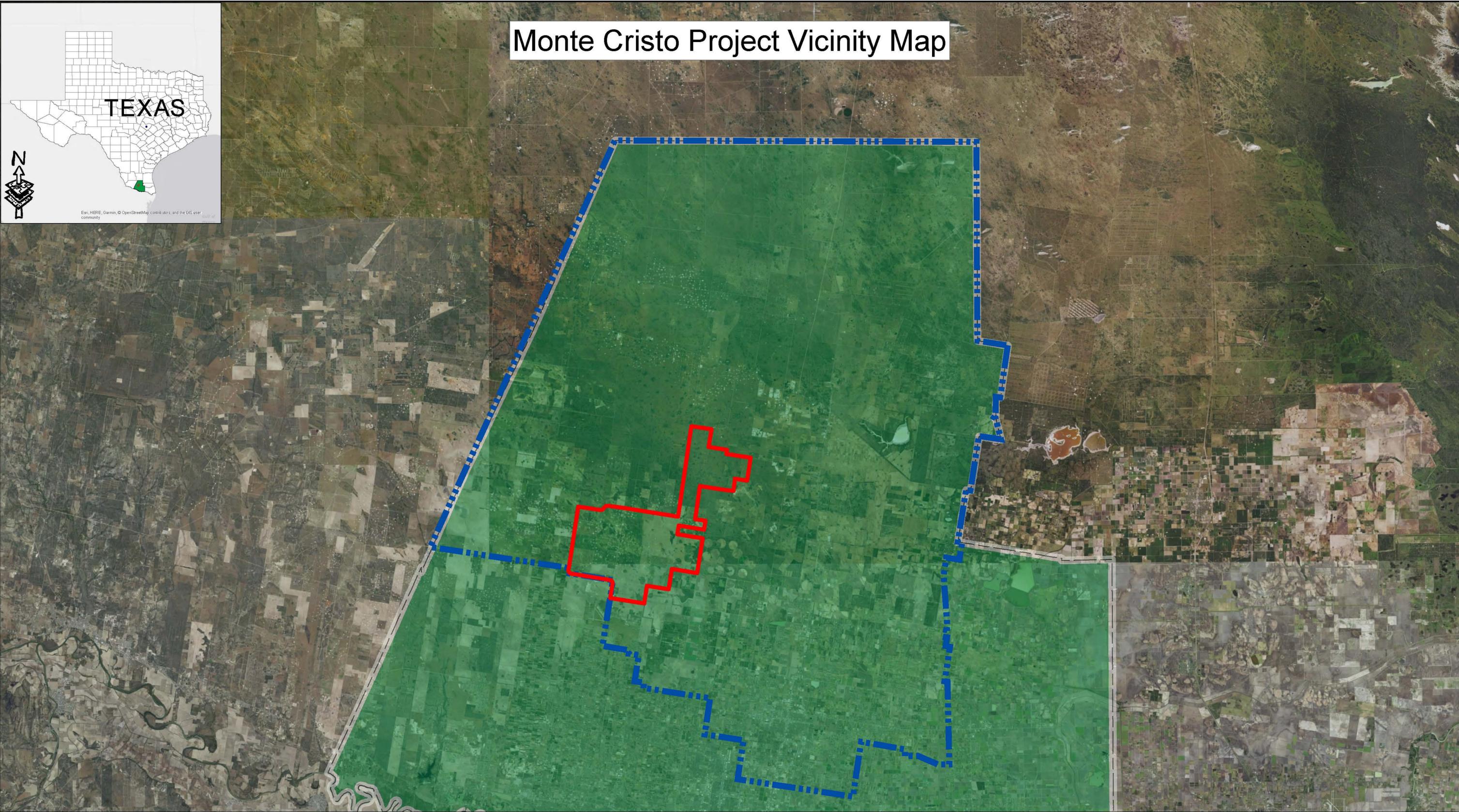
Prepared by: MBJ Date: 4/4/2018

Attachment 11e

e. Land location within vicinity map

Please see attached map below.

Monte Cristo Project Vicinity Map



Legend
[Red Outline] MONTE CRISTO BNDRY [Blue Outline] EDINBURG ISD [Green Fill] HIDALGO CO.

Terra-Gen, LLC
Monte Cristo Project
Phase 1 - 200MW

Project Location: Hidalgo County, Texas

0 2.5 5 Mile

Draft-Subject to change

Prepared by: MBJ Date: 4/4/2018

Attachment 11f

- f. Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

Please see attached map below.

Monte Cristo Enterprise/Investment Zone Map

Map Layers

Labor Force

Demographic Data

Consumer Expenditures

Map Satellite

Agua Nueva

Santa Elena

San Vicente

Bermuda

Santa Catalina

San Manuel Linn

Florida

San Pabla

Raymundo

Lyford

Wharff

Los Goyales

Santa Monica

Silvanita

Santa Rosa

Comita

Rio Grande

Prineta

Winters

San Antonio

San Marcos

Source: Texas EDC | Texas Enterprise Zones
<http://texas.zoomprospector.com/?LYR=TEXASEZONEUNION>

Data Source:

Map data ©2018 Google, INEGI | Terms of

© 2018 Powered by GISPlannir

Attachment 12

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

Please see attached waiver request below.

May 18, 2018

Dr. Rene Gutiérrez, Superintendent
Edinburg Consolidated Independent School District
410 N. 8th St.
Edinburg, TX 78539

Re: Ch-313 Application for Appraised Value Limitation – Job Waiver Request

Dear Dr. Gutiérrez,

This letter is to advise you that Monte Cristo Windpower, LLC is submitting its Chapter 313 Application for Appraised Value Limitation on Qualified Property with a request for a waiver of the jobs creation requirement.

House Bill 1470 altered the jobs requirement by adding Section 313-025 (f-l) to permit a school district's board of trustees to make a finding that the job requirement could be waived if the job requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application. Monte Cristo Windpower, LLC, requests that Edinburg CISD's Board of Trustees make such a finding and waive the job creation requirement for the permanent jobs. Based on the industry standard, the size and scope of this project will require approximately six (6) permanent jobs.

As background information on the creation of the full-time jobs by wind energy projects, these types of projects create a large number of full-time, temporary jobs during the construction phase, but require a small number of highly skilled technicians to operate a wind project once construction operations cease and commercial operations begin. The permanent employees of a wind project maintain, and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. The industry standard for permanent employment is one full-time employee for every fifteen to twenty (15-20) turbines, although this number varies depending on the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. In addition to the onsite employees described, there may be asset managers or technicians who supervise, monitor, and support the wind project operations from offsite locations.

Sincerely,



Milton Howard
Vice President of Renewable Development
Terra-Gen Development Company, LLC

Attachment 13

Calculation of Wage Requirements – Hidalgo County

Supporting data for Section 14(7)(a)

Average weekly wage for all jobs (all industries) in the county

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2017	1 st Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$641.00
2017	2 nd Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$632.00
2017	3 rd Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$649.00
2017	4 th Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$665.00
Average weekly wage for previous four quarters								\$646.75

*Source: Quarterly Employment and Wages (QCEW) data for Hidalgo County,
<http://www.tracer2.com/cqi/dataanalysis/AreaSelection.asp?tableName=Industry>*

Supporting Data for Section 14(7)(b)

110% of the average weekly wage for manufacturing jobs in the county

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2017	1 st Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$813.00
2017	2 nd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$774.00
2017	3 rd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$787.00
2017	4 th Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$800.00
Average weekly wage for previous four quarters								\$793.50
110% of Average Weekly Wages								\$872.85

*Source: Quarterly Employment and Wages (QCEW) data for Hidalgo County,
<http://www.tracer2.com/cqi/dataanalysis/AreaSelection.asp?tableName=Industry>*

Supporting Data for Section 14(7)(c)

110% of the average weekly wage for manufacturing jobs in the region

Average Hourly Wages	\$17.55
Average Annual Wages	\$36,503.00
Average Weekly Wages @40hrs/week	\$702.00
110% of Average Weekly Wages	\$772.20

*Source: 2016 Manufacturing Average Wages by Council of Government Region Wages for All Occupations. Project location region: 21. Lower Rio Grande Valley Development Council.
<http://www.tracer2.com/admin/uploadedPublications/COGWages.pdf>*

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Hidalgo County	Total All	00	0	10	Total, all industries	\$641
2017	2nd Qtr	Hidalgo County	Total All	00	0	10	Total, all industries	\$632
2017	3rd Qtr	Hidalgo County	Total All	00	0	10	Total, all industries	\$649
2017	4th Qtr	Hidalgo County	Total All	00	0	10	Total, all industries	\$665

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$813
2017	2nd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$774
2017	3rd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$786
2017	4th Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$800

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

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

Source: Texas Occupational Employment and Wages

Data published: July 2017

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

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

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

Data intended for TAC 313 purposes only.

Attachment 14

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

Please see attached schedules below.

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

Date 5/17/2018
 Applicant Name Monte Cristo Windpower, LLC
 ISD Name Edinburg CISD

Form 50-296A
 Revised May 2014

PROPERTY INVESTMENT AMOUNTS									
(Estimated Investment in each year. Do not put cumulative totals.)									
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E Total Investment (Sum of Columns A+B+C+D)	
Investment made before filing complete application with district				Not eligible to become Qualified Property				[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application	--	2018-2019	2018						
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				0.00	0.00	0.00	0.00	0.00	
Complete tax years of qualifying time period	QTP1	2019-2020	2019	0.00	0.00	0.00	0.00	0.00	
	QTP2	2020-2021	2020	\$ 228,000,000.00	\$ 388,000.00	0.00	0.00	\$ 228,388,000.00	
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 228,000,000.00	\$ 388,000.00	0.00	0.00	\$ 228,388,000.00	
				Enter amounts from TOTAL row above in Schedule A2					
Total Qualified Investment (sum of green cells)				\$ 228,388,000.00					

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

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

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

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

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

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

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

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

Date 5/17/2018
 Applicant Name Monte Cristo Windpower, LLC
 ISD Name Edinburg CISD

Form 50-296A
 Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property (SEE NOTE)	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		\$ 228,000,000.00	\$ -	\$ -	\$ -	\$ 228,000,000.00
<i>Enter amounts from TOTAL row in Schedule A1 in the row below</i>								
Each year prior to start of value limitation period** <i>insert as many rows as necessary</i>	0	2018-2019	2018					
	1	2019-2020	2019					
	2	2020-2021	2020	\$ 228,000,000.00	\$ 388,000.00			\$ 228,388,000.00
Value limitation period***	1	2021-2022	2021					
	2	2022-2023	2022					
	3	2023-2024	2023					
	4	2024-2025	2024					
	5	2025-2026	2025					
	6	2026-2027	2026					
	7	2027-2028	2027					
	8	2028-2029	2028					
Total Investment made through limitation	9	2029-2030	2029					
	10	2030-2031	2030					
Continue to maintain viable presence	11	2031-2032	2031					
	12	2032-2033	2032					
	13	2033-2034	2033					
	14	2034-2035	2034					
	15	2035-2036	2035					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036					
	17	2037-2038	2037					
	18	2038-2039	2038					
	19	2039-2040	2039					
	20	2040-2041	2040					
	21	2041-2042	2041					
	22	2042-2043	2042					
	23	2043-2044	2043					
	24	2044-2045	2044					
	25	2045-2046	2045					

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.
 ** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.
 *** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.
 For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.
 Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application. Only tangible personal property that is specifically described in the application can become qualified property.
 Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.
 Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.
 Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

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

Date 5/17/2018
 Applicant Name Monte Cristo Windpower, LLC
 ISD Name Edinburg CISD

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Pre-Year	0	2018-2019	2018						
Qualified Investment Period	1	2019-2020	2019	N/A	\$ -	\$ -	\$ -	\$ -	\$ -
	2	2020-2021	2020	N/A	\$ 388,000.00	\$ 228,000,000.00	\$ 228,388,000.00	\$ 228,388,000.00	\$ -
Value Limitation Period	1	2021-2022	2021	N/A	\$ 368,600.00	\$ 216,600,000.00	\$ 216,968,600.00	\$ 216,968,600.00	\$ 30,000,000.00
	2	2022-2023	2022	N/A	\$ 350,170.00	\$ 205,770,000.00	\$ 206,120,170.00	\$ 206,120,170.00	\$ 30,000,000.00
	3	2023-2024	2023	N/A	\$ 332,661.50	\$ 195,481,500.00	\$ 195,814,161.50	\$ 195,814,161.50	\$ 30,000,000.00
	4	2024-2025	2024	N/A	\$ 316,028.43	\$ 185,707,425.00	\$ 186,023,453.43	\$ 186,023,453.43	\$ 30,000,000.00
	5	2025-2026	2025	N/A	\$ 300,227.00	\$ 176,422,053.75	\$ 176,722,280.75	\$ 176,722,280.75	\$ 30,000,000.00
	6	2026-2027	2026	N/A	\$ 285,215.65	\$ 167,600,951.06	\$ 167,886,166.72	\$ 167,886,166.72	\$ 30,000,000.00
	7	2027-2028	2027	N/A	\$ 270,954.87	\$ 159,220,903.51	\$ 159,491,858.38	\$ 159,491,858.38	\$ 30,000,000.00
	8	2028-2029	2028	N/A	\$ 257,407.13	\$ 151,259,858.33	\$ 151,517,265.46	\$ 151,517,265.46	\$ 30,000,000.00
	9	2029-2030	2029	N/A	\$ 244,536.77	\$ 143,696,865.42	\$ 143,941,402.19	\$ 143,941,402.19	\$ 30,000,000.00
	10	2030-2031	2030	N/A	\$ 232,309.93	\$ 136,512,022.15	\$ 136,744,332.08	\$ 136,744,332.08	\$ 30,000,000.00
Continue to maintain viable presence	11	2031-2032	2031	N/A	\$ 220,694.44	\$ 129,686,421.04	\$ 129,907,115.47	\$ 129,907,115.47	\$ 129,907,115.47
	12	2032-2033	2032	N/A	\$ 209,659.71	\$ 123,202,099.99	\$ 123,411,759.70	\$ 123,411,759.70	\$ 123,411,759.70
	13	2033-2034	2033	N/A	\$ 199,176.73	\$ 117,041,994.99	\$ 117,241,171.72	\$ 117,241,171.72	\$ 117,241,171.72
	14	2034-2035	2034	N/A	\$ 189,217.89	\$ 111,189,895.24	\$ 111,379,113.13	\$ 111,379,113.13	\$ 111,379,113.13
	15	2035-2036	2035	N/A	\$ 179,757.00	\$ 105,630,400.48	\$ 105,810,157.47	\$ 105,810,157.47	\$ 105,810,157.47
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036	N/A	\$ 170,769.15	\$ 100,348,880.45	\$ 100,519,649.60	\$ 100,519,649.60	\$ 100,519,649.60
	17	2037-2038	2037	N/A	\$ 162,230.69	\$ 95,331,436.43	\$ 95,493,667.12	\$ 95,493,667.12	\$ 95,493,667.12
	18	2038-2039	2038	N/A	\$ 154,119.16	\$ 90,564,864.61	\$ 90,718,983.76	\$ 90,718,983.76	\$ 90,718,983.76
	19	2039-2040	2039	N/A	\$ 146,413.20	\$ 86,036,621.38	\$ 86,183,034.58	\$ 86,183,034.58	\$ 86,183,034.58
	20	2040-2041	2040	N/A	\$ 139,092.54	\$ 81,734,790.31	\$ 81,873,882.85	\$ 81,873,882.85	\$ 81,873,882.85
	21	2041-2042	2041	N/A	\$ 132,137.91	\$ 77,648,050.79	\$ 77,780,188.70	\$ 77,780,188.70	\$ 77,780,188.70
	22	2042-2043	2042	N/A	\$ 125,531.02	\$ 73,765,648.25	\$ 73,891,179.27	\$ 73,891,179.27	\$ 73,891,179.27
	23	2043-2044	2043	N/A	\$ 119,254.46	\$ 70,077,365.84	\$ 70,196,620.31	\$ 70,196,620.31	\$ 70,196,620.31
	24	2044-2045	2044	N/A	\$ 113,291.74	\$ 66,573,497.55	\$ 66,686,789.29	\$ 66,686,789.29	\$ 66,686,789.29
	25	2045-2046	2045	N/A	\$ 107,627.15	\$ 63,244,822.67	\$ 63,352,449.83	\$ 63,352,449.83	\$ 63,352,449.83

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

Schedule C: Employment Information

Date 5/17/2018
Applicant Name Monte Cristo Windpower, LLC
ISD Name Edinburg CISD

Form 50-296A

Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Pre-Year	0	2018-2019	2018					
Qualified Investment Period	1	2019-2020	2019					
	2	2020-2021	2020	150 FTEs	\$ 36,049.00	0	6	\$ 40,154.40
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2021-2022	2021			0	6	\$ 40,154.40
	2	2022-2023	2022			0	6	\$ 40,154.40
	3	2023-2024	2023			0	6	\$ 40,154.40
	4	2024-2025	2024			0	6	\$ 40,154.40
	5	2025-2026	2025			0	6	\$ 40,154.40
	6	2026-2027	2026			0	6	\$ 40,154.40
	7	2027-2028	2027			0	6	\$ 40,154.40
	8	2028-2029	2028			0	6	\$ 40,154.40
	9	2029-2030	2029			0	6	\$ 40,154.40
	10	2030-2031	2030			0	6	\$ 40,154.40
Years Following Value Limitation Period	11 through 25	2031-2045	2031-2044			0	6	\$ 40,154.40

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

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

Schedule D: Other Incentives (Estimated)

Date 5/17/2018
Applicant Name Monte Ctisto Windpower, LLC
ISD Name Edinburg CISD

Form 50-296A
 Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Hidalgo County	2020	10 Years		85%	\$ -
	City:	N/A	N/A	N/A	N/A	N/A
	Other: Drainage Dist #01	2020	10 Years		85%	\$ -
	Other: South Texas College	2020	10 Years		85%	\$ -
	Other: South Texas ISD	2020	10 Years		85%	\$ -
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ -	85%	\$ -

Additional information on incentives for this project:

Attachment 15

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

Not Applicable.

Attachment 16

Description of Reinvestment or Enterprise Zone, including:

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

“*” To be submitted before date of final application approval by school board

Attachment 16a

a. Evidence that the area qualifies as an enterprise zone as defined by the Governor's Office

Hidalgo County is a designated enterprise zone county as defined under the Texas Governor's "[Governor's Economic Development Finance department online](#)" link provided by Texas Comptroller website under "[The Texas Enterprise Zone Program](#)." The Governor's website "Texas Enterprise Zone Program" - "[Economic Zone Program Rules, 10 TAC 176](#)" according to section (b), subsection (11); which defines a distressed county as: "a county that has a poverty rate above 15.4 percent based on the most recent decennial census; in which at least 25.4 percent of the adult population does not hold a high school diploma or high school equivalency certificate based on the most recent decennial census; and that has an unemployment rate that has remained above 4.9 percent during the preceding five years, based on Texas Workforce Commission data."

Source: <https://businessintexas.com/services/tax-incentives?view=texas%20enterprise%20zone%20program>

Hidalgo County meets the guidelines as "Distressed County" under Texas Government Code Chapter 2303.003 (1-c). Where a "Distressed County" means a County:

(A) The Poverty rate in Hidalgo County is currently 31.2%

All Topics	Hidalgo County, Texas	UNITED STATES
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Income & Poverty		
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Per capita income in past 12 months (in 2016 dollars), 2012-2016	\$15,240	\$29,829
Persons in poverty, percent	31.2%	12.7%

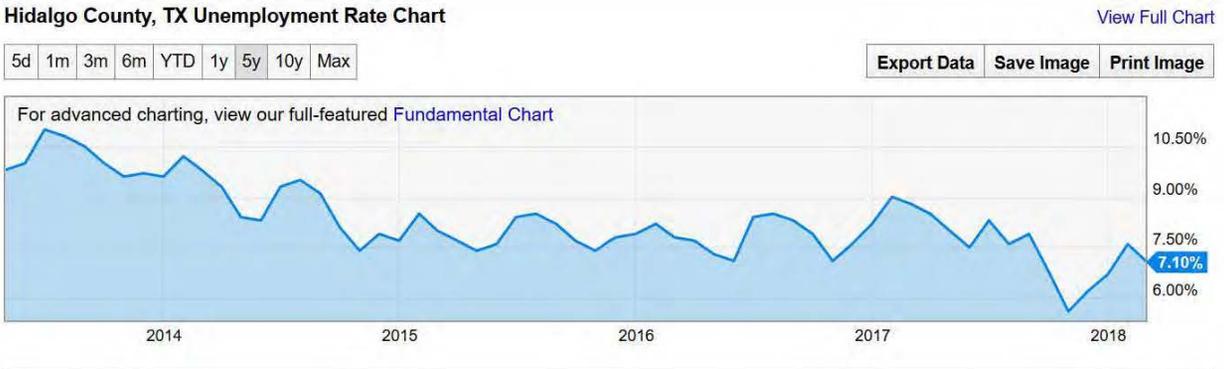
Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>

(B) The adult population that does not hold a high school diploma or high school equivalency certificate in Hidalgo County; persons of age 25 years+ were: 36.7% during 2012-2016.

All Topics	Hidalgo County, Texas	UNITED STATES
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Education		
High school graduate or higher, percent of persons age 25 years+, 2012-2016	63.3%	87.0%
Bachelor's degree or higher, percent of persons age 25 years+, 2012-2016	17.4%	30.3%

Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>

(C) The unemployment rate in Hidalgo County during the preceding 5 years has been from 2013 at 9.8% to 2017 at 7.10%.



Source: https://ycharts.com/indicators/hidalgo_county_tx_unemployment_rate



Map Layers

Labor Force

Demographic Data

Consumer Expenditures

Map Satellite

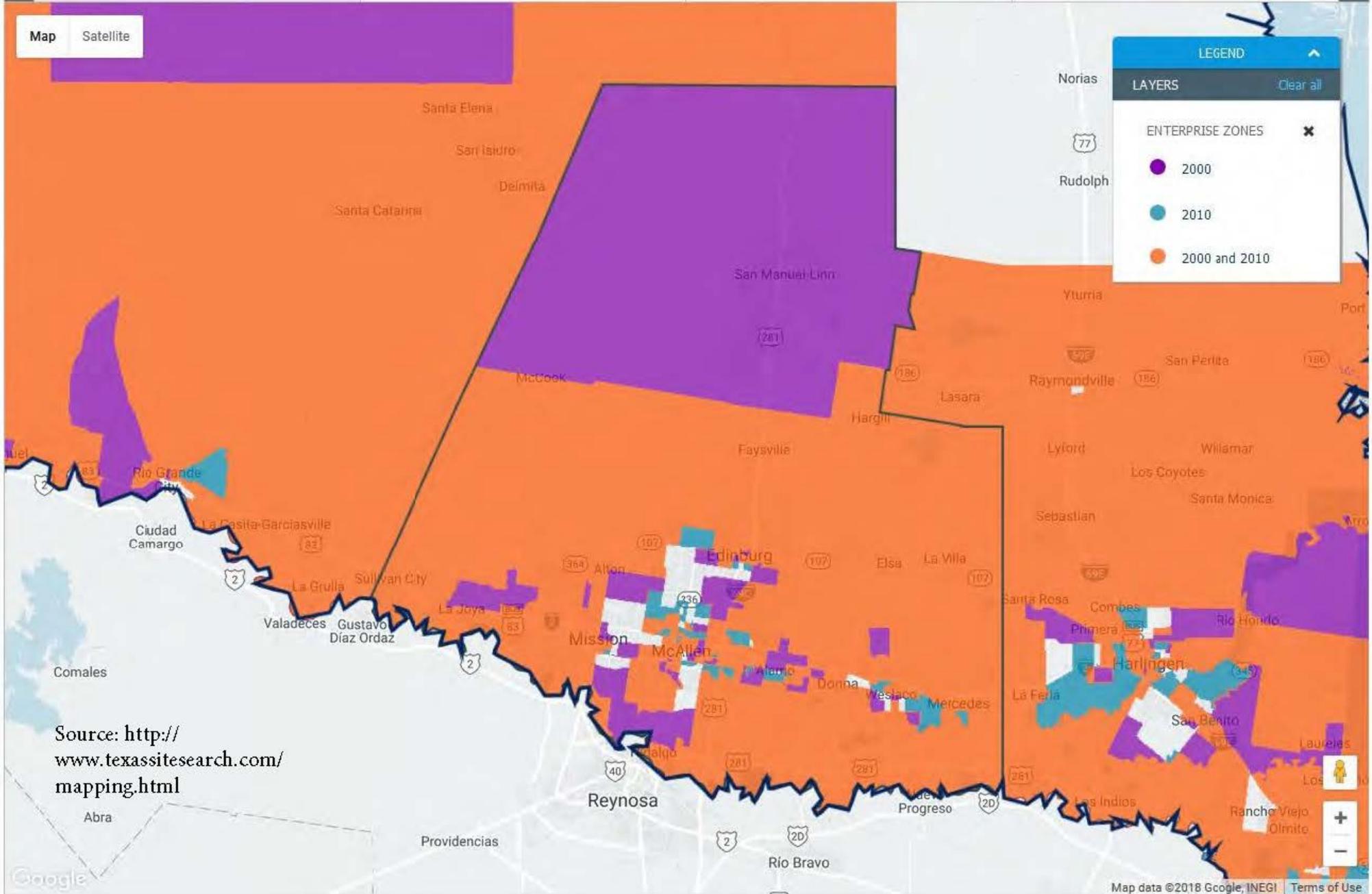
LEGEND

LAYERS

Clear all

ENTERPRISE ZONES

- 2000
- 2010
- 2000 and 2010



Source: <http://www.texasitesearch.com/mapping.html>

Attachment 16b

b. Legal description of investment zone

Please see attached.

Monte Cristo Windpower, LLC investment zone is comprised of the following parcels:

Del Tule

Tracts 149-151

Desierto-La Jamaica Los Potrillos

Tracts 1-4

Jackson Tract

Blk 97, lots 5-8
Blk 98-99, lots 5-8
Blk 100 lots, 7-12
Blk 101-103, all lots
Blk 104, lots 1-8
Blk 117, all lots
Blks 118-119, lots 1-8
Blk 120, lots 5-8
Blks 121-123, lots 5-8
Blk 124, all lots
Blk 134-138, all lots
Blk 139, lots 1-8
Blk 140-147, all lots
Blk 147, lots 2-7
Blks 154-159, all lots
Blk 160, lots 1-12
Blks 161-165, all lots
Blk 167, all lots
Blks 174-180, all lots
Blk 181-182, all lots
Blk 183, lots 1-8
Blk 184, lots 3-7
Blks 185-187, all lots
Blks 196, lots 1 & 8
BLKS 198-200, all lots
Blk 201, lots 1-6
Blks 202-207, all lots
Blks 214-227 all lots
Blks 234-247 all lots
Blks 254-267 all lots

Laguna Seca

Pummil Strip

Retama & Brazil

Tract 160

Rio Grande Dev Co

Blk 1, lots 1-3
Blk 2-3, lots 1-4
Blk 4, lots 1 & 2
Blk 5, lots 1-5
Blks 6-11, 1-12
Blks 13 -16

Rio Grande Securities

Blks 6-7, lots 1-38
Blk 8, lots 20-38

Santa Anita

J.J. Young Tract

Tex-Mex Survey

Secs 202-212

Attachment 16c

Order, resolution or ordinance establishing the reinvestment zone

Not Applicable.

Attachment 16d

Guidelines and criteria for creating the zone

Please see attached.

GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN HIDALGO COUNTY, TEXAS

**Effective December 22, 2014
As Amended January 5, 2016**

I. General Purpose and Objectives

The County is committed to the promotion of high quality development in all parts of the County and to an ongoing improvement in the quality of life for its citizens. Certain types of investment result in the creation of new jobs, new income and provide for positive economic growth which is beneficial to the County as a whole. The County will, on a case-by-case basis, give consideration to providing tax abatement as a stimulation for economic development in the County. It is the policy of the County that said consideration will be provided in accordance with the guidelines and criteria outlined in this document. The County is not obligated to grant tax abatement to any applicant and nothing herein will imply or suggest that the County is under any obligation to provide tax abatement to any applicant or with respect to any project. All applicants will be considered on a case-by-case basis, and the decision to approve or deny tax abatement to any particular applicant will be at the discretion of the Commissioners Court of the County. As provided in section 312.002(d) of the Texas Tax Code, adoption of these guidelines and criteria does not (1) limit the discretion of the Commissioners Court to decide whether to enter into a specific tax abatement agreement, (2) limit the discretion of the Commissioners Court to delegate to its employees the authority to determine whether the Commissioners Court should consider a particular application for tax abatement or (3) create any property, contract or other legal right in any person to have the County consider or grant a specific application or request for tax abatement. Tax abatement agreements are made with the owners or lessees of real property to exempt from taxation a portion of the value of the real property or of tangible personal property, or both. The duration of an agreement may be for a period of time determined appropriate by the Commissioners Court of the County, based on the productive life of the improvements and consistent with the provisions of these Guidelines and Criteria, but, in accordance with state law, in no case will the term of the tax abatement extend for more than ten (10) years. Special terms and conditions may be set in the agreement governing each specific tax abatement.

II. Definitions

A. "Abatement" means the full or partial exemption from ad valorem taxes of eligible properties in a reinvestment zone designated as such for economic development purposes.

B. "Agreement" means a contractual agreement for the purpose of Abatement during a Tax Abatement Period between (i) an Owner and/or a Lessee of eligible property and (ii) a taxing authority.

C. "Applicant" means the Owner and/or Lessee who submits an Application to the County in accordance with these Guidelines and Criteria.

D. "Application" means the written application and all related materials submitted to the County by the Applicant to request an Abatement hereunder.

E. "Base Year Value" means the taxable value of the Applicant's real and Personal Property of a type eligible for Abatement (which excludes inventory and supplies) located in a designated reinvestment zone on January 1 of the year of the execution of the Agreement.

F. "Capital Cost" means the amount expended by the Owner or Lessee, as the case may be, on or after the date of the applicable Agreement on eligible Improvements to Real Property or acquisition of eligible Personal Property needed to commence a Project or operations. Capital Cost expressly excludes amounts expended by the County or other governmental entities and any amounts expended with respect to ineligible property.

G. "Commissioners Court" means the elected governing body of the County.

H. "County" means the County of Hidalgo, a political subdivision of the State of Texas.

I. "Economic Life" means the number of years a property qualifies for depreciation under the Internal Revenue Service Code (Section 168) Modified Accelerated Cost Recovery System, which may be extended in the discretion of the County, upon evidence presented by the Applicant as to the expected Productive Life of the property.

J. "Eligible Education Facility" means new, expanded or modernized buildings and structures, including fixed machinery and equipment, which, when constructed or completed, will be leased to a public school district, community college district, or state-supported institution of higher education, for the entire term of the proposed Abatement, and which will contribute to the economic development of the County.

K. "Eligible Facility" means a new, expanded or modernized building, structure or related buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting Abatement to contribute to the retention or expansion of Primary Employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of the County, but does not include a Facility, other than a utility, which is intended primarily to provide goods or services to residents or existing businesses located in the County such as, but not limited to, a restaurant or a retail sales establishment.

L. "Existing Project" means any Project for which there is an Agreement in existence between the County and an Owner and/or a Lessee with respect to which the Tax Abatement Period has not expired

M. "Expansion" means the addition of buildings, structures, fixed machinery, and/or equipment for the purpose of increasing production capacity or revenues.

N. "Extraordinary Impact" means a Project where the Capital Cost is at least equal to \$25,000,000.00 or which creates at least 500 Jobs.

O. "Facility" means property Improvements, including eligible Personal Property, completed or in the process of construction which together comprise an integral whole.

P. "Guidelines and Criteria" mean these guidelines and criteria for granting Abatement in the County.

Q. "Improvement" means a building, structure, fixture, or fence erected on or affixed to land, or a transportable structure designed to be occupied for residential or business purposes, whether or not it is affixed to land, if the owner of the structure owns or leases the land on which it is located, unless the structure is unoccupied and held for sale or normally is located at a particular place only temporarily.

R. "Initial Period" has the meaning set forth in Section III(G)(1)b below.

S. "Job" means a permanent, full-time employment position, hired directly or contracted through another entity, that has provided or will result in employment of at least 1,820 hours in the position in a year. Any position providing less than the specified number of hours a year, regardless of the employer's designation of such position, does not qualify as a "Job" for purposes of these Guidelines and Criteria.

T. "Lessee" means the tenant who is occupying and operating or will occupy and operate an Eligible Facility under a legally binding lease agreement with a Lessor. A lessee of Real Property on which the Eligible Facility exists or is constructed may also own the Facility.

U. "Lessor" means the owner of an Eligible Facility or of the Real Property on which an Eligible Facility is located that has a binding lease with a Lessee who will occupy and operate the Facility.

V. "Modernization" means the replacement and upgrading of existing Facilities which increase the productive input or output, updates the technology, or substantially lowers the unit costs of operation, and extends the economic life of the Facility. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery, or equipment. It will not be for the purpose of renovation, reconditioning, refurbishing, repairing, or completion of deferred maintenance, except in reinvestment zones established based on conditions of economic impairment.

W. "New Facility" means a Facility on Real Property previously undeveloped, which is placed into service by means other than Expansion or Modernization.

X. "Newly Created Value" means the difference between the Taxable Property Value in the base year and the Taxable Property Value at the time the value is being newly calculated.

Y. "Owner" means the owner of Real Property on which an Eligible Facility is or will be located, who may also be the Lessor. Where the context requires, "Owner" means the owner of the Eligible Facility, who is the lessee of Real Property on which the Eligible Facility is or will be located; provided that a specific definition or other provision to the contrary in an Agreement controls over this sentence.

Z. "Personal Property" means property that is not Real Property, and consists of intangible and tangible personal property. Intangible Personal Property means a claim, interest (other than an interest in tangible property), right, or other thing that has value but cannot be seen, felt, weighed, measured, or otherwise perceived by the senses, although its existence may be evidenced by a document. It includes a stock, bond, note or account receivable, certificate of deposit, share account, share certificate account, share deposit account, insurance policy, annuity, pension, cause of action, contract, and goodwill. Tangible Personal Property means Personal Property that can be seen, weighed, measured, felt, or otherwise perceived by the senses, but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value.

AA. "Primary Employment" means retention or creation of new Jobs for residents of the County as a result of new, expanded or modernized building Projects.

BB. "Prior Application" has the meaning set forth in Section IV(A)(12)(a)(i) below.

CC. "Productive Life" means the number of years a property Improvements is expected to be in service in a Facility.

DD. "Project" means the proposed planned undertaking consisting of New Facilities and/or Modernization of Existing Facilities for which Abatement is requested.

EE. "Real Property" means land, Improvements, a mine or quarry, minerals in place, standing timber; or an estate, other than a mortgage or deed of trust creating a lien on property or an interest securing payment or performance of an obligation, in a property enumerated above.

FF. "Reinvestment Zone" is (i) an area designated as such for the purpose of Abatement as authorized by the Property Redevelopment and Tax Abatement Act, Sections 312.401 or 312.201 of the Texas Tax Code or (ii) an area designated as an enterprise zone under

Chapter 2303 of the Texas Government Code as authorized by the Property Redevelopment and Tax Abatement Act, Section 312.4011 of the Texas Tax Code.

GG. "Supplemental Project" means any Project that is an expansion of an Existing Project onto additional Property. Supplemental Projects must qualify as a Project without taking into account the related Existing Project, but may have different terms as set forth in Section III.G.(1) below.

HH. "Tax Abatement Period" means the period not exceeding ten years commencing on the January 1st occurring after execution of the Agreement or such later January 1st in accordance with these Guidelines and Criteria as is specified in the Agreement.

II. "Taxable Property Value" means the value of the Property being valued as determined by deducting from the assessed value of such Property, as recorded by the Hidalgo County Appraisal District, the amount of any applicable exemption as defined by the Texas Property Tax Code.

III. Abatement Authorized

A. Eligible Facilities. Abatement may be granted for New Facilities and for Expansion or Modernization of Existing Facilities. The Economic Life of a Facility and/or eligible property must exceed the duration of the Abatement.

B. Eligible Property. Abatement may be applied to both Real and Personal Property used at an Eligible Facility for business purposes, excluding all ineligible property.

C. Ineligible Property. The following types of property will be fully taxable and ineligible for Abatement: (i) land, (ii) inventory, supplies, tools, furnishings and other forms of moveable Personal Property, (iii) housing, (iv) deferred maintenance, and (v) property to be rented or leased except as provided in subsection E. of this Section III. No reference to property (real or personal) herein shall be deemed to incorporate any ineligible property into any calculation of investment or Abatement.

D. New Value. Abatement may only be granted for the Newly Created Value of eligible property Improvements made subsequent to and specified in an agreement between the County and the Owner and/or Lessee, subject to such limitations as the County may impose.

E. Leased Facilities. If a leased Facility is granted Abatement, the agreement will be executed by the Lessee and, if required by the County, by the Lessor. If the County requires both Lessee and Lessor to be parties to the agreement, the agreement will not be in effect unless both Lessee and Lessor execute the agreement.

F. Eligibility Criteria. In order to be considered for Abatement, eligible Facilities must be located in a reinvestment zone and result in a minimum added value of \$1,500,001 in real and business Personal Property or the creation of at least 26 full-time Jobs.

G. Criteria and Value of Abatement. Abatement may be granted for eligible Facilities on all or a portion of the Newly Created Value of eligible property according to the following:

- (1) An Owner and/or Lessee, as the case may be, of Real Property where an Eligible Facility is located prior to the inception of the Project subject to an agreement or on which an Eligible Facility will be constructed as part of the Project, must agree to expend a designated sum of money as the Capital Cost of the Project and/or provide a certain number of Jobs in order to qualify for an Abatement and must expend at least the sum agreed to as the Capital Cost of the Project and provide at least the agreed number of Jobs in accordance with the agreement in order to receive such Abatement.
 - (a) General. Except with respect to Extraordinary Impact Projects in which subsection III.G.(1)(b) below applies and Supplemental Projects, the percent of value to be abated will be determined by the greater percentage for which the Project qualifies as set forth below based on the Capital Cost expended by the Owner and/or Lessee, as the case may be, in the Project or the number of Jobs created:

Percent of Increase in Property Value to be Abated	Capital Cost of the Project	Number of Jobs Created
0%	Less than \$1,500,001	0 – 25
25%	\$1,500,001 up to and including \$5,000,000	26 – 50
50%	Over \$5,000,000 up to and including \$10,000,000	51 – 100
80%	Over \$10,000,000	101 or more

- (b) Extraordinary Impact Projects. The Owner and/or Lessee may, in lieu of the schedule set forth in subsection (a) above, opt for the following provisions if the Capital Cost is at least equal to \$25,000,000.00 or the Project creates at least 500 Jobs:

**Percent of Increase in
Property Value to be Abated**

**During Year of
Tax Abatement Period**

100%
90%
80%
70%
60%
50%
40%

Initial Period
First Year after Initial Period
Second Year after Initial Period
Third Year after Initial Period
Fourth Year after Initial Period
Fifth Year after Initial Period
Sixth and subsequent Years after
Initial Period

The "Initial Period" is the first one to four years of the Tax Abatement Period, determined as follows: the Initial Period commences on the January 1 following execution of the Agreement (or such later January 1 as may be agreed to in the Agreement, provided such January 1 is not more than 3 years after execution of the Agreement) and ends on the earlier of the fourth December 31 occurring after such January 1 and the December 31 occurring after substantial completion of construction of Improvements. Regardless of the length of the Initial Period, the Tax Abatement Period shall not exceed ten years. The Owner or Lessee (or both if both are parties to the Agreement) must make such election in the Agreement. In the event the parties have opted for this provision but it is later determined that the actual Capital Cost or Jobs do not qualify for this provision, the provisions of subsection (a) above will apply in lieu of the provisions of this subsection (b) and any taxes abated prior to the determination that this provision was inapplicable in excess of the amount that would have been abated pursuant to subsection (a) above shall be immediately recaptured and paid by Owner and/or Lessee.

- (c) Supplemental Projects. With respect to Supplemental Projects, the percent of value to be abated will be determined by the County and shall not exceed the greater percentage for which the Supplemental Project qualifies as set forth below based on the Capital Cost expended by the Owner and/or Lessee, as the case may be, in the Supplemental Project or the number of Jobs created:

Maximum Percent of Increase in Property Value to be Abated	Capital Cost of the Project*	Number of Jobs Created*
0%	Less than \$1,500,001	0 – 25
25%	\$1,500,001 up to and including \$5,000,000	26 – 50
50%	Over \$5,000,000 up to and including \$10,000,000	51 – 100
80%	Over \$10,000,000	101 or more

*In the event of any irreconcilable dispute between the parties as to the allocation of Jobs and Capital Cost between an Existing Project and the related Supplemental Project, the County will make the final determination as to such allocation.

- (2) Only the Newly Created Value will be eligible for Abatement. The applicable percentage set forth in subsection (G)(1) of this Section III (based on whether the Capital Cost of the Project or Job creation results in a higher percentage and whether, if applicable, the Extraordinary Impact provision was opted for in the Agreement) is applicable only to the Newly Created Value of Real Property at the Eligible Facility and of Personal Property owned by the Owner or the Lessee at the Eligible Facility as determined by the Hidalgo County Appraisal District and these Guidelines and Criteria.
- (3) The length of the Tax Abatement Period shall not exceed ten (10) years. The Tax Abatement Period shall start on a January 1 not later than the later of (i) the third January 1 occurring after the successful completion of the development, redevelopment or Improvements of the Project as specified in the Agreement or (ii) the fourth January 1 occurring after execution of the Agreement. The Abatement of the Real and Personal Property during the Tax Abatement Period shall only be received to the extent its Taxable Property Value for that year exceeds its Taxable Property Value for the year in which the Agreement is executed, such that only Newly Created Value will be abated.
- (4) As an additional incentive to create and sustain Jobs, any Abatement based upon Job creation will be subject to increases or decreases in subsequent tax years based on the level of Jobs added or lost. For example, a Project that initially creates thirty (30) Jobs is eligible for a 25% Abatement. In the second year of the Tax Abatement Period, if twenty-one (21) additional Jobs are added, the Abatement will then increase to 50% (although such increased Abatement shall not apply retroactively), and so on as Jobs are created during the Tax Abatement Period. Conversely, if Jobs are reduced, the percent of Abatement will also be reduced.

- (5) With respect to any Abatement based upon Capital Cost, the percent of value to be abated may qualify for increases in subsequent tax years based upon additional capital Improvements. For example, a Project that initially has a Capital Cost of \$2,500,000.00, is eligible for 25% Abatement. In the second year of the Tax Abatement Period, if additional qualifying capital Improvements are made in the total amount of \$3,000,000, the Abatement may then increase to 50% upon Commissioners' Court approval (although such increased Abatement shall not apply retroactively).
- (6) Improvements, Expansions or Modernizations must not be expected to solely or primarily have the effect of transferring employment from one part of the County to another part of the County.
- (7) The Project must be expected to prevent the loss of payroll or retain, increase or create payroll on a permanent basis in the County

H. Standards of Tax Abatement. The following factors, among others, will be considered in determining whether to grant Abatement and, if so, the percentage of value to be abated and duration of Abatement.

- (1) value of land and existing Improvements, if any;
- (2) type and value of proposed Improvements;
- (3) Productive Life of proposed Improvements;
- (4) number of existing Jobs to be retained by proposed Improvements;
- (5) number and type of new Jobs to be created by proposed Improvements;
- (6) whether the new Jobs to be created will be filled by persons residing within the County;
- (7) amount property tax base valuation will be increased during term of Abatement, which will include a definitive commitment that (i) such increase in valuation will not in any case be less than \$1,500,001, or (ii) no less than 26 Jobs will be created;
- (8) the costs to be incurred by the County to provide facilities or services directly resulting from the new Improvements;
- (9) the amount of ad valorem taxes to be paid to the County during the Tax Abatement Period considering (a) the existing values, (b) the percentage of new value abated, (c) the Tax Abatement Period, and (d) the value after expiration of the Tax Abatement Period;

- (10) the types and values of public improvements, if any, to be made by the Applicant seeking Abatement;
- (11) whether the proposed Improvements compete with existing businesses to the detriment of the local economy;
- (12) the impact on the business opportunities of existing businesses;
- (13) the attraction of new businesses to the area;
- (14) whether the Project is environmentally compatible with no adverse impact on quality of life, including whether the Project or portions thereof will meet U.S. Green Building Council Leadership in Energy and Environmental Design Program (LEED) Standards/Certification; and
- (15) whether the Real Property is in an improvement project financed by tax increment bonds.

Each Eligible Facility will be reviewed on its merits utilizing the factors provided above. After such review, Abatement may be entirely denied or may be granted to the extent deemed appropriate after full evaluation.

I. In addition to other Abatements authorized hereunder, Abatement may be granted for an Eligible Education Facility as provided in this subsection I. The provisions of subsections III. G.(1), G.(2) (excluding the first sentence), G.(4), G.(5), and H.(7), of these Guidelines and Criteria will not apply to Abatements for Eligible Education Facilities. The term of the Abatement for an Eligible Education Facility will be established by the Commissioners Court at the time the Abatement is granted, but in no event will exceed the maximum term permitted under the Texas Tax Code.

IV. Procedural Guidelines

A. Preliminary Application Steps: Any person, organization, corporation or other entity meeting the Abatement guidelines may request Abatement by contacting the County Judge's Office Economic Development Division and filing a written Application with the County in conformance with the following procedural guidelines. Consideration will be given to written requests from Applicants for the confidentiality of proprietary information, consistent with state law, including without limitation Section 312.003 of the Texas Tax Code and Section 552 of the Texas Government Code.

- (1) An Application form approved by the County and in the form attached to these Guidelines and Criteria must be completed and submitted to the appropriate office or any other office or official designated by the

County, with all of the information and documents specified therein and herein, prior to commencement of construction, alterations, or installation of Improvements related to a proposed Modernization, Expansion or new Facility by the Applicant. Commencement of construction is considered to have taken place when any one of the following has occurred:

- (a) If more than ninety days has passed since an Abatement Agreement with the municipality has been executed (if applicable);
- (b) If a building permit has been issued for construction not associated with mitigating an environmental hazard;
- (c) If the Project's site has been cleared and prepared for development;
- (d) If construction (including renovations or tenant finish-out) has begun;
- (e) If site specific infrastructure has begun to be installed; or
- (f) If equipment, inventory, or employees have been relocated to the new site.

A complete Application, with all of the information and documentation specified therein and herein, must be submitted to the appropriate office or any other office or official designated by the County no later than October 1, in order to have an Agreement considered and executed in the same year that the Application is submitted to the County.

- (2) The Application will require such financial and other information as may be deemed appropriate for evaluating the financial capacity of the Applicant. This may include an economic feasibility study including a detailed list of estimated Improvements costs, a description of the methods of financing all estimated costs and the time when related costs or monetary obligations are to be incurred, and historical financial statements and statements of revenues, expenses, net income and cash flow for the first five years of the Project, which have been audited, reviewed or compiled by a certified public accountant.
- (3) Applicant will prepare a descriptive list of the eligible Improvements for which Abatement is requested. This will include the class life of the Improvements based on the Internal Revenue Service Code (Section 168) Modified Accelerated Cost Recovery System and, if applicable,

any documentation supporting a longer Economic Life of such Improvements.

- (4) Applicant will prepare a plat or map showing the precise location of the property, location of proposed Improvements, all roadways within five hundred feet (500') of the site, and all existing land uses and zoning within five hundred feet (500') of the site. The correct legal description of the Real Property must be provided.
- (5) Applicant will address all criteria outlined in Section III.H. of these Guidelines and Criteria in letter format. In the case of a Modernization or Eligible Facility, Applicant will also include a statement of the Facility's current property value, stated separately for Real and Personal Property.
- (6) Applicant will prepare a time schedule for undertaking and completing the planned Improvements.
- (7) Applicant will provide a tax certificate verifying that no taxes are past due on Applicant's (and, if Applicant is not the Owner of the Real Property or Facility, the Owner's) property located within the proposed reinvestment zone; provided, however, that with respect to Extraordinary Impact Projects where Applicant is not the Owner of the Real Property on which the Facility is or will be located, Commissioners Court may opt to limit the Real Property for which such certificates are required if deemed appropriate under the circumstances.
- (8) Applicant will provide a copy of the underlying lease if Applicant is a Lessee of the Facility.
- (9) Applicant will provide a copy of the contract between the Applicant and any employment agency acting as the employer of the employees of eligible Jobs pursuant to such contract.
- (10) Applicant will provide copies of the immediately preceding quarterly reports filed with the Texas Workforce Commission, documenting the current number of permanent full time employees.
- (11) Applicant will provide a current copy of any Enterprise Zone Map identifying the property location.
- (12) Applicant shall pay to the County a non-refundable application fee of \$1,000 at the time of submission of the Application unless
 - (a) the Applicant meets all of the following criteria:
 - (i) during the twelve months immediately preceding the submission of the Application, the Applicant submitted an

Application for an Abatement to the County (the "Prior Application");

- (ii) during such twelve month period, the Applicant paid the \$1,000 fee to the County with respect to the Prior Application;
 - (iii) neither the Applicant nor any other party has received or will receive any Abatement with respect to such Prior Application; and
 - (iv) the Commissioners Court deems such new Application to be substantially similar to the Prior Application; or
- (b) the total Abatement that the Applicant is requesting is less than and capped at (i) \$1,000 per year and/or (ii) \$10,000 in the aggregate over the life of the Abatement.

Applicant understands and, by submitting an Application agrees, that such fee is to partially offset the County's expenses in reviewing the Applicant's Application and shall not be refunded in the event the Application is withdrawn by Applicant or denied by the County. Applicant will submit along with the Application a copy of the receipt issued from the Hidalgo County Treasurer evidencing payment of the application fee.

B. Application Review Steps: Upon receipt of a completed Application, the County will distribute copies of the Application to the appropriate County departments for internal review and comments. The County may request additional information as needed to determine Applicant's eligibility for Abatement according to Sections III A., B. and F and to review the factors set forth in Section III.H.

C. Timing Provisions.

- (1) Notwithstanding any provision to the contrary in Sections IV or V of these Guidelines and Criteria, to the extent allowable under applicable law, the Commissioners Court in its discretion may:
 - (i) allow additional time for compliance with the requirements in Sections IV and V of these Guidelines and Criteria with respect to any Applications received after October 1 of the calendar year and may consider, approve and enter into an Agreement during the calendar year in which the Application was received after October 1 if the Commissioners Court in its discretion determines the County had adequate time to review and consider the Application and the Agreement, and

- (ii) consider and approve an Abatement and enter into an Agreement prior to receipt of all required information, provided that if such Abatement is granted the Agreement requires the Owner and/or Lessee, as the case may be, to comply with any such provisions within thirty days of the date of the Agreement and allows the County to terminate the Agreement in the event any conditions in the Agreement are not timely met.
- (2) Provided commencement of construction as defined in Section IV.A.(1) above has not occurred prior to submission of the complete Application as set forth herein, the commencement of construction by (x) the taking of actions specified in Section IV.A.(1)(a-c) above by the Owner and/or Lessee or (y) the taking of any of the actions specified in Section IV.A.(1)(a-e) above by the Owner and/or Lessee after approval by the Commissioners Court of an Agreement but prior to execution of the Agreement shall not be a bar to the County subsequently executing the Agreement based on these Guidelines and Criteria and the terms approved by the Commissioners Court with the Owner and/or Lessee, as applicable; provided that (i) with respect to any such activity undertaken prior to Commissioners Court granting of an Abatement that the Abatement may not be granted at the discretion of the Commissioners Court and (ii) that the Applicant, Owner and/or Lessee, as the case may be, commence activity related to the Project at their own risk, and with respect to (y) above, in the event, prior to execution of the Agreement, any discrepancy or dispute over the terms of the Agreement arise that the Commissioners Court retains its discretion to not enter into such Agreement. For purposes of this subsection (2), a complete Application is an Application that, in the opinion of the County, meets all of the requirements of the Guidelines and Criteria excluding only any additional materials requested by the County but not expressly specified in the Guidelines and Criteria.

V. Consideration of Application and Adoption of Agreement

A. When the County considers an Abatement request, it will consider the feasibility and impact of the proposed Abatement by making an estimate of the economic effect of the Abatement of taxes and the benefit to the property to be covered by the Abatement and to the taxing authorities involved.

B. In accordance with Section 312.401(b) of the Texas Tax Code, the Commissioners Court may not designate an area as a reinvestment zone until it holds a public hearing on the designation and finds that the designation would contribute to the retention or expansion of Primary Employment or would attract major investment in the reinvestment zone that would be a benefit to the property to be included in the reinvestment zone and would contribute to the economic development of the County. At the hearing, interested

persons are entitled to speak and present evidence for or against the designation. Not later than the seventh day before the date of the hearing, the Commissioners Court will give notice of the hearing in accordance with Sections 312.401(b) and 312.201(d) of the Texas Tax Code. Pursuant to Section 312.4011, designation of an area as an enterprise zone under Chapter 2303, Texas Government Code, constitutes designation of the area as a reinvestment zone without further action by the County.

C. (1) The Commissioners Court may consider adoption of an Order approving the execution of an Agreement between the County and the Applicant governing the provision of the Abatement within the reinvestment zone only after the Applicant has forwarded all necessary information and documentation to the County. The County will notify the Applicant of approval or disapproval in writing as soon as such action has occurred. The County will not approve an Agreement if it finds that the request for the Abatement was filed after the commencement of construction, alterations, or installation of Improvements related to a proposed Modernization, Expansion or New Facility by the Applicant except as provided in subsection V.C.(2) below. Any Improvements performed by a taxing entity in anticipation of a Project will not be subject to this subsection C(1).

(2) The decision to provide any Abatement will be considered on a case by case basis, in accordance with these Guidelines and Criteria, and at the discretion of the Commissioners Court who, with respect to Applicants concerning Projects of Extraordinary Impact may waive Subsection IV(A)(1)(b) if reasonable proof is shown of why the waiver is needed and of the benefit to the County of granting the Abatement.

D. Not later than the seventh day before the date on which the County enters into an Agreement, the County will deliver, as provided by Section 312.2041 of the Tax Code, to the presiding officer of the governing body of each other taxing unit in which the property to be subject to the Agreement is located a written notice that the County intends to enter into the Agreement. The notice will include a copy of the proposed Agreement.

E. The governing bodies of the appropriate taxing authorities may consider ratification of and participation in the Agreement between the County and the Applicant.

F. After approval, the County will formally pass an Order and execute an Agreement with the Owner and/or Lessee of the Facility as required. Such Agreement prior to execution will be reviewed by legal counsel for the County and the Owner and/or Lessee, as applicable. Such Agreement shall be subject to the rights of holders of outstanding bonds of the County and shall be entered into by the County on the condition that the Owner and/or the Lessee, as applicable, makes specific Improvements or repairs to the property. Except as otherwise specified in these Guidelines and Criteria, the Abatement in each Agreement shall take effect on January 1 of the next tax year after the date the Improvements or repairs are substantially completed. Each Agreement must include the terms required under Section 312.205 or the Texas Tax Code and will address various issues, including, but not limited to, the following:

- (1) General description of the Project;
- (2) The percent of value to be abated each year;
- (3) Estimated value of the Abatement including the Base Year Value;
- (4) Duration of the Abatement, including the commencement date and the termination date;
- (5) Legal description of the Real Property;
- (6) Kind, number, location and timetable of planned Improvements;
- (7) Specific terms and conditions to be met by Applicant;
- (8) The proposed use of the Facility and nature of construction;
- (9) A plat or map showing the precise location of the Real Property, including the location within the enterprise zone and Improvements and proposed Improvements on the Real Property;
- (10) Contractual obligations in the event of default, violation of terms conditions, delinquent taxes, recapture, administration and assignment; and
- (11) Size of investment and average number of new Jobs created.

VI. Denial of Abatement

A. All eligible Applications for Abatement will be considered on a case-by-case basis and except for the instances set forth in Section VI.B. herein, the decision to approve or deny Abatement will be made at the discretion of the Commissioners Court in accordance with these Guidelines and Criteria.

B. The Commissioners Court shall not authorize either a reinvestment zone or an Agreement if it is determined that:

- (1) there would be an adverse impact on the provision of government service or tax base;
- (2) the Applicant has insufficient financial capacity to complete the Project;
- (3) planned or potential use of the property would constitute a hazard to public safety, health or morals;

- (4) violation of other codes or laws exist;
- (5) the property is in an improvement project financed by tax increment bonds; or
- (6) there exists any other reason that is deemed appropriate by the Commissioners Court.

C. Nothing herein will imply or suggest that the County is under any obligations or duty to provide Abatement to any eligible Applicant, or that any Applicant has an entitlement to Abatement except as may be determined on a case-by-case basis by the Commissioners Court.

VII. Taxability

From the execution of the Agreement to the end of the Tax Abatement Period, taxes will be payable as follows:

- (a) The value of ineligible property will be fully taxable;
- (b) The Base Year Value of existing eligible property as determined each year will be fully taxable;
- (c) The additional value of eligible property will be taxable in the manner and for the period provided for in the Agreement; and
- (d) The additional value of eligible property will be fully taxable at the end of the Tax Abatement Period.

VIII. Recapture

A. The County will be entitled to terminate the Agreement and shall recapture all or part of the taxes abated, upon the occurrence of one or more of the following events:

- (1) If the Owner or Lessee fails to commence operation of the Facility and the provision of the applicable product or service within the time provided in the Agreement.
- (2) If, at any time after commencement of operation of the Facility, the Owner or Lessee voluntarily ceases to produce a product or service at the Facility or to otherwise operate the Facility for a continuous period of one (1) year or, with respect to Extraordinary Impact Projects in which the Agreement so provides, eighteen (18) months;

- (2) If the Owner or Lessee allows its ad valorem taxes owed to the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest;
- (3) If the Owner or Lessee relocates the Job creating activity outside the reinvestment zone;
- (4) Upon the Owner's or Lessee's breach of the Agreement;
- (5) As the County and the Owner and/or Lessee may otherwise agree in the Agreement; or
- (6) In the case of an Abatement for an eligible educational Facility, the educational institution named in the Agreement terminates the lease on the property or otherwise ceases to use and occupy the property for educational purposes, and the property Owner fails to secure a new tenant that qualifies the Facility for continued Abatement under these Guidelines and Criteria within one hundred twenty (120) days of the expiration or other cessation of the use of the property for educational purposes.

B. Should the County determine that a party is in default according to the terms and conditions of the Agreement, the County will notify the party in writing at the address stated in the Agreement, and if such default is not cured within the applicable Cure Period (as defined below), then the Agreement may be terminated by the County pursuant to an Order adopted by the Commissioners Court as set forth in C below. The Cure Period is thirty (30) days from the date of the notice, or if so provided in the Agreement with respect to any Extraordinary Impact Project sixty (60) days and, if further provided in the Agreement, ninety (90) days with respect to a default caused by a force majeure event as such event is defined in the Agreement.

C. The County by an Order adopted by the Commissioners Court will have the right to terminate the Agreement and shall recapture all or a part of the abated taxes based on the following schedule and formula:

RECAPTURE SCHEDULE

<i>YEAR OF TAX ABATEMENT PERIOD IN WHICH RECAPTURE EVENT OCCURS</i>	<i>COUNTY WILL RECAPTURE FOLLOWING PERCENTAGE OF TOTAL TAXES PREVIOUSLY ABATED:</i>
1-5	100%
6	85%
7	75%
8	65%
9	55%
10	45%

(i) describing all property for which Abatement is granted, (ii) providing documentation of the final Capital Cost and (iii) certifying the number of Jobs created. This final report will be accompanied by the opinion of an independent certified public accountant as to its accuracy and completeness. Taxing authorities will periodically evaluate each Facility receiving Abatement to ensure compliance with the Agreement and report possible violations of the Agreement. Taxing authorities will have the right to audit the books and records related to the eligible property and supporting the eligible property reports.

C. Transfer or Assignment. An Agreement for Abatement may be transferred or assigned by the original Applicant to a new Owner/Lessor or Lessee of the same Facility only upon the approval of the Commissioners Court, which will not grant such approval without (i) sufficient proof of the financial capacity of the transferee or assignee and (ii) all conditions and obligations in the Agreement being guaranteed by the execution of a new Agreement with the County. No assignment or transfer will be approved if any party to the existing Agreement or any proposed new party is (i) liable to any jurisdiction in the County for outstanding taxes or other obligations or (ii) delinquent in the payment of ad valorem taxes to any taxing unit located in the County. Approval of a transfer or assignment will not be unreasonably withheld. In addition, the Agreement for Abatement for an Extraordinary Impact Project may allow for collateral assignment in connection with the financing of the Project without obtaining such approval; provided the assignee is not delinquent on any taxes to the County and the Owner, Lessor or Lessee, as applicable, provides written notice to the County within thirty (30) days.

X. Tax Abatement by Other Taxing Units

A. Other Taxing Entities. Section 312.206(a) of the Tax Code allows the County, when a municipality has entered into an Agreement with an Owner and/or a Lessee, to enter into an Agreement with the same Owner and/or Lessee under different terms and conditions than those contained in the municipality's Agreement with the Owner and/or Lessee. When an Application for Abatement is originated with a taxing entity other than the County, the taxing entity desiring the County to provide Abatement to the same Applicant will cause the Applicant to file an Application requesting Abatement with the County and such Application will include the information requested by the County for Abatements originating with the County and shall also include a copy of the Agreement between the Applicant and the municipality or other taxing entity and such other documentation as may be requested by the County. Such Abatements will be considered in accordance with the provisions of these Guidelines and Criteria.

B. No obligation. The acceptance of an Application for Abatement will not be deemed as an obligation whatsoever of the County to grant any Abatement of taxes. Nothing in these Guidelines and Criteria or in any prior Abatement action by the County will obligate the County to provide Abatement to party.

C. Taxing Unit With Tax Rate Set by Commissioners Court. Pursuant to Section 312.004 of the Tax Code, in the event the Commissioners Court enters into an Agreement for the County, it may also enter into an Agreement applicable to the same property on behalf of

a taxing unit other than the County if by statute the ad valorem tax rate of the other taxing unit is approved by the Commissioners Court or the Commissioners Court is expressly required by statute to levy the ad valorem taxes of the other taxing unit. The Agreement entered into on behalf of the other taxing unit is not required to contain the same terms as the Agreement entered into on behalf of the County.

XI. Sunset Provision

These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years unless amended by three-quarters vote of the Commissioners Court, at which time all reinvestment zones and Agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on that review, the Commissioners Court may modify or renew these Guidelines and Criteria or enact new Guidelines and Criteria. The County reserves the right to allow these Guidelines and Criteria to lapse and to not thereafter adopt new Guidelines and Criteria.

XII. Severability

If any provision, section, subsection, sentence, clause, or phrase of these Guidelines and Criteria, or the amendments duly adopted hereto, or the application of the same to any person, entity, or set of circumstances, is for any reason held to be unconstitutional, void, voidable, invalid, or contrary to any existing or prospectively enacted law or statute, the validity and enforceability of the remaining part of these Guidelines and Criteria and amendments thereto will not be affected thereby.

EXHIBIT

FORM OF TAX ABATEMENT APPLICATION



HIDALGO COUNTY APPLICATION FOR ECONOMIC INCENTIVE

I. APPLICANT INFORMATION

Applicant Name: _____ Date of Application: _____
Company/Project Name: _____
Mailing Address: _____ Office Phone: _____
_____ Mobile Phone: _____
E-Mail Address: _____ Fax Number: _____
Type of Entity: Corporation Partnership Proprietorship
 Limited Liability Company Other (Specify) _____
State of Organization: _____

Applicant's Representative for contact regarding abatement request:

Name and Title: _____
Mailing Address: _____ Office Phone: _____
_____ Mobile Phone: _____
E-Mail Address: _____ Fax Number: _____

Property Owner Information (if applicant is not the owner of the property):

Property Owner: _____
Mailing Address: _____ Office Phone: _____
_____ Mobile Phone: _____
E-Mail Address: _____ Fax Number: _____
Type of Entity: Corporation Partnership Proprietorship
 Limited Liability Company Other (Specify) _____
State of Organization: _____

Is there a lessee agreement between the owner and the applicant? Yes No
If yes, what is the agreement termination date? _____

II. TYPE OF INCENTIVE

___ Tax Abatement ___ 381 Agreement

III. PROPERTY AND PROJECT DESCRIPTION

Property Account Number(s): _____
Address and legal description of property to be considered for Tax Abatement

Project Description: _____

III. PROPERTY AND PROJECT DESCRIPTION (CON'T)

Description of activities, products, or services produced and/or provided at project location:

Specify whether any portion of the property is within an established reinvestment zone or enterprise zone.

State the location of the reinvestment or enterprise zone.

Current Assessed Value:

Real Property \$ _____ Personal Property \$ _____

Estimated start date of construction/site improvements:

Projected date of occupancy/commencement of operations at project site:

Location of applicant's existing facilities:

Requested level of Tax Abatement: _____ % of eligible property for _____ years.

Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request.

Is any tax currently being abated with respect to any portion of the property? [] Yes [] No

If yes, state the date the tax abatement was received.

Has tax abatement been granted by any other taxing entity? [] Yes [] No

If yes, what taxing entity is granting the tax abatement?

Will a tax abatement be requested for the project from any other taxing entities? [] Yes [] No

If yes, list the entities:

IV. PROJECTED VALUE OF PROPOSED IMPROVEMENTS

Estimated Value of Proposed Real Property Improvements \$ _____

Estimated Value of Proposed Personal Property Improvements \$ _____

Detail any direct benefits to Hidalgo County as a result of this project(i.e.,inventory tax,etc.)

V. PROJECTED NUMBER OF FULL-TIME JOBS CREATED

Current Company/Project Location Employment

Current Number of Employees: Full-Time _____ Part-Time _____

Number of employees transferring from other company locations:

New Employment of Hidalgo County Residents

Are the employees direct hire or are they contracted by a third party employment agency?

[] Direct Hire [] Third Party Employment Agency [] Both

Projected number of new full-time jobs created as a result of the proposed improvements.

Provide types of jobs created and average salary levels.

VI. ADDITIONAL INFORMATION (to be attached)

Attach additional criteria for abatement as required by the Hidalgo County Guidelines and Criteria Section IV.

- _____ 1 Letter addressing section III (H) of the Hidalgo County Guidelines and Criteria.
- _____ 2 Descriptive list of the improvements for which abatement is requested. List will include the class life of the improvements based on the Internal Revenue Service Code (Section 168) Modified Accelerated Cost Recovery System.
- _____ 3 Description of methods of financing all estimated costs and the time when related costs or monetary obligations are to be incurred.
- _____ 4 A five year history of financial statements and statements of revenue, expenses, net income and cash flow for the last five years of the project which has been audited, reviewed, or compiled by a Certified Public Accountant.
- _____ 5 Plat/Map of Project Location with details as required by Section IV. (4).
- _____ 6 Project time schedule for undertaking and completing the planned improvements.
- _____ 7 Tax certificate verifying that no taxes are past due on property.
- _____ 8 Correct legal description of the real property.
- _____ 9 A copy of the underlying lease if applicant is a lessee of the facility.
- _____ 10 Include a current copy of the Reinvestment Zone Map and identify the property location within the map.
- _____ 11 Schedule showing the start date of annual payroll of new permanent positions, if applicable.
- _____ 12 Provide copies of the immediately preceding quarterly reports filed with the Texas Workforce Commission, documenting the current number of permanent full-time employees.
- _____ 13 Include a good standing certificate from the State of Texas, or the state where your company is organized.
- _____ 14 Include any existing tax abatement agreements with respect to any property in Hidalgo County,
- _____ 15 Include a check made payable to "Hidalgo County Treasurer" in the amount of \$1,000.

Applicant understands and, by submitting an application agrees, that such fee is to partially offset the County's expenses in reviewing the Applicant's application and shall not be refunded in the event the application is withdrawn by Applicant or denied by the County.

In order to expedite the application process, all information listed above must be attached herein.

I certify the information contained in this application (including all attachments) to be true and correct to the best of my knowledge. I further certify that I have read the "Guidelines and Criteria for granting tax abatements in Hidalgo County, Texas" and agree to comply with the guidelines and criteria stated therein. I further understand Hidalgo County may request additional information as deemed necessary to determine eligibility.

Signature

Title

Printed Name

Date

Attachment 17

Signature and Certification Page signed and dated by Authorized School District Representative and Authorized Company Representative (applicant).

Please see attached.

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here

Rene Gurierrez

Print Name (Authorized School District Representative)

Superintendent

Title

sign here

Signature (Authorized School District Representative)

Date

6/13/18

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here

Milton Howard

Print Name (Authorized Company Representative (Applicant))

Vice President of Renewable Development

Title

sign here

Signature (Authorized Company Representative (Applicant))

Date

5/30/18



(Notary Seal)

GIVEN under my hand and seal of office this, the

30th day of May, 2018

Alexandria Alexis Hausman
Notary Public in and for the State of Texas

My Commission expires: 08.09.2021

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

ATTORNEYS & COUNSELORS AT LAW

808 WEST AVE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILIE: (512) 494-9919

August 3, 2018

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

RE: 1269-Amended Application to Edinburg Consolidated Independent School District
from Monte Cristo Windpower, LLC

To the Local Government Assistance & Economic Analysis Division:

I have enclosed for you the Amended Application to Edinburg Consolidated Independent School District from Monte Cristo Windpower, LLC.

The Applicant has requested that a portion of Tab 11, specifically the detailed layout of the planned wind farm, be kept confidential until such time the Board votes to approve the application. In accordance with 34 TAC 9.1053, the information that is the subject of this request is segregated from the materials submitted contemporaneously with this application, that is, the proprietary commercial information regarding the competitive siting decisions for the possible project and proprietary information regarding the proposed layout of the project. The confidential materials are being submitted separately to protect against unintended disclosure. The maps depicting the planned location of the project display proprietary commercial information regarding the specific location of the possible project and the nature of the business that will be conducted at the site. The materials are protected by the trade secret exception set forth in Texas Government Code §552.110.

Below are the changes for Amendment 001:

1. Section 9 Question 3: Has been updated to December 31, 2018
2. Hildago CAD letter explaining the value has been added to amendment.
3. Tab 7 has been updated.
4. Tab 8 has been updated.
5. Maps have been updated.
6. Section 14 of the application has been updated
7. Tab 13 has been updated with new wages
8. Tab 14 Schedule C has been updated
9. New Signature Page

Letter to Local Government Assistance & Economic Analysis Division

August 3, 2018

Page 2 of 2

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

Please do not hesitate to call with any questions.

Sincerely,

William Eggleston
Assistant to Kevin O'Hanlon
School District Consultant

Cc: Hidalgo County Appraisal District

Attachment 1

Please see executed application attached.

SECTION 9: Projected Timeline

- 1. Application approval by school board QTR 2 2018
- 2. Commencement of construction QTR 2 2019
- 3. Beginning of qualifying time period Dec 31 2018
- 4. First year of limitation Jan 2021
- 5. Begin hiring new employees June 2020
- 6. Commencement of commercial operations QTR 4 2020
- 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? Yes No
 Note: Improvements made before that time may not be considered qualified property.
- 8. When do you anticipate the new buildings or improvements will be placed in service? QTR 3 2020

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Hidalgo County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Hidalgo County Appraisal District
- 3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes No
- 4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: Hidalgo County, 0.5800, 100% City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: N/A Water District: Drainage Dist. #1, 0.09510, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): South Texas College, 0.1850, 100% Other (describe): South Texas ISD, 0.04920, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
- 5. Is the project located entirely within the ISD listed in Section 1? Yes No
 5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.
- 6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 6a. If yes, attach in Tab 6 supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/economy/local/ch313/.

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? 30,000,000.00
 Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
- 3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
- 4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 7);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (Tab 11).
- 5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? Yes No

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2018
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 6
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 646.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 872.85
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 785.84
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 40,863.68
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 40,863.68
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

Office of Tax Assessor - Collector
COUNTY of HIDALGO

Pablo "Paul" Villarreal, Jr. RTA



P.O. Box 178
Edinburg, Texas 78540-0178
Ph. (956) 318-2157
Fax (956) 318-2733
www.hidalgocountytax.org

CERTIFICATION

THE STATE OF TEXAS
COUNTY OF HIDALGO

RE: MONTE CRISTO WINDPOWER LLC
11455 EL CAMINO REAL, STE 160
SAN DIEGO, CA 92130

ACCOUNT#: NOT ON THE TAX ROLL FOR 2017
LEGAL: NOT ON THE TAX ROLL FOR 2017
PARCEL ADDRESS: NOT ON THE TAXROLL FOR
2017

To Whom It May Concern:

According to Property Tax Code Section 31.01 Tax Bills, the Assessor shall mail tax bill by October 1 or as soon thereafter as practicable.

Please be informed that as of today, we are looking at mailing 2018 tax statements the latter part of October or 1st week of November 2018. Taxes are due upon receipt and become delinquent on February 1, 2019. If you have any questions, please do not hesitate to call the undersigned.

I would like to add the following information for:

MONTE CRISTO WINDPOWER LLC.

- For the 2017 year Entity is not in our tax rolls.
- For the 2018 year - bills have not been mailed out

Yours truly,

Esmeralda Ramirez
Assessing Department
Supervisor



Office of Tax Assessor - Collector
COUNTY of HIDALGO

Pablo "Paul" Villarreal, Jr. RTA



P.O. Box 178
Edinburg, Texas 78540-0178
Ph. (956) 318-2157
Fax (956) 318-2733
www.hidalgocountytax.org

CERTIFICATION

I PABLO "PAUL" VILLARREAL JR., TAX ASSESSOR COLLECTOR, HIDALGO COUNTY, DO HEREBY CERTIFY THAT THE ATTACHED IS A FULL, TRUE AND CORRECT RECORD AS APPEARS IN OUR TAX RECORDS NOW ON FILE IN THE HIDALGO COUNTY TAX ASSESSORS AND COLLECTOR'S OFFICE AND THAT I AM THE LAWFUL POSSESSOR AND CUSTODIAN OF SAID RECORDS. GIVEN UNDER MY HAND AND OFFICIAL SEAL, AT OFFICE IN EDINBURG, HIDALGO COUNTY, TEXAS, THIS 2ND DAY OF AUGUST 2018.

Pablo (Paul) Villarreal Jr. PCJ

PABLO "PAUL" VILLARREAL JR., PCC
TAX ASSESSOR-COLLECTOR

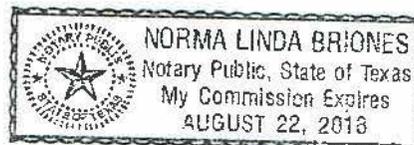
THIS INSTRUMENT ACKNOWLEDGED BEFORE ME ON THIS 2ND DAY OF AUGUST 2018 BY
PABLO "PAUL VILLARREAL, JR.

N L Briones

NORMA BRIONES

NOTARY PUBLIC, STATE OF TEXAS

CERTIFIED UNDER SEAL



Attachment 7

Description of Qualified Investment

- a. A specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code 313.021(7) (Tab 7).***

The Applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property within Edinburg CISD, which is located in Hidalgo County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: up to 88 wind turbines, with a combined make up of 82- 2.2 MW wind turbines and 6- 3.45 MW wind turbines and a combined total generating capacity of approximately 201 MW; up to 88 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 88 electric power transformers; underground conductor cables used to transport electricity from each turbine tower to an electrical substation; and a new electrical substation interconnected to the ETT Lobo to North Edinburg, 345kV transmission line located in central Hidalgo County.

Additionally, the map provided does not represent the final location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Investment Area as shown on Map Exhibit on Attachment 11a.

None of the above-mentioned property is covered under an existing County Appraisal District account number.

- b. A description of any new buildings proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7).***

The Applicant intends to construct a Maintenance and Operations building to house equipment i.e. junction boxes, transformer equipment, and turbine electronic controls. The Applicant will also be constructing an electrical substation facility for integration and transmission of power into the electrical grid.

Attachment 8

Description of Qualified Property

Monte Cristo Windpower, LLC plans to construct an estimated 201 MW wind farm in Hidalgo County, located entirely within Edinburg CISD. Additional improvements of Qualified Property include:

- 88 Wind Turbines 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45MW;
- 88 Wind Turbine Foundations;
- Several thousand feet of Transmission Collection System cable & Junction Boxes;
- Overhead Transmission and Interconnection infrastructure;
- Additional meteorological towers;
- All weather Road work sloped for drainage;
- Operations and maintenance building for storage of control systems necessary for commercial generation of electricity;
- Electric substation including power transformers, associated circuit breakers, switches, reactive power compensation equipment and control building & fencing of perimeter.

For purposes of this application, the Project anticipates using 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45 MW. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within Edinburg CISD boundaries. Current plans are to install turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind resource evaluation, engineering, land leasing, and turbine selection. The final number and location of turbines and supporting structures will be determined before construction begins. However, any changes in the number and location of turbines will not have a significant impact on the total investment. Monte Cristo intends to connect to ETT Lobo to North Edinburg, 345kV transmission line internal to the Project, located within Edinburg CISD boundaries. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

Attachment 11

Maps that clearly show:

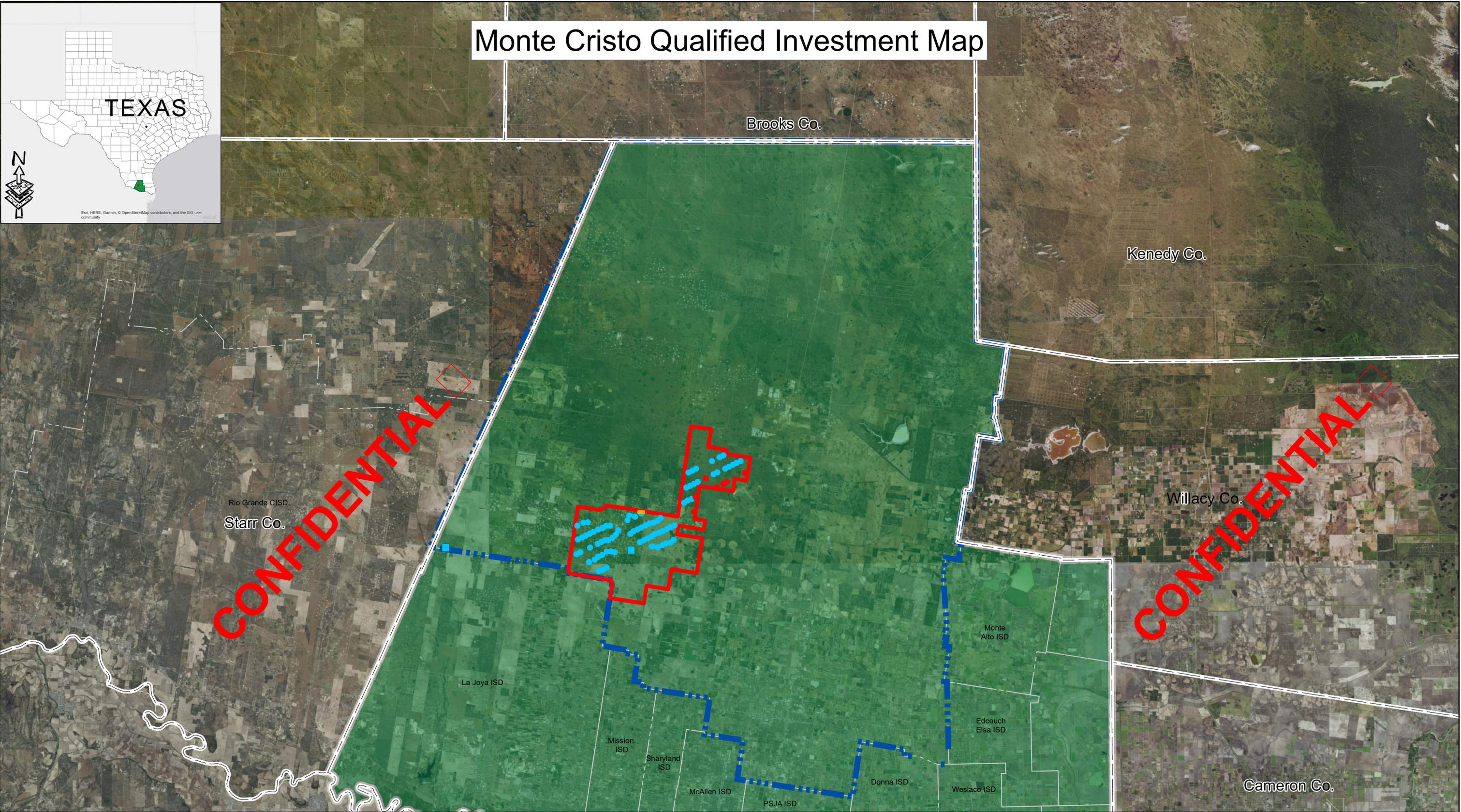
- a. Project vicinity***
- b. Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period***
- c. Qualified property including location of new buildings or new improvements***
- d. Existing property***
- e. Land location within vicinity map***
- f. Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

Attachment 11b

- a. Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period***

CONFIDENTIAL- FOR SEPARATE FILING

Monte Cristo Qualified Investment Map



CONFIDENTIAL

CONFIDENTIAL



CONFIDENTIAL Legend

- V112-3.45MW WTG (7)
- V120-2.2MW WTG (81)
- O & M BUILDING
- POI
- MONTE CRISTO BNDRY
- EDINBURG ISD
- HIDALGO CO.

Terra-Gen, LLC
Monte Cristo Project
 Phase 1 - 200MW

Project Location: Hidalgo County, Texas

Draft-Subject to change

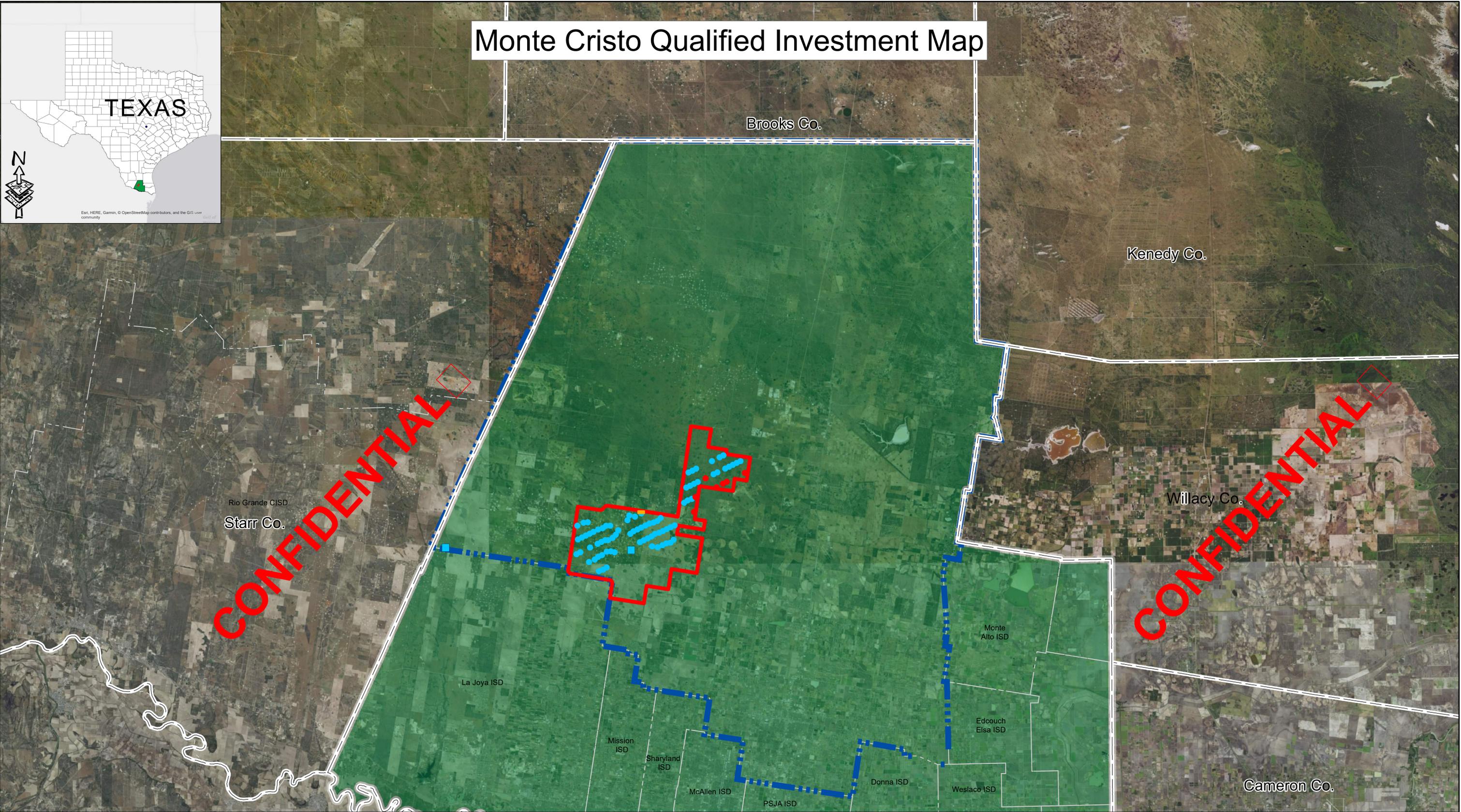
Prepared by: MBJ Date: 8/2/2018

Attachment 11c

b. Qualified property including location of new buildings or new improvements

CONFIDENTIAL- FOR SEPARATE FILING

Monte Cristo Qualified Investment Map



- CONFIDENTIAL**
- Legend**
- V112-3.45MW WTG (7)
 - V120-2.2MW WTG (81)
 - O & M BUILDING
 - POI
 - MONTE CRISTO BNDRY
 - EDINBURG ISD
 - HIDALGO CO.

Terra-Gen, LLC
Monte Cristo Project
 Phase 1 - 200MW

Project Location: Hidalgo County, Texas



Draft-Subject to change

Prepared by: MBJ

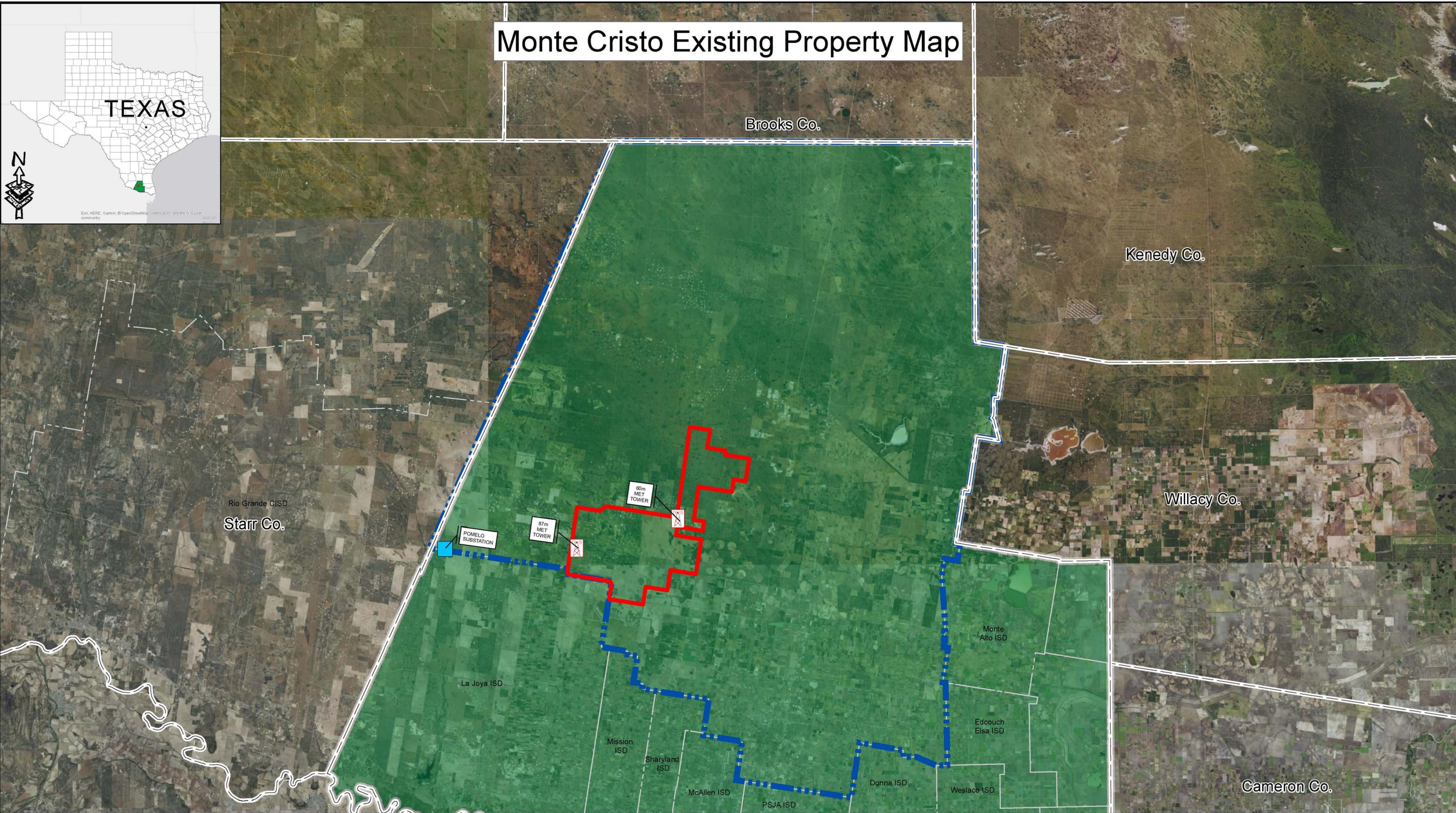
Date: 8/2/2018

Attachment 11d

c. Existing property

Please see attached map below.

Monte Cristo Existing Property Map



Legend

- MET TOWER
- POI
- MONTE CRISTO BNDRY
- EDINBURG ISD
- HIDALGO CO.

Terra-Gen, LLC
Monte Cristo Project
Phase 1 - 200MW

Project Location: Hidalgo County, Texas

Draft-Subject to change

Prepared by: MBJ Date: 8/2/2018

Attachment 11f

- d. Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

Please see attached map below.



Monte Cristo Enterprise/Investment Zone Map

Enter Address

Show Report

Map Layers

Labor Force

Demographic Data

Consumer Expenditures

Map Satellite

Notifies

LEGEND

LAYERS

Cancel

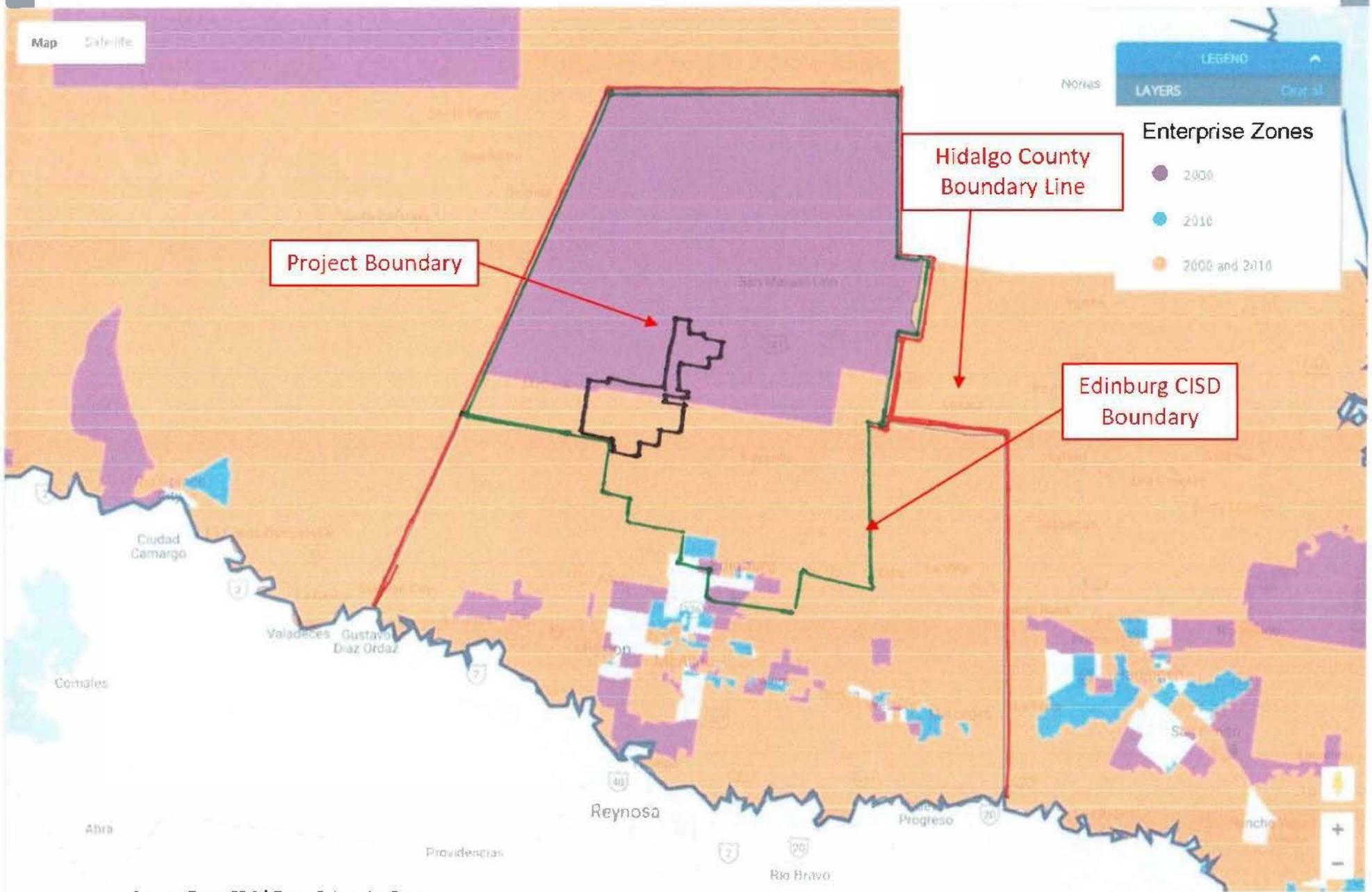
Enterprise Zones

- 2000
- 2010
- 2000 and 2010

Project Boundary

Hidalgo County Boundary Line

Edinburg CISD Boundary



Source: Texas EDC | Texas Enterprise Zones
<http://texas.zoomprospector.com/?LYR=TEXASEZONEUNION>

Map data ©2018 Google, INEGI Terms of Use

© 2018 Powered by GIS Planning

Attachment 13

Calculation of Wage Requirements – Hidalgo County

Supporting data for Section 14(7)(a)

Average weekly wage for all jobs (all industries) in the county

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2017	1 st Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$641.00
2017	2 nd Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$632.00
2017	3 rd Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$649.00
2017	4 th Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$665.00
Average weekly wage for previous four quarters								\$646.75

Source: Quarterly Employment and Wages (QCEW) data for Hidalgo County, <http://www.tracer2.com/cqi/dataanalysis/AreaSelection.asp?tableName=Industry>

Supporting Data for Section 14(7)(b)

110% of the average weekly wage for manufacturing jobs in the county

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2017	1 st Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$813.00
2017	2 nd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$774.00
2017	3 rd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$787.00
2017	4 th Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$800.00
Average weekly wage for previous four quarters								\$793.50
110% of Average Weekly Wages								\$872.85

Source: Quarterly Employment and Wages (QCEW) data for Hidalgo County, <http://www.tracer2.com/cqi/dataanalysis/AreaSelection.asp?tableName=Industry>

Supporting Data for Section 14(7)(c)

110% of the average weekly wage for manufacturing jobs in the region

Average Hourly Wages	\$17.86
Average Annual Wages	\$37,152.00
Average Weekly Wages @40hrs/week	\$714.40
110% of Average Weekly Wages	\$785.84

Source: 2017 Manufacturing Average Wages by Council of Government Region Wages for All Occupations. Project location region: 21. Lower Rio Grande Valley Development Council. <http://www.tracer2.com/admin/uploadedPublications/COGWages.pdf>

**2017 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$26.24	\$54,587
<u>1. Panhandle Regional Planning Commission</u>	\$23.65	\$49,190
<u>2. South Plains Association of Governments</u>	\$19.36	\$40,262
<u>3. NORTEX Regional Planning Commission</u>	\$23.46	\$48,789
<u>4. North Central Texas Council of Governments</u>	\$26.80	\$55,747
<u>5. Ark-Tex Council of Governments</u>	\$18.59	\$38,663
<u>6. East Texas Council of Governments</u>	\$21.07	\$43,827
<u>7. West Central Texas Council of Governments</u>	\$21.24	\$44,178
<u>8. Rio Grande Council of Governments</u>	\$18.44	\$38,351
<u>9. Permian Basin Regional Planning Commission</u>	\$26.24	\$54,576
<u>10. Concho Valley Council of Governments</u>	\$19.67	\$40,924
<u>11. Heart of Texas Council of Governments</u>	\$21.53	\$44,781
<u>12. Capital Area Council of Governments</u>	\$31.49	\$65,497
<u>13. Brazos Valley Council of Governments</u>	\$17.76	\$39,931
<u>14. Deep East Texas Council of Governments</u>	\$17.99	\$37,428
<u>15. South East Texas Regional Planning Commission</u>	\$34.98	\$72,755
<u>16. Houston-Galveston Area Council</u>	\$28.94	\$60,202
<u>17. Golden Crescent Regional Planning Commission</u>	\$26.94	\$56,042
<u>18. Alamo Area Council of Governments</u>	\$22.05	\$48,869
<u>19. South Texas Development Council</u>	\$15.07	\$31,343
<u>20. Coastal Bend Council of Governments</u>	\$28.98	\$60,276
<u>21. Lower Rio Grande Valley Development Council</u>	\$17.86	\$37,152
<u>22. Texoma Council of Governments</u>	\$21.18	\$44,060
<u>23. Central Texas Council of Governments</u>	\$19.30	\$40,146
<u>24. Middle Rio Grande Development Council</u>	\$24.07	\$50,058

Source: Texas Occupational Employment and Wages

Data published: July 2018

Data published annually, next update will be July 31, 2019

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

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

Data intended for TAC 313 purposes only.

Attachment 14

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

Please see attached schedules below.

Schedule C: Employment Information

Date 8/1/2018
 Applicant Name Monte Cristo Windpower, LLC
 ISD Name Edinburg CISD

Form 50-296A
 Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
				Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Pre-Year	0	2018-2019	2018					
Qualified Investment Period	1	2019-2020	2019					
	2	2020-2021	2020	150 FTEs	\$ 36,049.00	0	6	\$ 40,863.68
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2021-2022	2021			0	6	\$ 40,863.68
	2	2022-2023	2022			0	6	\$ 40,863.68
	3	2023-2024	2023			0	6	\$ 40,863.68
	4	2024-2025	2024			0	6	\$ 40,863.68
	5	2025-2026	2025			0	6	\$ 40,863.68
	6	2026-2027	2026			0	6	\$ 40,863.68
	7	2027-2028	2027			0	6	\$ 40,863.68
	8	2028-2029	2028			0	6	\$ 40,863.68
	9	2029-2030	2029			0	6	\$ 40,863.68
	10	2030-2031	2030			0	6	\$ 40,863.68
Years Following Value Limitation Period	11 through 25	2031-2045	2031-2044			0	6	\$ 40,863.68

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

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

Attachment 17

Signature and Certification Page signed and dated by Authorized School District Representative and Authorized Company Representative (applicant).

Please see attached.

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here

Rene Gutierrez
Print Name (Authorized School District Representative)

Superintendent
Title

sign here

Rene Gutierrez
Signature (Authorized School District Representative)

8/3/18
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here

Milton Howard
Print Name (Authorized Company Representative (Applicant))

Vice President of Renewable Development
Title

sign here

Milt Howard
Signature (Authorized Company Representative (Applicant))

8/2/2018
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

2nd day of August, 2018

Alexandria Alexis Hausman
Notary Public in and for the State of Texas

My Commission expires: 08/09/2021

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

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW

808 WEST AVE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILIE: (512) 494-9919

August 24, 2018

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

RE: (1269) Supplement001 to Edinburg Consolidated Independent School District from
Monte Cristo Windpower, LLC

To the Local Government Assistance & Economic Analysis Division:

I have enclosed for you Supplement001 to the Edinburg Consolidated Independent School
District from Monte Cristo Windpower, LLC.

1. Wages have been updated showing the four most recent quarters.

A copy of the supplement will be submitted to the Hidalgo County Appraisal District.

Please do not hesitate to call with any questions.

Sincerely,

William Eggleston
Assistant to Kevin O'Hanlon
School District Consultant

Cc: Hidalgo County Appraisal District

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2018
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 6
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 649.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 865.70
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 785.84
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 40,863.68
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 40,863.68
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

Attachment 13

Calculation of Wage Requirements – Hidalgo County

Supporting data for Section 14(7)(a)

Average weekly wage for all jobs (all industries) in the county

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2018	1 st Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$645.00
2017	2 nd Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$632.00
2017	3 rd Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$649.00
2017	4 th Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$664.00
Average weekly wage for previous four quarters								\$649.75

Source: Quarterly Employment and Wages (QCEW) data for Hidalgo County, <http://www.tracer2.com/cqi/dataanalysis/AreaSelection.asp?tableName=Industry>

Supporting Data for Section 14(7)(b)

110% of the average weekly wage for manufacturing jobs in the county

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2018	1 st Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$788.00
2017	2 nd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$774.00
2017	3 rd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$786.00
2017	4 th Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$800.00
Average weekly wage for previous four quarters								\$787.00
110% of Average Weekly Wages								\$865.70

Source: Quarterly Employment and Wages (QCEW) data for Hidalgo County, <http://www.tracer2.com/cqi/dataanalysis/AreaSelection.asp?tableName=Industry>

Supporting Data for Section 14(7)(c)

110% of the average weekly wage for manufacturing jobs in the region

Average Hourly Wages	\$17.86
Average Annual Wages	\$37,152.00
Average Weekly Wages @40hrs/week	\$714.40
110% of Average Weekly Wages	\$785.84

Source: 2017 Manufacturing Average Wages by Council of Government Region Wages for All Occupations. Project location region: 21. Lower Rio Grande Valley Development Council. <http://www.tracer2.com/admin/uploadedPublications/COGWages.pdf>

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Hidalgo County	Total All	00	0	10	Total, all industries	\$640
2017	2nd Qtr	Hidalgo County	Total All	00	0	10	Total, all industries	\$632
2017	3rd Qtr	Hidalgo County	Total All	00	0	10	Total, all industries	\$649
2017	4th Qtr	Hidalgo County	Total All	00	0	10	Total, all industries	\$664
2018	1st Qtr	Hidalgo County	Total All	00	0	10	Total, all industries	\$654

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2017	1st Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$813
2017	2nd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$774
2017	3rd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$786
2017	4th Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$800
2018	1st Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$788

ATTORNEYS & COUNSELORS AT LAW
808 WEST AVE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILIE: (512) 494-9919

October 9, 2018

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

RE: (1269) Supplement003 to Edinburg Consolidated Independent School District from
Monte Cristo Windpower, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed is Supplement003 to the Edinburg Consolidated Independent School District from
Monte Cristo Windpower, LLC.

1. Section 14 – Questions 9 and 10 have been updated
2. Schedule C has been updated

A copy of the supplement will be submitted to the Hidalgo County Appraisal District.

Please do not hesitate to call with any questions.

Sincerely,

William Eggleston
Assistant to Kevin O'Hanlon
School District Consultant

Cc: Hidalgo County Appraisal District

Texas Comptroller of Public Accounts

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2018
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 6
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 a. Average weekly wage for all jobs (all industries) in the county is 649.75
 b. 110% of the average weekly wage for manufacturing jobs in the county is 865.70
 c. 110% of the average weekly wage for manufacturing jobs in the region is 785.91
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 40,867.20
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 40,867.20
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

Attachment 13

Calculation of Wage Requirements – Hidalgo County

Supporting data for Section 14(7)(a)

Average weekly wage for all jobs (all industries) in the county

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2018	1 st Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$654.00
2017	2 nd Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$632.00
2017	3 rd Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$649.00
2017	4 th Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$664.00
Average weekly wage for previous four quarters								\$649.75

Source: Quarterly Employment and Wages (QCEW) data for Hidalgo County,
<http://www.tracer2.com/cqi/dataanalysis/AreaSelection.asp?tableName=Industry>

Supporting Data for Section 14(7)(b)

110% of the average weekly wage for manufacturing jobs in the county

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2018	1 st Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$788.00
2017	2 nd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$774.00
2017	3 rd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$786.00
2017	4 th Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$800.00
Average weekly wage for previous four quarters								\$787.00
110% of Average Weekly Wages								\$865.70

Source: Quarterly Employment and Wages (QCEW) data for Hidalgo County,
<http://www.tracer2.com/cqi/dataanalysis/AreaSelection.asp?tableName=Industry>

Supporting Data for Section 14(7)(c)

110% of the average weekly wage for manufacturing jobs in the region

Average Hourly Wages	\$17.86
Average Annual Wages	\$37,152.00
Average Weekly Wages @40hrs/week	\$714.46
110% of Average Weekly Wages	\$785.91

Source: 2017 Manufacturing Average Wages by Council of Government Region Wages for All Occupations. Project location region: 21. Lower Rio Grande Valley Development Council.
<http://www.tracer2.com/admin/uploadedPublications/COGWages.pdf>

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Hidalgo County	Total All	00	0	10	Total, all industries	\$640
2018	1st Qtr	Hidalgo County	Total All	00	0	10	Total, all industries	\$654
2017	2nd Qtr	Hidalgo County	Total All	00	0	10	Total, all industries	\$632
2017	3rd Qtr	Hidalgo County	Total All	00	0	10	Total, all industries	\$649
2017	4th Qtr	Hidalgo County	Total All	00	0	10	Total, all industries	\$664

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$813
2018	1st Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$788
2017	2nd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$774
2017	3rd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$786
2017	4th Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$800

2017 Manufacturing Average Wages by Council of Government Region Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$26.24	\$54,587
<u>1. Panhandle Regional Planning Commission</u>	\$23.65	\$49,190
<u>2. South Plains Association of Governments</u>	\$19.36	\$40,262
<u>3. NORTEX Regional Planning Commission</u>	\$23.46	\$48,789
<u>4. North Central Texas Council of Governments</u>	\$26.80	\$55,747
<u>5. Ark-Tex Council of Governments</u>	\$18.59	\$38,663
<u>6. East Texas Council of Governments</u>	\$21.07	\$43,827
<u>7. West Central Texas Council of Governments</u>	\$21.24	\$44,178
<u>8. Rio Grande Council of Governments</u>	\$18.44	\$38,351
<u>9. Permian Basin Regional Planning Commission</u>	\$26.24	\$54,576
<u>10. Concho Valley Council of Governments</u>	\$19.67	\$40,924
<u>11. Heart of Texas Council of Governments</u>	\$21.53	\$44,781
<u>12. Capital Area Council of Governments</u>	\$31.49	\$65,497
<u>13. Brazos Valley Council of Governments</u>	\$17.76	\$39,931
<u>14. Deep East Texas Council of Governments</u>	\$17.99	\$37,428
<u>15. South East Texas Regional Planning Commission</u>	\$34.98	\$72,755
<u>16. Houston-Galveston Area Council</u>	\$28.94	\$60,202
<u>17. Golden Crescent Regional Planning Commission</u>	\$26.94	\$56,042
<u>18. Alamo Area Council of Governments</u>	\$22.05	\$48,869
<u>19. South Texas Development Council</u>	\$15.07	\$31,343
<u>20. Coastal Bend Council of Governments</u>	\$28.98	\$60,276
<u>21. Lower Rio Grande Valley Development Council</u>	\$17.86	\$37,152
<u>22. Texoma Council of Governments</u>	\$21.18	\$44,060
<u>23. Central Texas Council of Governments</u>	\$19.30	\$40,146
<u>24. Middle Rio Grande Development Council</u>	\$24.07	\$50,058

Source: Texas Occupational Employment and Wages

Data published: July 2018

Data published annually, next update will be July 31, 2019

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

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

Data intended for TAC 313 purposes only.

Schedule C: Employment Information

Date 10/9/2018
Applicant Name Monte Cristo Windpower, LLC
ISD Name Edinburg CISD

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
				Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Pre-Year	0	2018-2019	2018					
Qualified Investment Period	1	2019-2020	2019					
	2	2020-2021	2020	150 FTEs	\$ 36,049.00	0	6	\$ 40,867.20
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2021-2022	2021			0	6	\$ 40,867.20
	2	2022-2023	2022			0	6	\$ 40,867.20
	3	2023-2024	2023			0	6	\$ 40,867.20
	4	2024-2025	2024			0	6	\$ 40,867.20
	5	2025-2026	2025			0	6	\$ 40,867.20
	6	2026-2027	2026			0	6	\$ 40,867.20
	7	2027-2028	2027			0	6	\$ 40,867.20
	8	2028-2029	2028			0	6	\$ 40,867.20
	9	2029-2030	2029			0	6	\$ 40,867.20
	10	2030-2031	2030			0	6	\$ 40,867.20
Years Following Value Limitation Period	11 through 25	2031-2045	2031-2045			0	6	\$ 40,867.20

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

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

Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of : 10/24/2018 13:07:29

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

MONTE CRISTO WINDPOWER, LLC	
Texas Taxpayer Number	32063911468
Mailing Address	437 MADISON AVE FL 22 NEW YORK, NY 10022-7036
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	05/24/2017
Texas SOS File Number	0802736639
Registered Agent Name	COGENCY GLOBAL INC.
Registered Office Street Address	1601 ELM ST., STE. 4360 DALLAS, TX 75201

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 18, 2018

Rene Gutierrez
Superintendent
Edinburg Consolidated Independent School District
411 North 8th Ave
Edinburg, Texas 78541

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Edinburg Consolidated Independent School District and Monte Cristo Windpower, LLC, Application 1269

Dear Superintendent Gutierrez:

On August 30, 2018, the Comptroller issued written notice that Monte Cristo Windpower, LLC (applicant) submitted a completed application (Application 1269) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on June 22, 2018, to Edinburg Consolidated Independent School District (school district) by the applicant.

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

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

Determination required by 313.025(h)

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

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 1269.

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 August 30, 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,

A handwritten signature in blue ink that reads "Lisa Craven". The signature is written in a cursive style with a large initial "L".

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Monte Cristo Windpower, LLC (project) applying to Edinburg Consolidated Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Monte Cristo Windpower, LLC.

Applicant	Monte Cristo Windpower, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Edinburg CISD
2017-2018 Average Daily Attendance	31,648
County	Hidalgo
Proposed Total Investment in District	\$228,388,000
Proposed Qualified Investment	\$228,388,000
Limitation Amount	\$30,000,000
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	\$786
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$786
Minimum annual wage committed to by applicant for qualified jobs	\$40,867
Minimum weekly wage required for non-qualifying jobs	\$650
Minimum annual wage required for non-qualifying jobs	\$33,788
Investment per Qualifying Job	\$38,064,667
Estimated M&O levy without any limit (15 years)	\$27,249,054
Estimated M&O levy with Limitation (15 years)	\$10,386,667
Estimated gross M&O tax benefit (15 years)	\$16,862,387

* 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 Monte Cristo Windpower, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	156	175	331	\$5,652,553	\$16,427,447	\$22,080,000
2021	6	28	34	\$245,203	\$3,834,797	\$4,080,000
2022	6	28	34	\$245,203	\$3,514,797	\$3,760,000
2023	6	21	27	\$245,203	\$2,914,797	\$3,160,000
2024	6	17	23	\$245,203	\$2,514,797	\$2,760,000
2025	6	15	21	\$245,203	\$2,294,797	\$2,540,000
2026	6	14	20	\$245,203	\$2,174,797	\$2,420,000
2027	6	14	20	\$245,203	\$2,134,797	\$2,380,000
2028	6	14	20	\$245,203	\$2,164,797	\$2,410,000
2029	6	14	20	\$245,203	\$2,214,797	\$2,460,000
2030	6	15	21	\$245,203	\$2,294,797	\$2,540,000
2031	6	12	18	\$245,203	\$2,074,797	\$2,320,000
2032	6	11	17	\$245,203	\$2,004,797	\$2,250,000
2033	6	11	17	\$245,203	\$1,974,797	\$2,220,000
2034	6	11	17	\$245,203	\$1,984,797	\$2,230,000
2035	6	11	17	\$245,203	\$2,024,797	\$2,270,000

Source: CPA REMI, Monte Cristo Windpower, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Edinburg CISD I&S Tax Levy	Edinburg CISD M&O Tax Levy	M&O and I&S Tax Levies	Hidalgo County Tax Levy	Drainage Dist #1	South Texas College Tax Levy	South Texas ISD Tax Levy	Estimated Total Property Taxes
				0.0698	1.1700		0.5800	0.0951	0.1850	0.0492	
2021	\$216,968,600	\$216,968,600		\$151,444	\$2,538,533	\$2,689,977	\$1,258,418	\$206,337	\$401,392	\$106,749	\$4,662,872
2022	\$206,120,170	\$206,120,170		\$143,872	\$2,411,606	\$2,555,478	\$1,195,497	\$196,020	\$381,322	\$101,411	\$4,429,729
2023	\$195,814,162	\$195,814,162		\$136,678	\$2,291,026	\$2,427,704	\$1,135,722	\$186,219	\$362,256	\$96,341	\$4,208,242
2024	\$186,023,453	\$186,023,453		\$129,844	\$2,176,474	\$2,306,319	\$1,078,936	\$176,908	\$344,143	\$91,524	\$3,997,830
2025	\$176,722,281	\$176,722,281		\$123,352	\$2,067,651	\$2,191,003	\$1,024,989	\$168,063	\$326,936	\$86,947	\$3,797,939
2026	\$167,886,167	\$167,886,167		\$117,185	\$1,964,268	\$2,081,453	\$973,740	\$159,660	\$310,589	\$82,600	\$3,608,042
2027	\$159,491,858	\$159,491,858		\$111,325	\$1,866,055	\$1,977,380	\$925,053	\$151,677	\$295,060	\$78,470	\$3,427,640
2028	\$151,517,265	\$151,517,265		\$105,759	\$1,772,752	\$1,878,511	\$878,800	\$144,093	\$280,307	\$74,546	\$3,256,258
2029	\$143,941,402	\$143,941,402		\$100,471	\$1,684,114	\$1,784,586	\$834,860	\$136,888	\$266,292	\$70,819	\$3,093,445
2030	\$136,744,332	\$136,744,332		\$95,448	\$1,599,909	\$1,695,356	\$793,117	\$130,044	\$252,977	\$67,278	\$2,938,772
2031	\$129,907,115	\$129,907,115		\$90,675	\$1,519,913	\$1,610,588	\$753,461	\$123,542	\$240,328	\$63,914	\$2,791,834
2032	\$123,411,760	\$123,411,760		\$86,141	\$1,443,918	\$1,530,059	\$715,788	\$117,365	\$228,312	\$60,719	\$2,652,242
2033	\$117,241,172	\$117,241,172		\$81,834	\$1,371,722	\$1,453,556	\$679,999	\$111,496	\$216,896	\$57,683	\$2,519,630
2034	\$111,379,113	\$111,379,113		\$77,743	\$1,303,136	\$1,380,878	\$645,999	\$105,922	\$206,051	\$54,799	\$2,393,649
2035	\$105,810,157	\$105,810,157		\$73,855	\$1,237,979	\$1,311,834	\$613,699	\$100,625	\$195,749	\$52,059	\$2,273,966
			Total	\$1,625,627	\$27,249,054	\$28,874,682	\$13,508,078	\$2,214,859	\$4,308,611	\$1,145,858	\$50,052,088

Source: CPA, Monte Cristo Windpower, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Hidalgo 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		Edinburg CISD I&S Tax Levy	Edinburg CISD M&O Tax Levy	M&O and I&S Tax Levies	Hidalgo County Tax Levy	Drainage Dist #1	South Texas College Tax Levy	South Texas ISD Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0698	1.1700		0.5800	0.0951	0.1850	0.0492	
2021	\$216,968,600	\$30,000,000		\$151,444	\$351,000	\$502,444	\$188,763	\$30,951	\$60,209	\$16,012	\$722,157
2022	\$206,120,170	\$30,000,000		\$143,872	\$351,000	\$494,872	\$179,325	\$29,403	\$57,198	\$15,212	\$703,599
2023	\$195,814,162	\$30,000,000		\$136,678	\$351,000	\$487,678	\$170,358	\$27,933	\$54,338	\$14,451	\$685,969
2024	\$186,023,453	\$30,000,000		\$129,844	\$351,000	\$480,844	\$161,840	\$26,536	\$51,622	\$13,729	\$669,221
2025	\$176,722,281	\$30,000,000		\$123,352	\$351,000	\$474,352	\$153,748	\$25,209	\$49,040	\$13,042	\$653,310
2026	\$167,886,167	\$30,000,000		\$117,185	\$351,000	\$468,185	\$146,061	\$23,949	\$46,588	\$12,390	\$638,194
2027	\$159,491,858	\$30,000,000		\$111,325	\$351,000	\$462,325	\$138,758	\$22,752	\$44,259	\$11,770	\$623,835
2028	\$151,517,265	\$30,000,000		\$105,759	\$351,000	\$456,759	\$131,820	\$21,614	\$42,046	\$11,182	\$610,193
2029	\$143,941,402	\$30,000,000		\$100,471	\$351,000	\$451,471	\$125,229	\$20,533	\$39,944	\$10,623	\$597,233
2030	\$136,744,332	\$30,000,000		\$95,448	\$351,000	\$446,448	\$793,117	\$130,044	\$252,977	\$67,278	\$1,369,609
2031	\$129,907,115	\$129,907,115		\$90,675	\$1,519,913	\$1,610,588	\$753,461	\$123,542	\$240,328	\$63,914	\$2,487,591
2032	\$123,411,760	\$123,411,760		\$86,141	\$1,443,918	\$1,530,059	\$715,788	\$117,365	\$228,312	\$60,719	\$2,363,212
2033	\$117,241,172	\$117,241,172		\$81,834	\$1,371,722	\$1,453,556	\$679,999	\$111,496	\$216,896	\$57,683	\$2,245,051
2034	\$111,379,113	\$111,379,113		\$77,743	\$1,303,136	\$1,380,878	\$645,999	\$105,922	\$206,051	\$54,799	\$2,132,799
2035	\$105,810,157	\$105,810,157		\$73,855	\$1,237,979	\$1,311,834	\$613,699	\$100,625	\$195,749	\$52,059	\$2,026,159
			Total	\$1,625,627	\$10,386,667	\$12,012,294	\$5,597,965	\$917,873	\$1,785,558	\$474,862	\$18,528,133
			Diff	\$0	\$16,862,387	\$16,862,387	\$7,910,113	\$1,296,986	\$2,523,053	\$670,996	\$31,523,955

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Monte Cristo Windpower, 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 Monte Cristo Windpower, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$2,672,140	\$2,672,140	\$0	\$0
Limitation Period (10 Years)	2021	\$351,000	\$3,023,140	\$2,187,533	\$2,187,533
	2022	\$351,000	\$3,374,140	\$2,060,606	\$4,248,139
	2023	\$351,000	\$3,725,140	\$1,940,026	\$6,188,164
	2024	\$351,000	\$4,076,140	\$1,825,474	\$8,013,639
	2025	\$351,000	\$4,427,140	\$1,716,651	\$9,730,289
	2026	\$351,000	\$4,778,140	\$1,613,268	\$11,343,558
	2027	\$351,000	\$5,129,140	\$1,515,055	\$12,858,612
	2028	\$351,000	\$5,480,140	\$1,421,752	\$14,280,364
	2029	\$351,000	\$5,831,140	\$1,333,114	\$15,613,479
	2030	\$351,000	\$6,182,140	\$1,248,909	\$16,862,387
Maintain Viable Presence (5 Years)	2031	\$1,519,913	\$7,702,053	\$0	\$16,862,387
	2032	\$1,443,918	\$9,145,970	\$0	\$16,862,387
	2033	\$1,371,722	\$10,517,692	\$0	\$16,862,387
	2034	\$1,303,136	\$11,820,828	\$0	\$16,862,387
	2035	\$1,237,979	\$13,058,807	\$0	\$16,862,387
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$1,176,080	\$14,234,887	\$0	\$16,862,387
	2037	\$1,117,276	\$15,352,162	\$0	\$16,862,387
	2038	\$1,061,412	\$16,413,575	\$0	\$16,862,387
	2039	\$1,008,342	\$17,421,916	\$0	\$16,862,387
	2040	\$957,924	\$18,379,840	\$0	\$16,862,387
	2041	\$910,028	\$19,289,869	\$0	\$16,862,387
	2042	\$864,527	\$20,154,395	\$0	\$16,862,387
	2043	\$821,300	\$20,975,696	\$0	\$16,862,387
	2044	\$780,235	\$21,755,931	\$0	\$16,862,387
	2045	\$741,224	\$22,497,155	\$0	\$16,862,387

\$22,497,155

is greater than

\$16,862,387

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

Source: CPA, Monte Cristo Windpower, LLC

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

Attachment C – Limitation as a Determining Factor

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

Methodology

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

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

Determination

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the Monte Cristo Windpower 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 Monte Cristo Windpower, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “In North America, Terra-Gen currently operates over 2,000 MW of renewable energy projects. Based on this experience the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the State of Texas as WITHIN the State of Texas. Other locations being evaluated include, but are not limited to: California, Oklahoma, Louisiana, Colorado, Wyoming and Nevada. For these reasons, Terra-Gen studies and evaluates various competing sites throughout the market areas across the U.S. where wind development is attractive. Without a Value Limitation program, Terra-Gen would seek to move to alternative sites outside of the State of Texas.”
 - B. “Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is economically competitive with other wind projects with similar incentives. Without the requested value limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment.”
- Supplemental information provided by the applicant indicated the following:
 - A. Monte Cristo Windpower, LLC is not known by any other names.
 - B. ERCOT GIR number is 19INR0054 and was assigned on 05/13/2017.

Supporting Information

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

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

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

Supporting Information

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

Attachment 5

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

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.

2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Monte Cristo Windpower, LLC was formed in 2017. In support of its creation, the participating members of Terra-Gen, executed documents necessary to form the entity including an Operating Agreement and a Development Agreement with Monte Cristo Windpower, LLC.

Terra-Gen has entered into the following representative agreements and contracts for the development of a project within Edinburg CISD and intends to assign these assets to Monte Cristo Windpower, LLC:

- Grants of leases and easements covering approximately 26,000 acres of land
- Avian Study and contract
- Bat Acoustic Study and contract
- Threatened & Endangered Species Studies and contract
- Enterprise Zone with Hidalgo County Commissioners Court
- Interconnection Application with ERCOT

7. Is the applicant evaluating other locations not in Texas for the proposed project?

Yes. Terra-Gen management team is uniquely qualified to develop and construct wind and other renewable energy projects in the United States. In North America, Terra-Gen currently operates over 2,000 MW of renewable energy projects. Based on this experience the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the State of Texas as WITHIN the State of Texas. Other locations being evaluated include, but are not limited to:

California
Oklahoma
Louisiana
Colorado
Wyoming
Nevada

For these reasons, Terra-Gen studies and evaluates various competing sites throughout the market areas across the U.S. where wind development is attractive. Without a Value Limitation program, Terra-Gen would seek to move to alternative sites outside of the State of Texas.

Monte Cristo is currently in a period of assessment to determine whether the identified site within Edinburg CISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the Project for a planned 201 MW could be redeployed to other renewable energy development projects in other power markets in the United States.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is economically competitive with other wind projects with similar incentives. Without the requested value limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$228.388M needed to purchase wind turbines and other infrastructure, and to fund the construction of the facility.

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?

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of the Project.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Edinburg ISD– Monte Cristo Windpower, LLC App. #1269

Comptroller Questions (via email on August 29, 2018):

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

Applicant Response (via email on September 13, 2018):

1. *The Applicant's wind project is not currently known by any other name.*
2. *The project's ERCOT IGNR number is 191NR0054.*

Comptroller Questions (via email on August 29, 2018):

1. *When was the ERCOT IGNR number assigned?*

Applicant Response (via email on September 13, 2018):

1. *The IGNR number was assigned on 5/13/2017.*

Attachment D

Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED MONTE CRISTO
WINDPOWER, LLC PROJECT IN THE EDINBURG
CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
(PROJECT # 1269)**

PREPARED BY



OCTOBER 22, 2018

Executive Summary

Monte Cristo Windpower, LLC (Company) has requested that the Edinburg Consolidated Independent School District (ECISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to ECISD on June 12, 2018 the Company plans to invest \$228.4 million to construct a wind renewable energy generation facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

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

Under the provisions of Chapter 313, ECISD may offer a minimum value limitation of \$30 million. This value limitation, under the proposed application, will begin in the 2021-22 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

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

Total Revenue Loss Payment owed to ECISD	\$3.2 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$13.7 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. The Completeness Letter for the Monte Cristo Windpower project was issued on August 30, 2018.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. The Certificate for this project was issued on October 18, 2018.

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

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

How the 313 Agreement Interacts with Texas School Finance

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

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

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

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

Underlying School District Data Assumptions

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

Static school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system. Any previously-approved Chapter 313

projects are also factored into the M&O tax bases used. The impact of the Chapter 313 project value returning to the total tax roll for M&O funding purposes is beyond the scope of this revenue report.

ADA: 32,391
 Local Tax Base: \$6.4 billion
 M&O Tax Rate: \$1.17 per \$100
 I&S Tax Rate: \$0.0698 per \$100
 Wealth per WADA: \$125,512

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

Table 1 – Base District Information with Monte Cristo Wind Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP0	2018-19	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,390,736,784	\$6,390,736,784	\$6,088,949,383	\$6,088,949,383	\$136,481	\$136,481
QTP1	2019-20	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,390,736,784	\$6,390,736,784	\$6,088,949,383	\$6,088,949,383	\$136,481	\$136,481
QTP2	2020-21	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,619,124,784	\$6,619,124,784	\$6,088,949,383	\$6,088,949,383	\$136,481	\$136,481
VL1	2021-22	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,607,705,384	\$6,420,736,784	\$6,317,337,383	\$6,317,337,383	\$141,600	\$141,600
VL2	2022-23	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,596,856,954	\$6,420,736,784	\$6,305,917,983	\$6,118,949,383	\$141,344	\$137,154
VL3	2023-24	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,586,550,946	\$6,420,736,784	\$6,295,069,553	\$6,118,949,383	\$141,101	\$137,154
VL4	2024-25	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,576,760,237	\$6,420,736,784	\$6,284,763,545	\$6,118,949,383	\$140,870	\$137,154
VL5	2025-26	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,567,459,065	\$6,420,736,784	\$6,274,972,836	\$6,118,949,383	\$140,651	\$137,154
VL6	2026-27	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,558,622,951	\$6,420,736,784	\$6,265,671,664	\$6,118,949,383	\$140,442	\$137,154
VL7	2027-28	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,642,619,842	\$6,513,127,984	\$6,256,835,550	\$6,118,949,383	\$140,244	\$137,154
VL8	2028-29	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,622,906,129	\$6,501,388,864	\$6,340,832,441	\$6,211,340,583	\$142,127	\$139,224
VL9	2029-30	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,603,591,146	\$6,489,649,744	\$6,321,118,728	\$6,199,601,463	\$141,685	\$138,961
VL10	2030-31	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,584,654,956	\$6,477,910,624	\$6,301,803,745	\$6,187,862,343	\$141,252	\$138,698
VP1	2031-32	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,566,078,619	\$6,566,078,619	\$6,282,867,555	\$6,176,123,223	\$140,828	\$138,435
VP2	2032-33	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,549,521,161	\$6,549,521,161	\$6,264,291,218	\$6,264,291,218	\$140,411	\$140,411
VP3	2033-34	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,534,725,913	\$6,534,725,913	\$6,247,733,760	\$6,247,733,760	\$140,040	\$140,040
VP4	2034-35	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,521,471,289	\$6,521,471,289	\$6,232,938,512	\$6,232,938,512	\$139,709	\$139,709
VP5	2035-36	32,390.79	44,613.87	\$1.1700	\$0.0698	\$6,509,565,849	\$6,509,565,849	\$6,219,683,888	\$6,219,683,888	\$139,411	\$139,411

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

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

M&O Impact of the Monte Cristo Windpower Project on ECISD

A model is established to make a calculation of the “Baseline Revenue Model” (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the “Value Limitation Revenue Model” (Table 3) by adding the project’s limited value of \$30 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$3.2 million over the course of the Agreement, with all the loss reflected in the first limitation year (2021-22). Nearly all the reduction in M&O taxes under the limitation agreement is offset through increases in state aid under current law.

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2018-19	\$64,151,410	\$187,201,271	\$0	\$10,905,740	\$35,581,904	\$0	\$0	\$899,378	\$298,739,703
QTP1	2019-20	\$64,151,410	\$187,201,271	\$0	\$10,905,740	\$35,581,904	\$0	\$0	\$899,379	\$298,739,704
QTP2	2020-21	\$66,389,613	\$187,201,271	\$0	\$11,286,234	\$36,817,698	\$0	\$0	\$899,004	\$302,593,820
VL1	2021-22	\$66,315,096	\$184,917,391	\$0	\$11,273,567	\$35,058,916	\$0	\$0	\$899,024	\$298,463,994
VL2	2022-23	\$66,206,612	\$185,031,585	\$0	\$11,255,124	\$35,079,301	\$0	\$0	\$899,043	\$298,471,665
VL3	2023-24	\$66,103,552	\$185,140,069	\$0	\$11,237,604	\$35,098,665	\$0	\$0	\$899,062	\$298,478,952
VL4	2024-25	\$66,005,645	\$185,243,130	\$0	\$11,220,960	\$35,117,061	\$0	\$0	\$899,079	\$298,485,875
VL5	2025-26	\$65,912,633	\$185,341,037	\$0	\$11,205,148	\$35,134,537	\$0	\$0	\$899,095	\$298,492,450
VL6	2026-27	\$65,824,272	\$185,434,048	\$0	\$11,190,126	\$35,159,129	\$0	\$0	\$899,110	\$298,506,685
VL7	2027-28	\$66,122,529	\$185,522,410	\$0	\$11,240,830	\$35,387,528	\$0	\$0	\$898,982	\$299,172,279
VL8	2028-29	\$65,980,063	\$184,682,441	\$0	\$11,216,611	\$34,691,397	\$0	\$0	\$899,015	\$297,469,527
VL9	2029-30	\$65,841,584	\$184,879,578	\$0	\$11,193,069	\$34,775,298	\$0	\$0	\$899,047	\$297,588,576
VL10	2030-31	\$65,706,894	\$185,072,728	\$0	\$11,170,172	\$34,858,570	\$0	\$0	\$899,077	\$297,707,441
VP1	2031-32	\$65,555,820	\$185,262,089	\$0	\$11,144,489	\$34,900,115	\$0	\$0	\$899,108	\$297,761,621
VP2	2032-33	\$65,393,557	\$185,447,853	\$0	\$11,116,904	\$34,933,070	\$0	\$0	\$899,135	\$297,790,519
VP3	2033-34	\$65,248,564	\$185,613,427	\$0	\$11,092,256	\$35,011,617	\$0	\$0	\$899,159	\$297,865,023
VP4	2034-35	\$65,118,668	\$185,761,380	\$0	\$11,070,174	\$35,037,894	\$0	\$0	\$899,181	\$297,887,297
VP5	2035-36	\$65,001,995	\$185,893,926	\$0	\$11,050,339	\$35,069,469	\$0	\$0	\$899,202	\$297,914,931

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

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2018-19	\$64,151,410	\$187,201,271	\$0	\$10,905,740	\$35,581,904	\$0	\$0	\$899,378	\$298,739,703
QTP1	2019-20	\$64,151,410	\$187,201,271	\$0	\$10,905,740	\$35,581,904	\$0	\$0	\$899,379	\$298,739,704
QTP2	2020-21	\$66,389,613	\$187,201,271	\$0	\$11,286,234	\$36,817,698	\$0	\$0	\$899,004	\$302,593,820
VL1	2021-22	\$64,445,410	\$184,917,391	\$0	\$10,955,720	\$34,057,234	\$0	\$0	\$899,314	\$295,275,069
VL2	2022-23	\$64,445,410	\$186,901,271	\$0	\$10,955,720	\$35,528,174	\$0	\$0	\$899,317	\$298,729,892
VL3	2023-24	\$64,445,410	\$186,901,271	\$0	\$10,955,720	\$35,528,174	\$0	\$0	\$899,319	\$298,729,894
VL4	2024-25	\$64,445,410	\$186,901,271	\$0	\$10,955,720	\$35,528,174	\$0	\$0	\$899,321	\$298,729,896
VL5	2025-26	\$64,445,410	\$186,901,271	\$0	\$10,955,720	\$35,528,174	\$0	\$0	\$899,323	\$298,729,898
VL6	2026-27	\$64,445,410	\$186,901,271	\$0	\$10,955,720	\$35,528,174	\$0	\$0	\$899,325	\$298,729,900
VL7	2027-28	\$65,350,844	\$186,901,271	\$0	\$11,109,644	\$36,030,006	\$0	\$0	\$899,183	\$300,290,948
VL8	2028-29	\$65,235,801	\$185,977,359	\$0	\$11,090,086	\$35,248,121	\$0	\$0	\$899,204	\$298,450,571
VL9	2029-30	\$65,120,757	\$186,094,750	\$0	\$11,070,528	\$35,269,075	\$0	\$0	\$899,223	\$298,454,333
VL10	2030-31	\$65,005,714	\$186,212,142	\$0	\$11,050,972	\$35,298,096	\$0	\$0	\$899,243	\$298,466,167
VP1	2031-32	\$65,869,760	\$186,329,533	\$0	\$11,197,860	\$35,868,783	\$0	\$0	\$899,108	\$300,165,044
VP2	2032-33	\$65,707,497	\$185,447,853	\$0	\$11,170,275	\$35,104,463	\$0	\$0	\$899,135	\$298,329,223
VP3	2033-34	\$65,562,504	\$185,613,427	\$0	\$11,145,625	\$35,175,153	\$0	\$0	\$899,159	\$298,395,868
VP4	2034-35	\$65,432,609	\$185,761,380	\$0	\$11,123,544	\$35,209,569	\$0	\$0	\$899,181	\$298,426,283
VP5	2035-36	\$65,315,935	\$185,893,926	\$0	\$11,103,709	\$35,233,228	\$0	\$0	\$899,202	\$298,446,000

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

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2018-19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2019-20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2	2020-21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VL1	2021-22	-\$1,869,686	\$0	\$0	-\$317,847	-\$1,001,682	\$0	\$0	\$290	-\$3,188,925
VL2	2022-23	-\$1,761,202	\$1,869,686	\$0	-\$299,404	\$448,873	\$0	\$0	\$274	\$258,227
VL3	2023-24	-\$1,658,142	\$1,761,202	\$0	-\$281,884	\$429,509	\$0	\$0	\$257	\$250,942
VL4	2024-25	-\$1,560,235	\$1,658,141	\$0	-\$265,240	\$411,113	\$0	\$0	\$242	\$244,021
VL5	2025-26	-\$1,467,223	\$1,560,234	\$0	-\$249,428	\$393,637	\$0	\$0	\$228	\$237,448
VL6	2026-27	-\$1,378,862	\$1,467,223	\$0	-\$234,406	\$369,045	\$0	\$0	\$215	\$223,215
VL7	2027-28	-\$771,685	\$1,378,861	\$0	-\$131,186	\$642,478	\$0	\$0	\$201	\$1,118,669
VL8	2028-29	-\$744,262	\$1,294,918	\$0	-\$126,525	\$556,724	\$0	\$0	\$189	\$981,044
VL9	2029-30	-\$720,827	\$1,215,172	\$0	-\$122,541	\$493,777	\$0	\$0	\$176	\$865,757
VL10	2030-31	-\$701,180	\$1,139,414	\$0	-\$119,200	\$439,526	\$0	\$0	\$166	\$758,726
VP1	2031-32	\$313,940	\$1,067,444	\$0	\$53,371	\$968,668	\$0	\$0	\$0	\$2,403,423
VP2	2032-33	\$313,940	\$0	\$0	\$53,371	\$171,393	\$0	\$0	\$0	\$538,704
VP3	2033-34	\$313,940	\$0	\$0	\$53,369	\$163,536	\$0	\$0	\$0	\$530,845
VP4	2034-35	\$313,941	\$0	\$0	\$53,370	\$171,675	\$0	\$0	\$0	\$538,986
VP5	2035-36	\$313,940	\$0	\$0	\$53,370	\$163,759	\$0	\$0	\$0	\$531,069

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

M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$16.9 million over the life of the agreement. The ECISD revenue losses are expected to total approximately \$3.2 million over the course of the agreement. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$13.7 million, prior to any negotiations with Monte Cristo Wind on supplemental payments.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with ECISD currently levying a \$0.0698 per \$100 I&S rate. The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Local taxpayers should benefit from the addition of the Monte Cristo Windpower project in the initial year it is added to the local I&S tax roll. ECISD will continue to count on state facilities funding in meeting its annual debt service obligations.

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

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits
QTP0	2018-19	\$0	\$0	\$0	\$1.170	\$0	\$0	\$0	\$0	\$0
QTP1	2019-20	\$0	\$0	\$0	\$1.170	\$0	\$0	\$0	\$0	\$0
QTP2	2020-21	\$228,388,000	\$228,388,000	\$0	\$1.170	\$2,672,140	\$2,672,140	\$0	\$0	\$0
VL1	2021-22	\$216,968,600	\$30,000,000	\$186,968,600	\$1.170	\$2,538,533	\$351,000	\$2,187,533	-\$3,188,925	-\$1,001,392
VL2	2022-23	\$206,120,170	\$30,000,000	\$176,120,170	\$1.170	\$2,411,606	\$351,000	\$2,060,606	\$0	\$2,060,606
VL3	2023-24	\$195,814,162	\$30,000,000	\$165,814,162	\$1.170	\$2,291,026	\$351,000	\$1,940,026	\$0	\$1,940,026
VL4	2024-25	\$186,023,453	\$30,000,000	\$156,023,453	\$1.170	\$2,176,474	\$351,000	\$1,825,474	\$0	\$1,825,474
VL5	2025-26	\$176,722,281	\$30,000,000	\$146,722,281	\$1.170	\$2,067,651	\$351,000	\$1,716,651	\$0	\$1,716,651
VL6	2026-27	\$167,886,167	\$30,000,000	\$137,886,167	\$1.170	\$1,964,268	\$351,000	\$1,613,268	\$0	\$1,613,268
VL7	2027-28	\$159,491,858	\$30,000,000	\$129,491,858	\$1.170	\$1,866,055	\$351,000	\$1,515,055	\$0	\$1,515,055
VL8	2028-29	\$151,517,265	\$30,000,000	\$121,517,265	\$1.170	\$1,772,752	\$351,000	\$1,421,752	\$0	\$1,421,752
VL9	2029-30	\$143,941,402	\$30,000,000	\$113,941,402	\$1.170	\$1,684,114	\$351,000	\$1,333,114	\$0	\$1,333,114
VL10	2030-31	\$136,744,332	\$30,000,000	\$106,744,332	\$1.170	\$1,599,909	\$351,000	\$1,248,909	\$0	\$1,248,909
VP1	2031-32	\$129,907,115	\$129,907,115	\$0	\$1.170	\$1,519,913	\$1,519,913	\$0	\$0	\$0
VP2	2032-33	\$123,411,760	\$123,411,760	\$0	\$1.170	\$1,443,918	\$1,443,918	\$0	\$0	\$0
VP3	2033-34	\$117,241,172	\$117,241,172	\$0	\$1.170	\$1,371,722	\$1,371,722	\$0	\$0	\$0
VP4	2034-35	\$111,379,113	\$111,379,113	\$0	\$1.170	\$1,303,136	\$1,303,136	\$0	\$0	\$0
VP5	2035-36	\$105,810,157	\$105,810,157	\$0	\$1.170	\$1,237,979	\$1,237,979	\$0	\$0	\$0
						\$29,921,194	\$13,058,807	\$16,862,387	-\$3,188,925	\$13,673,462

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

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

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

Attachment E

Taxable Value of Property

School and Appraisal Districts Property Value Study 2015 Report

2015 ISD Summary Worksheet

108/Hidalgo

108-904/Edinburg CISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	3,036,811,992	1.0274	2,955,822,457	3,036,811,992
B. Multi-Family Residences	329,521,526	.9499	346,901,280	329,521,526
C1. Vacant Lots	283,460,355	.9454	299,831,135	283,460,355
C2. Colonia Lots	1,707,062	N/A	1,707,062	1,707,062
D1. Rural Real (Taxable)	79,855,997	.9374	85,192,294	79,855,997
D2. Real Prop Farm & Ranch	5,582,442	N/A	5,582,442	5,582,442
E. Real Prop NonQual Acres	276,070,353	N/A	276,070,353	276,070,353
F1. Commercial Real	1,030,988,130	.9840	1,047,752,165	1,030,988,130
F2. Industrial Real	130,537,010	N/A	130,537,010	130,537,010
G. Oil, Gas, Minerals	343,610,315	1.0061	341,527,000	343,610,315
J. Utilities	187,572,979	N/A	187,572,979	187,572,979
L1. Commercial Personal	326,660,646	1.0032	325,618,666	326,660,646
L2. Industrial Personal	154,275,003	N/A	154,275,003	154,275,003

M. Other Personal	31,118,232	N/A	31,118,232	31,118,232
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	23,020,488	N/A	23,020,488	23,020,488
S. Special Inventory	29,582,284	N/A	29,582,284	29,582,284
Subtotal	6,270,374,814		6,242,110,850	6,270,374,814
Less Total Deductions	831,094,709		816,396,676	831,094,709
Total Taxable Value	5,439,280,105		5,425,714,174	5,439,280,105 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M&O Purposes

T1	T2	T3	T4
5,642,246,587	5,439,280,105	5,642,246,587	5,439,280,105

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
202,966,482	0

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

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

ceiling reduction

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

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

Value Taxable For I&S Purposes

T7	T8	T9	T10
5,642,246,587	5,439,280,105	5,642,246,587	5,439,280,105

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

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

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

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

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

Attachment F

TEA's Facilities Value

Attachment G

Participation Agreement

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

by and between

EDINBURG INDEPENDENT SCHOOL DISTRICT

and

MONTE CRISTO WINDPOWER, LLC

(Texas Taxpayer ID # 32063911468)

Comptroller Application # 1269

Dated

October 25, 2018

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 October 18, 2018, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

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

WHEREAS, on October 25, 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 October 25, 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 October 25, 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 (the “Job Waiver Requirement Waiver”);

WHEREAS, on October 25, 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 October 25, 2018, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary, or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized the Board Vice President to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I **DEFINITIONS**

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

“*Act*” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, as amended.

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

“*Applicant*” means Monte Cristo Windpower, LLC, (*Texas Taxpayer ID #32063911468*) 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 16, 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 Hidalgo Appraisal District.

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

“Commercial Operation” means the date on which the project becomes commercially operational, has installed or constructed Qualified Property on the Land having a value that equals or exceeds \$30,000,000, and is able to generate electricity and is connected to the grid with an interconnection agreement.

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

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

“County” means Hidalgo County, Texas.

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

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

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

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

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

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

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

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

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

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

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

“State” means the State of Texas.

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

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

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

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

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

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

“Annual Limit” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District’s average daily attendance in the amount of 32,390 for the 2018-2019 school year, as calculated pursuant to Texas Education Code §42.005, times the greater of \$100, or any larger amount allowed by Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for Tax Year 2018, which, by virtue of the Approval Date is the Tax Year that includes the date on which the Board of Trustees approved the Application and this Agreement.

“Applicable School Finance Law” means Chapters 41 and 42 of the TEXAS EDUCATION CODE, the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State for each and every year of this Agreement, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term includes any and all amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant’s ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement. For each year of this Agreement, the “Applicable School Finance Law” shall be interpreted to include all provisions made applicable for any calculations made for the specific year for which calculations are being made.

“Cumulative Unadjusted Tax Benefit” means for each Tax Year of this Agreement, the Unadjusted Tax Benefit for the applicable Tax Year added to the Unadjusted Tax Benefit from all previous Tax Years of this Agreement.

“M&O Amount” means the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date as set forth in Section 4.2 of this Agreement.

“New M&O Revenue” means the total State and local Maintenance and Operations Revenue that District actually received for such school Year.

“Net Tax Benefit” means, for any subject Tax Year during the term of this Agreement, an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties, for all Tax Years up to and including the subject Tax Year; *minus*, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for all Tax Years during the term of this Agreement for all Tax Years up to an including the subject Tax Year, plus (B) any and all payments due to the District under Articles IV and V, of this Agreement for all Tax Years up to an including the subject Tax Year, plus (C) any and all payments owed to the District under Article VI of this Agreement for all Tax Years prior to the subject Tax Year.

“Revenue Protection Amount” means the amount calculated pursuant to Section 4.2 of this Agreement.

“Original M&O Revenue” means the total State and local Maintenance and Operations Revenue that District would have received for the Tax Year, under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant’s Qualified Property been subject to the ad valorem maintenance & operations tax at the rate applicable for such Tax Year. For purposes of this calculation, the Third Party will base its calculations upon actual local taxable values for each applicable year as certified by the County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property subject to this Agreement, *plus* the total appraised value of the Qualified Property subject to this Agreement. In this calculation, the total appraised value of the Qualified Property subject to this Agreement will be used for the Qualified Property in lieu of the property’s M&O taxable value. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant’s Qualified Property will be used for the Qualified Property in lieu of the property’s M&O taxable value.)

“Unadjusted Tax Benefit” means for each year of this Agreement the total of all gross tax savings calculated for each year of the Agreement by multiplying the Applicant’s taxable value for debt service taxes for each applicable Tax Year, minus the Tax Limitation Amount defined in Section 2.4(B) below, as Thirty Million Dollar (\$30,000,000.00), multiplied by the District’s Maintenance & Operations tax rate for the applicable Tax Year.

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 August 30, 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 October 25, 2018.

C. The Qualifying Time Period for this Agreement:

- i. Starts on October 25, 2018, the Application Approval Date; and
- ii. Ends on December 31, 2020, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2021, the first complete Tax Year that begins after the date of the commencement of Commercial Operation;
- ii. Ends on December 31, 2030.

E. The Final Termination Date for this Agreement is December 31, 2035.

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. Thirty Million Dollars (\$30,000,000), based on Section 313.054 of the TEXAS TAX CODE

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 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 \$30,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$650 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 expensed related to the project, as more fully specified in Article V;
- C. provide such Supplemental Payments as more fully specified in Article VI;
- D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and
- E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III QUALIFIED PROPERTY

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

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

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

with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

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

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

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was a sole and direct cause, all as calculated in Section 4.2 below. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement.

The Parties hereto expressly understand and agree that, for all years to which this Agreement may apply, the calculation of losses that District incurs in its Maintenance and Operations Revenue will be defined for each applicable Tax Year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may periodically change in accordance with changes made from time to time in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement; ii) are based upon current School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and, iii) may change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject only to the provisions of Section 7.1 of this Agreement, the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date, the

"M&O Amount" shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

- A. Notwithstanding any other provision in this Agreement, the M&O Amount owed by Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue.
- B. In making the calculations required by this Section 4.2 of this Agreement:
 - i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for each year for which the calculation is made.
 - ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).
 - iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.
 - iv. For all calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, Subsection *ii* of this subsection will reflect the Tax Limitation Amount for such year.
- C. Annual Limitation of Payments by Applicant

Notwithstanding anything contained in this Agreement to the contrary, for Tax Year 2021, the first year of the Tax Limitation Period, amounts due to be paid by Applicant under this Article IV for any Tax Year during the Limitation Period shall not exceed an amount equal to One Hundred Percent (100%) of Applicant's Cumulative Unadjusted Tax Benefit under this Agreement.

For each Tax Year of the Tax Limitation Period thereafter, (beginning with Tax Year 2022), amounts due to be paid by Applicant under this Article IV shall not exceed an amount equal to Sixty Percent (60%) of Applicant's Cumulative Unadjusted Tax Benefit under this Agreement.

Beginning with the first Tax Year of the Tax Limitation Period (Tax Year 2021) and for each subsequent year of this Agreement through the third Tax Year after the end of the Tax Limitation Period (Tax Year 2033), any amounts due and owing by Applicant to the District pursuant to Article IV of this Agreement which, by virtue of the payment limitation set forth in this Section 4.2.C, were not paid in prior years, shall be carried forward and added to the amounts due pursuant to Articles IV for each subsequent Tax Year until paid. Other than for Tax Year 2021, in no event shall the amounts paid by the Applicant, calculated under Article IV for each Tax Year, including unpaid amounts

carried forward from prior years, be in excess of (i) an amount equal to Sixty Percent (60%) of Applicant's Cumulative Unadjusted Tax Benefit under this Agreement from the first day of the Qualifying Time Period through the current Tax Year, less (ii) all amounts paid by Applicant for all previous Tax Years under Article IV of this Agreement. The amounts described in this Section 4.2.C shall be included in all calculations made pursuant to Section 4.3, below.

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") approved each year by the District. The District agrees that for all Tax Years the Third Party selected by the District shall be either RM School Finance Consulting or Moak Casey & Associates. If the District desires to select a Third Party other than RM School Finance Consulting or Moak Casey & Associates, such selection must receive the Applicant's consent, which consent shall not be unreasonably withheld, delayed, or conditioned.

Section 4.4. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District for each Tax Year pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.5. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 4.2, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, subject to the provisions of Section 4.6. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall

not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.6. PAYMENT BY APPLICANT. Subject to Section 4.7, the Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party, plus any reasonable and necessary out-of-pocket third party legal expenses incurred 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 or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Fifteen Thousand Dollars (\$15,000.00).

Section 4.7. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records and other information in accordance with Section 4.6 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the final determination of certification containing the calculations, and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.8. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Property by the Appraisal District.

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

Section 4.9. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to District, up to the revenue protection amount limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following: all non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS.

A. Amounts Exclusive of Indemnity Amounts. In addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for Supplemental Payments to be calculated as set forth in this Article VI. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article VI is separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all payments under Articles IV, V, and VI are subject to the limitations contained in Section 7.1, and that all Supplemental Payments under this Article IV are subject to the separate limitations contained in Section 6.2 and Section 6.3.B.

B. Adherence to Statutory Limits on Supplemental Payments. It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant under this

Article VI shall not exceed the limit imposed by the provisions of Texas Tax Code §313.027(i), as such limit is allowed to be increased by the Legislature for any future year of this Agreement.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

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

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

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

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 2017-2018 Average Daily Attendance of 32,390, rounded to the nearest whole number.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT SCHEDULE. Beginning with the first year of the Qualified Time Period [as defined by Tex. Tax Code § 313.021(4)] (Tax Year 2018) and ending the third tax year after the Limitation expires (Tax Year 2033), the District shall not be entitled to receive Supplemental Payments that exceed the lesser of:

- (a) the "Applicant's Stipulated Supplemental Payment Amount," which is hereby defined as forty percent (40%) of the "Net Tax Benefit," as such term is defined in Section 1.3 above; or
- (b) the "Aggregate Limit," as such term is defined in Section 1.3 above.

Section 6.4. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT. The Parties agree that for each Tax Year during the term of this Agreement, the Applicant's Stipulated Supplemental Payment Amount, as defined in Section 6.3, will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, including the District's maintenance and operations tax rate adopted for such Tax Year, in accordance with the following formula:

The Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's

Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year, for such Tax Year);

Minus,

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

Multiplied by,

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

Minus,

Any amounts previously paid to the District under Article III with respect to such Tax Year;

Minus,

The aggregate amount of the excesses of any amounts previously paid to the District under Article IV with respect to each previous Tax Year over the tax savings to the Applicant for such previous Tax Year before any reduction for such amounts previously paid, but only to the extent of the portion of such aggregate amount that was not previously taken into account as a reduction in the calculations under this Section 6.4 for any previous Tax Year;

Multiplied by,

The number 0.4;

Minus,

Any amounts previously paid to the District under this Section 6.4.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party described in Section 3.4, above, shall adjust the Applicant's Stipulated Supplemental Payment Amount calculation to reflect such changes in the data.

Section 6.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.3, above.

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

C. Subject to Section 4.7, all amounts owed by the Applicant to the District for a Tax Year under this Article shall be paid on the same date established by Section 4.6 for such Tax Year.

Section 6.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under Article VI of this agreement be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District's Board of Trustees at any time.

Any designation of a successor beneficiary under this Section shall not alter the Aggregate Limit or the Net Aggregate Limit or the Supplemental Payments calculated as described in Section 6.5, above.

ARTICLE VII

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

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

Section 7.2. OPTION TO TERMINATE AGREEMENT. In the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option

to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred.

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

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

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

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

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

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

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

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

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

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

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

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR.

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

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

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

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

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

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

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

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

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

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

ARTICLE IX
MATERIAL BREACH OR EARLY TERMINATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

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

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

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;
- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:

- i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
- ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and
- iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

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

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have not greater than sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Hidalgo 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 Hidalgo County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the 30 days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. Consequences of Early Termination or Other Breach by Applicant.

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.2 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the 60 days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

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

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

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

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

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$30,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

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

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

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

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

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

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

ARTICLE X.

MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

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

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

Dr. Rene Gutierrez, Superintendent
Edinburg Independent School District
PO Box 990
Edinburg, Texas 78540
Fax: (956) 383-3576
Email: rene.gutierrez@ecisd.us

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

Milton Howard
Vice President of Renewable Development
Terra-Gen, LLC
11455 El Camino Real, Suite 160
San Diego, California 92130
Email: mhoward@terra-gen.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.

D. A copy of any notice delivered to the Applicant shall also be delivered to any lender for which the Applicant has provided the District notice of collateral assignment information pursuant to Section 10.3.C, below.

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

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

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

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

certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and

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

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

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

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

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

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

Section 10.3. ASSIGNMENT.

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

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

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

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

Section 10.5. Governing Law. This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to

principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in a state district court in Hidalgo County.

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

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

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

Section 10.9. INTERPRETATION.

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

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

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

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

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

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

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

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

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

Section 10.14. CONFLICTS OF INTEREST.

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

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

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

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

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

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

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

B. Delivery is deemed complete as follows:

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

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

**BUENOS AIRES WINDPOWER,
LLC**

**EDINBURG INDEPENDENT SCHOOL
DISTRICT**

By: _____
[INSERT NAME]
[INSERT TITLE]

By: _____
XAVIER SALINAS
PRESIDENT
BOARD OF TRUSTEES

ATTEST:

By: _____
CARMEN GONZALEZ
VICE PRESIDENT
BOARD OF TRUSTEES

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

At the time of the Application Approval Date, Hidalgo County has been designated as an Enterprise Zone. A map of this Enterprise Zone is attached as the last page of this **EXHIBIT 1** following the legal description of the zone. All of the Applicant's Qualified Property and Applicant's Qualified Investment that is subject to this Agreement will be located within the boundaries of the Enterprise Zone and the boundaries of the District.



Map Satellite

Notes

LEGEND

LAYERS

Control

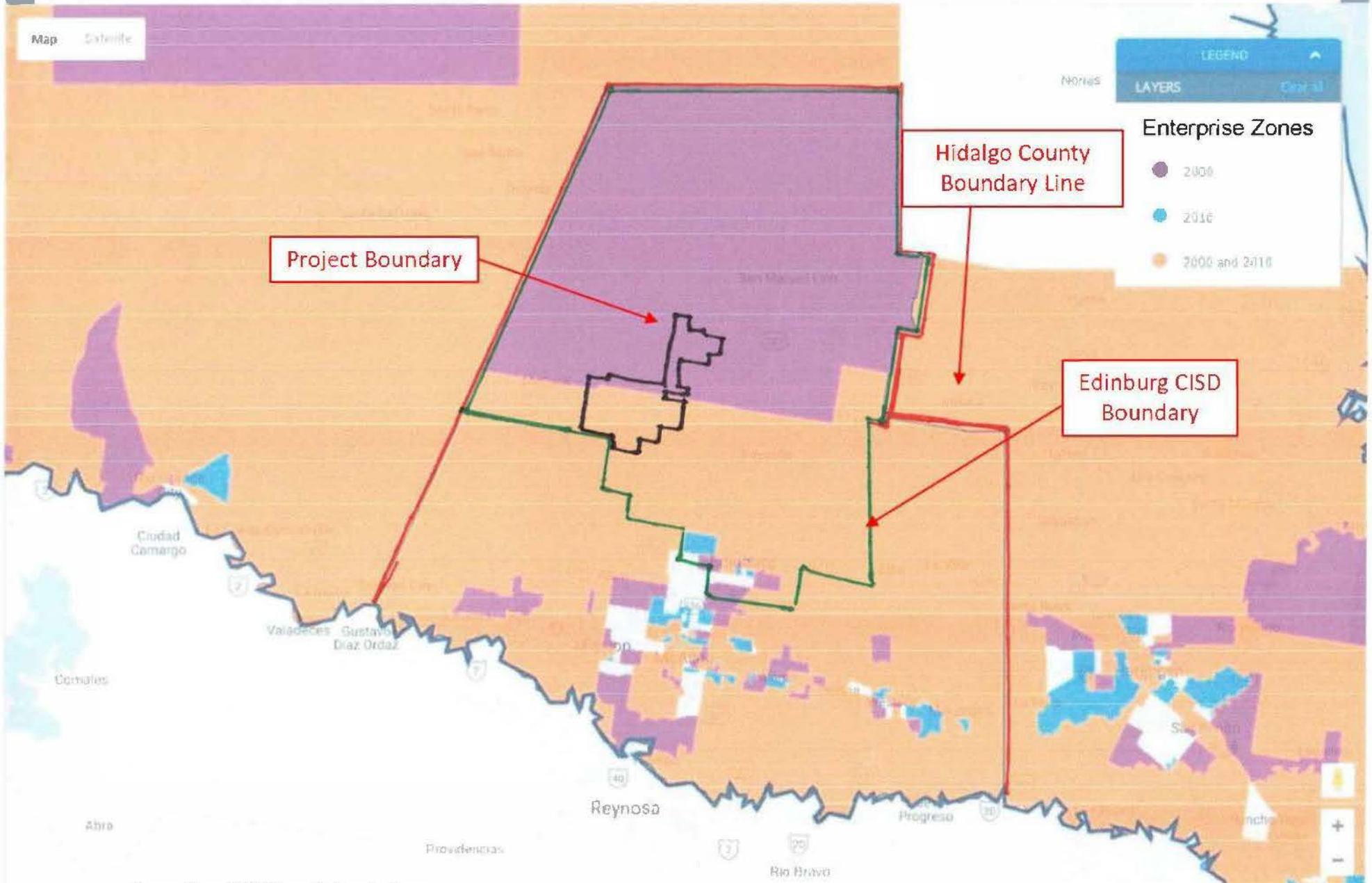
Enterprise Zones

- 2006
- 2016
- 2006 and 2016

Hidalgo County Boundary Line

Project Boundary

Edinburg CISD Boundary



Source: Texas EDC | Texas Enterprise Zones
<http://texas.zoomprospector.com/?LYR=TEXASEZONEUNION>

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

The Land on which the Qualified Property that is subject to this Agreement shall be located and on which the Qualified Investment that is subject to this Agreement shall be made is described by the map attached to **Exhibit 1**, which is within the boundaries of the District.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment that is subject to this Agreement shall be all tangible personal property first placed in service after August 30, 2018, owned by the Applicant, as more fully described in Tab 7 of the Application and EXHIBIT 4 below, and located within the boundaries of the Edinburg Independent School District and the project boundaries depicted on the map attached to EXHIBIT 1.

The Applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property within Edinburg CISD, which is located in Hidalgo County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: up to 88 wind turbines, with a combined make up of 88- 2.2 MW wind turbines and 6- 3.45 MW wind turbines and a combined total generating capacity of approximately 201 MW; up to 88 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 88 electric power transformers; underground conductor cables used to transport electricity from each turbine tower to an electrical substation; and a new electrical substation interconnected to the AEP Lon C. Hill to North Edinburg, 345kV transmission line located in central Hidalgo County. Additionally, the map provided does not represent the final location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Investment Area as shown on Map Exhibit on Attachment 11a.

None of the above mentioned property is covered under an existing County Appraisal District account number.

The Applicant intends to construct a Maintenance and Operations building to house equipment i.e. junction boxes, transformer equipment, and turbine electronic controls. The Applicant will also be constructing an electrical substation facility for integration and transmission of power into the electrical grid.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

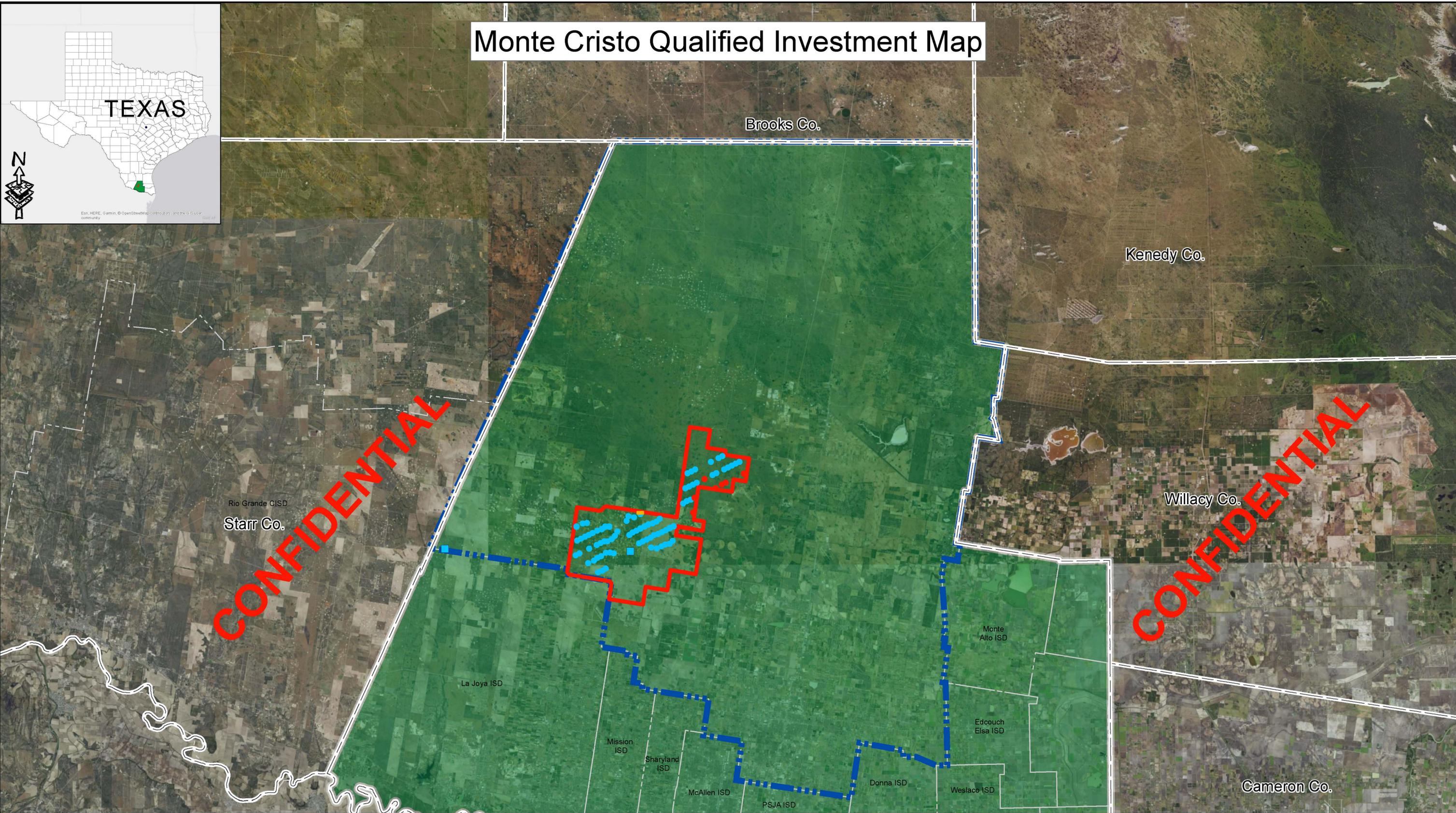
This Agreement covers all qualified property that Monte Cristo Windpower, LLC plans to construct for an estimated 201 MW wind farm in Hidalgo County, located entirely within Edinburg CISD. Additional improvements of Qualified Property include:

- 88 Wind Turbines 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45MW;
- 88 Wind Turbine Foundations;
- Several thousand feet of Transmission Collection System cable & Junction Boxes;
- Overhead Transmission and Interconnection infrastructure;
- Additional meteorological towers;
- All weather Road work sloped for drainage;
- Operations and maintenance building for storage of control systems necessary for commercial generation of electricity;
- Electric substation including power transformers, associated circuit breakers, switches, reactive power compensation equipment and control building & fencing of perimeter.

For purposes of this application, the Project anticipates using 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45 MW. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within Edinburg CISD boundaries. Current plans are to install turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind resource evaluation, engineering, land leasing, and turbine selection. The final number and location of turbines and supporting structures will be determined before construction begins. However, any changes in the number and location of turbines will not have a significant impact on the total investment. Buenos Aires intends to connect to AEP Lon C. Hill to North Edinburg, 345kV transmission line internal to the Project, located within Edinburg CISD boundaries. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

Monte Cristo Qualified Investment Map



CONFIDENTIAL Legend

- V112-3.45MW WTG (7)
- O & M BUILDING
- MONTE CRISTO BNDRY
- EDINBURG ISD
- HIDALGO CO.
- V120-2.2MW WTG (81)
- POI

Terra-Gen, LLC
Monte Cristo Project
 Phase 1 - 200MW

Project Location: Hidalgo County, Texas

Draft-Subject to change

Prepared by: MBJ Date: 8/2/2018

EXHIBIT 5

AGREEMENT SCHEDULE

	Year	Date of Appraisal	School Year	Tax Year	Summary Description
Pre-Limitation Period	Partial Year Beginning on the Application Approval Date (10/25/18)	January 1, 2018	2018-2019	2018	Start of Qualifying Time Period beginning with the Application Approval Date (10/25/18). No limitation on appraised value. First year for computation of Annual Limit.
	1	January 1, 2019	2019-2020	2019	Qualifying Time Period. No limitation on appraised value.
	2	January 1, 2020	2020-2021	2020	Qualifying Time Period. No limitation on appraised value.
Limitation Period (10 Years)	1	January 1, 2021	2021-2022	2021	\$30 million appraised value limitation.
	2	January 1, 2022	2022-2023	2022	\$30 million appraised value limitation.
	3	January 1, 2023	2023-2024	2023	\$30 million appraised value limitation.
	4	January 1, 2024	2024-2025	2024	\$30 million appraised value limitation.
	5	January 1, 2025	2025-2026	2025	\$30 million appraised value limitation.
	6	January 1, 2026	2026-2027	2026	\$30 million appraised value limitation.
	7	January 1, 2027	2027-2028	2027	\$30 million appraised value limitation.
	8	January 1, 2028	2028-2029	2028	\$30 million appraised value limitation.
	9	January 1, 2029	2029-2030	2029	\$30 million appraised value limitation.
	10	January 1, 2030	2030-2031	2030	\$30 million appraised value limitation.
Maintain Viable Presence (5 Years)	11	January 1, 2031	2031-2032	2031	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	12	January 1, 2032	2032-2033	2032	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	13	January 1, 2033	2033-2034	2033	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	14	January 1, 2034	2034-2035	2034	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	15	January 1, 2035	2035-2036	2035	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.

Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

October 25, 2018

President and Members
Board of Trustees
Edinburg Consolidated Independent School District
411 North 8th Ave
Edinburg, Texas 78541

Re: Recommendations and Findings of the firm Concerning Application of Monte Cristo Windpower, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Edinburg Consolidated Independent School District, with respect to the pending Application of Monte Cristo Windpower, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review, we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District over the course of the Agreement.

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of Monte Cristo Windpower, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in blue ink that reads "Daniel T. Casey". The signature is written in a cursive style.

Daniel T. Casey

www.moakcasey.com

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW

808 WEST AVE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

KEVIN O'HANLON

CERTIFIED, CIVIL APPELLATE

CERTIFIED, CIVIL TRIAL

JUSTIN DEMERATH

BENJAMIN CASTILLO

October 25, 2018

President and Members

Board of Trustees

Edinburg Consolidated Independent School District

411 North 8th Ave

Edinburg, Texas 78541

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Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Edinburg Consolidated Independent School District, with respect to the pending Application of Monte Cristo Windpower, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Monte Cristo Windpower, LLC. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.

5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Application of Monte Cristo Windpower, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", written in a cursive style.

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

In its recent audits of Chapter 313 Agreements, The Texas State Auditor's Office has required documentation of inquiries concerning Board Member conflicts of interest at critical junctions in the Chapter 313 approval process. A local public official or a person related to a local public official in the first degree by either affinity or consanguinity has a substantial interest in a business entity or in real property, the local public official, before a vote or decision on any matter involving the business entity or the real property, is required to file an affidavit with an official Board record keeper stating the nature and extent of the interest and shall abstain from further participation in the matter if:

1. In the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
2. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
3. A person has a substantial interest in a business entity if:
The person owns at least:
 - a. Ten percent of the voting stock or shares of the business entity, or
 - b. Either ten percent or \$15,000 of the fair market value of the business entity; or
 - c. Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.
4. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The Board may contract with a business entity in which a Trustee has a substantial interest if the Trustee follows the disclosure and abstention procedure set out above.

Does any Board Member have a conflict of interest as defined above?

If so, has the required Affidavit, set forth at District Policy BBFA (Exhibit) been filed?

Please have the answers to the foregoing 2 questions and a copy of this Procedure included in the minutes of this meeting.