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**FINDINGS  
OF THE  
MART INDEPENDENT SCHOOL DISTRICT  
BOARD OF TRUSTEES  
UNDER THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
ON THE APPLICATION SUBMITTED BY  
PRAIRIE HILL WIND PROJECT, LLC  
TEXAS TAXPAYER ID # 32064084497  
APPLICATION #1312**

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**August 14, 2019**

Board Findings of the Mart Independent School District

FINDINGS OF THE MART INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES  
UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION  
SUBMITTED BY PRAIRIE HILL WIND PROJECT, LLC

STATE OF TEXAS

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COUNTY OF LIMESTONE

On the 14th day of August, 2019, a public meeting of the Board of Trustees of the Mart Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the Application of Prairie Hill Wind Project, LLC (Application #1312) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from attorneys and consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Mart Independent School District makes the following findings with respect to the Application of Prairie Hill Wind Project, LLC #1312, and the economic impact of that Application:

On November 14, 2019, the Superintendent of Schools of the Mart Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from Prairie Hill Wind Project, LLC #1312 for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is posted on the Texas Comptroller's website at:

<https://comptroller.texas.gov/economy/local/ch313/agreement-docs-details.php?id=1312>

The Applicant, Prairie Hill Wind Project, LLC (Taxpayer ID 32064084497) ("Applicant"), consists of entities subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. The Board of Trustees acknowledges receipt of the Application, along with the required Application fee, as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Limestone County Appraisal District for review pursuant to 34 Texas Administrative Code § 9.1054. The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a determination that the Application was complete was issued on March 20, 2019.

After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation on June 11, 2019 pursuant to Texas Tax Code § 313.026, and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Exhibit A**.

## Board Findings of the Mart Independent School District

The Board of Trustees also directed that a specific financial analysis be conducted of the impact of the proposed value limitation on the finances of the Mart Independent School District. A copy of a report prepared by Education Service Center, Region 12 is attached to these findings as **Exhibit B**. The Texas Commissioner of Education has determined that the project will not impact school enrollment.

The Board of Trustees has confirmed that the taxable value of property in the Mart Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in the 2018 ISD Summary Worksheet posted on the Texas Comptroller's website at:

<https://comptroller.texas.gov/data/property-tax/pvs/2018p/1471619081D.php>

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

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

### **Board Finding Number 1.**

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

### **Board Finding Number 2.**

**The Applicant's entire proposed investment in the Mart Independent School District is \$307,000,000 — all of which is proposed to be Qualified Investment under Texas Tax Code § 313.021.**

### **Board Finding Number 3.**

**The average salary level of qualifying jobs is expected to be at least \$41,885 per year. The review of the Application by the State Comptroller's Office indicates that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs pay more than the minimum weekly wage required for Qualified Jobs under Texas Tax Code § 313.021.**

### **Board Finding Number 4.**

**The level of the Applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$38,375,000 on the basis of the eight (8) new qualifying positions committed to by the Applicant for this**

Board Findings of the Mart Independent School District

project. The project's total investment is \$307,000,000, resulting in a relative level of investment per qualifying job of \$38,375,000.

**Board Finding Number 5.**

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

**Board Finding Number 6.**

Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region. In support of Finding 6, the economic impact evaluation states:

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

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	75	68	143	\$3,375,000	\$5,625,000	\$9,000,000
2020	225	199	424	\$10,125,000	\$18,875,000	\$29,000,000
2021	8	23	31	\$334,840	\$4,665,160	\$5,000,000
2022	8	17	25	\$334,840	\$3,665,160	\$4,000,000
2023	8	12	20	\$334,840	\$2,665,160	\$3,000,000
2024	8	8	16	\$334,840	\$1,665,160	\$2,000,000
2025	8	15	23	\$334,840	\$1,665,160	\$2,000,000
2026	8	10	18	\$334,840	\$1,665,160	\$2,000,000
2027	8	12	20	\$334,840	\$2,665,160	\$3,000,000
2028	8	12	20	\$334,840	\$1,665,160	\$2,000,000
2029	8	10	18	\$334,840	\$1,665,160	\$2,000,000
2030	8	12	20	\$334,840	\$1,665,160	\$2,000,000
2031	8	6	14	\$334,840	\$1,665,160	\$2,000,000
2032	8	8	16	\$334,840	\$665,160	\$1,000,000
2033	8	6	14	\$334,840	\$665,160	\$1,000,000

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

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Deer Park ISD I&S Tax Levy	Deer Park ISD M&O Tax Levy	Deer Park ISD M&O and I&S Tax Levies	City of Pasadena Tax Levy	Harris County Tax Levy	Harris County Flood Control District Tax Levy	Port of Houston Authority Tax Levy	Harris County Hospital District Tax Levy	Harris County Department of Education Tax Levy	Estimated Total Property Taxes
2020	\$5,000,000	\$5,000,000		\$21,640	\$52,000	\$73,640	\$0	\$1,800	\$14,040	\$2,527	\$752	\$61,345	\$154,103
2021	\$294,020,000	\$15,000,000		\$1,272,519	\$156,000	\$1,428,519	\$0	\$105,847	\$825,608	\$148,568	\$44,191	\$3,607,331	\$6,160,065
2022	\$273,484,000	\$15,000,000		\$1,183,639	\$156,000	\$1,339,639	\$0	\$98,454	\$767,943	\$138,191	\$41,105	\$3,355,375	\$5,740,707
2023	\$254,383,600	\$15,000,000		\$1,100,972	\$156,000	\$1,256,972	\$0	\$91,578	\$714,309	\$128,540	\$38,234	\$3,121,032	\$5,350,666
2024	\$236,619,800	\$15,000,000		\$1,024,090	\$156,000	\$1,180,090	\$0	\$85,183	\$664,428	\$119,564	\$35,564	\$2,903,088	\$4,987,918
2025	\$220,097,600	\$15,000,000		\$952,582	\$156,000	\$1,108,582	\$0	\$79,235	\$618,034	\$111,215	\$33,081	\$2,700,377	\$4,650,525
2026	\$204,731,000	\$15,000,000		\$886,076	\$156,000	\$1,042,076	\$0	\$73,703	\$574,885	\$103,451	\$30,771	\$2,511,845	\$4,336,730
2027	\$190,440,000	\$15,000,000		\$824,224	\$156,000	\$980,224	\$0	\$68,558	\$534,756	\$96,229	\$28,623	\$2,336,508	\$4,044,899
2028	\$177,147,500	\$15,000,000		\$766,694	\$156,000	\$922,694	\$0	\$63,773	\$497,430	\$89,513	\$26,625	\$2,173,423	\$3,773,458
2029	\$164,784,600	\$15,000,000		\$713,188	\$156,000	\$869,188	\$0	\$60	\$462,715	\$83,266	\$24,767	\$2,021,742	\$3,461,678
2030	\$153,286,200	\$15,000,000		\$663,423	\$156,000	\$819,423	\$1,065,584	\$55,183	\$430,428	\$77,456	\$23,039	\$1,880,668	\$4,351,781
2031	\$145,642,300	\$145,642,300		\$630,340	\$1,514,680	\$2,145,020	\$1,012,447	\$52,431	\$408,964	\$73,593	\$21,890	\$1,786,885	\$5,501,230
2032	\$138,379,900	\$138,379,900		\$598,908	\$1,439,151	\$2,038,059	\$961,962	\$49,817	\$388,571	\$69,923	\$20,798	\$1,697,783	\$5,226,913
2033	\$131,480,000	\$131,480,000		\$569,045	\$1,367,392	\$1,936,437	\$913,996	\$47,333	\$369,196	\$66,437	\$19,761	\$1,613,128	\$4,966,289
2034	\$124,924,600	\$124,924,600		\$540,674	\$1,299,216	\$1,839,890	\$868,426	\$44,973	\$350,788	\$63,124	\$18,776	\$1,532,700	\$4,718,677
			<b>Total</b>	<b>\$11,748,015</b>	<b>\$7,232,439</b>	<b>\$18,980,453</b>	<b>\$4,822,415</b>	<b>\$917,869</b>	<b>\$7,622,094</b>	<b>\$1,371,597</b>	<b>\$407,977</b>	<b>\$33,303,232</b>	<b>\$67,425,639</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$20,997,541</b>	<b>\$20,997,541</b>	<b>\$14,047,154</b>	<b>\$59,322</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,104,018</b>

<sup>1</sup>Tax Rate per \$100 Valuation

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Mart ISD I&S Tax Levy	Mart ISD M&O Tax Levy	Mart ISD M&O and I&S Tax Levies	Limestone County Emergency Services Tax Levy	Limestone County Hospital District Tax Levy	McLennan County Tax Levy	McLennan Community College District Tax Levy	Mart ISD Tax Levy	Harris County Department of Education Tax Levy	Estimated Total Property Taxes
2020	\$5,000,000	\$5,000,000	\$21,640	\$2,000	\$23,640	\$34,758	\$1,800	\$14,040	\$2,527	\$752	\$61,345	\$188,861
2021	\$294,020,000	\$294,020,000	\$1,272,519	\$3,057,808	\$4,330,327	\$2,043,909	\$105,847	\$825,608	\$148,568	\$44,191	\$3,607,331	\$11,105,782
2022	\$273,484,000	\$273,484,000	\$1,183,639	\$2,844,234	\$4,027,872	\$1,901,151	\$98,454	\$767,943	\$138,191	\$41,105	\$3,355,375	\$10,330,092
2023	\$254,383,600	\$254,383,600	\$1,100,972	\$2,645,589	\$3,746,562	\$1,768,373	\$91,578	\$714,309	\$128,540	\$38,234	\$3,121,032	\$9,608,628
2024	\$236,619,800	\$236,619,800	\$1,024,090	\$2,460,846	\$3,484,936	\$1,644,886	\$85,183	\$664,428	\$119,564	\$35,564	\$2,903,088	\$8,937,650
2025	\$220,097,600	\$220,097,600	\$952,582	\$2,289,015	\$3,241,597	\$1,530,030	\$79,235	\$618,034	\$111,215	\$33,081	\$2,700,377	\$8,313,571
2026	\$204,731,000	\$204,731,000	\$886,076	\$2,129,202	\$3,015,278	\$1,423,208	\$73,703	\$574,885	\$103,451	\$30,771	\$2,511,845	\$7,753,140
2027	\$190,440,000	\$190,440,000	\$824,224	\$1,980,576	\$2,804,800	\$1,323,863	\$68,558	\$534,756	\$96,229	\$28,623	\$2,336,508	\$7,193,338
2028	\$177,147,500	\$177,147,500	\$766,094	\$1,842,334	\$2,609,028	\$1,231,459	\$63,773	\$497,430	\$89,513	\$26,625	\$2,173,423	\$6,691,251
2029	\$164,784,600	\$164,784,600	\$713,188	\$1,713,760	\$2,426,948	\$1,145,517	\$59,322	\$462,715	\$83,266	\$24,767	\$2,021,742	\$6,224,277
2030	\$153,286,200	\$153,286,200	\$663,423	\$1,594,176	\$2,257,599	\$1,065,584	\$55,183	\$430,428	\$77,456	\$23,039	\$1,880,666	\$5,789,957
2031	\$145,642,300	\$145,642,300	\$630,340	\$1,514,680	\$2,145,020	\$1,012,447	\$52,431	\$408,964	\$73,593	\$21,890	\$1,786,885	\$5,501,230
2032	\$138,379,900	\$138,379,900	\$598,908	\$1,439,151	\$2,038,059	\$961,962	\$49,817	\$388,571	\$69,923	\$20,798	\$1,697,783	\$5,226,913
2033	\$131,480,000	\$131,480,000	\$569,045	\$1,367,392	\$1,936,437	\$913,996	\$47,333	\$369,196	\$66,437	\$19,761	\$1,613,128	\$4,966,289
2034	\$124,924,600	\$124,924,600	\$540,674	\$1,299,216	\$1,839,890	\$868,426	\$44,973	\$350,788	\$63,124	\$18,776	\$1,532,700	\$4,718,677
<b>Total</b>			<b>\$11,748,015</b>	<b>\$28,229,979</b>	<b>\$39,977,994</b>	<b>\$18,869,570</b>	<b>\$977,192</b>	<b>\$7,622,094</b>	<b>\$1,371,597</b>	<b>\$407,977</b>	<b>\$33,303,232</b>	<b>\$102,529,657</b>

\*Tax Rate per \$100 Valuation

**Board Finding Number 7.**

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

**Board Finding Number 8.**

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

**Board Finding Number 9.**

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

	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)
<b>Limitation Pre-Years</b>	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$52,000	\$52,000	\$0	\$0
<b>Limitation Period (10 Years)</b>	2021	\$156,000	\$208,000	\$2,901,808	\$2,901,808
	2022	\$156,000	\$364,000	\$2,688,234	\$5,590,042
	2023	\$156,000	\$520,000	\$2,489,589	\$8,079,631
	2024	\$156,000	\$676,000	\$2,304,846	\$10,384,477
	2025	\$156,000	\$832,000	\$2,133,015	\$12,517,492
	2026	\$156,000	\$988,000	\$1,973,202	\$14,490,694
	2027	\$156,000	\$1,144,000	\$1,824,576	\$16,315,270
	2028	\$156,000	\$1,300,000	\$1,686,334	\$18,001,604
	2029	\$156,000	\$1,456,000	\$1,557,760	\$19,559,364
	2030	\$156,000	\$1,612,000	\$1,438,176	\$20,997,541
<b>Maintain Viable Presence (5 Years)</b>	2031	\$1,514,680	\$3,126,680	\$0	\$20,997,541
	2032	\$1,439,151	\$4,565,831	\$0	\$20,997,541
	2033	\$1,367,392	\$5,933,223	\$0	\$20,997,541
	2034	\$1,299,216	\$7,232,439	\$0	\$20,997,541
	2035	\$1,234,445	\$8,466,883	\$0	\$20,997,541
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2036	\$1,172,903	\$9,639,786	\$0	\$20,997,541
	2037	\$1,114,433	\$10,754,219	\$0	\$20,997,541
	2038	\$1,058,890	\$11,813,108	\$0	\$20,997,541
	2039	\$1,006,117	\$12,819,225	\$0	\$20,997,541
	2040	\$955,980	\$13,775,206	\$0	\$20,997,541
	2041	\$908,343	\$14,683,549	\$0	\$20,997,541
	2042	\$863,081	\$15,546,630	\$0	\$20,997,541
	2043	\$820,081	\$16,366,711	\$0	\$20,997,541
	2044	\$785,809	\$17,152,520	\$0	\$20,997,541
	2045	\$785,664	\$17,938,184	\$0	\$20,997,541

\$17,938,184 is greater than \$20,997,541

<b>Analysis Summary</b>	
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?	<b>Yes</b>

**Board Finding Number 10.**

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

**Board Finding Number 11.**

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

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

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

- Per Prairie Hill Wind Project LLC in Tab 5 of their Application for a Limitation on Appraised Value:

- A. "As a developer with international scope and capabilities, the Applicant has the ability to locate projects of this type in other countries as well as in states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects that are competing for limited investment funds. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a wind project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates. Global markets that have various available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas."

- B. "The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement (PPA). Therefore, the applicant would be unable to finance and build the project in Texas even with a signed PPA because of the low price in the PPA. Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher."

- Per Comptroller Research:

- A. On December 1, 2018, the Waco Tribune reported that Engie North America applied for a Chapter 313 School Value-Limitation Agreement for the Prairie Hill Wind Project that would be located in Mart ISD. Len Williams, the interim superintendent of Mart ISD was quoted saying "if they (Engie) don't get exempt from paying some of them (taxes) they won't do it... and that's how it is everywhere." Also be known that Julie Vitek, a spokeswoman for Engie stated "right now the project is in a 'mid-level' development stage... we have secured land for the project and are working on the proposed layout of the wind farm as well as determining the optimal wind turbine type... construction could start by late next year."

- Supplemental information provided by Applicant:

- A. The project's IGNR number is 19INR0100 and was assigned 6/19/2017

- B. Prairie Hill Wind Project has not entered into a PPA

### Supporting Information

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

**Board Finding Number 12.**

The Board of Trustees of the Mart Independent School District hired consultants to review and verify the information in Application #1312. Based upon the consultants' review, the Board has determined that the information provided by the Applicant appears to be true and correct.

**Board Finding Number 13.**

The Board of Trustees has determined that the Tax Limitation Amount requested by the Applicant is currently \$15,000,000 Million Dollars, which is consistent with the minimum values currently set out by Texas Tax Code § 313.054(a).

**Board Finding Number 14.**

The Applicant (Taxpayer ID 32064084497) is eligible for the limitation on appraised value of Qualified Property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

**Board Finding Number 15.**

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

**Board Finding Number 16.**

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

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

Dated the 14<sup>th</sup> day of August, 2019.

MART INDEPENDENT SCHOOL DISTRICT

By: Frank Pete Rowe  
Frank "Pete" Rowe  
President, Board of Trustees

ATTEST:

By: Sara Deike  
Sara Deike  
Secretary, Board of Trustees

**Findings and Order of the Mart Independent School District  
Board of Trustees under the Texas Economic Development Act on the Application  
Submitted by Prairie Hill Wind Project, LLC (Tax ID 32064084497) (Application #1312)**

**EXHIBIT A**

**Comptroller's Economic Impact Analysis**



**GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS**

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

June 11, 2019

Len Williams  
Superintendent  
Mart Independent School District  
700 Navarro  
Mart, TX 76664

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Mart Independent School District and Prairie Hill Wind Project, LLC, Application 1312

Dear Superintendent Williams:

On March 20, 2019, the Comptroller issued written notice that Prairie Hill Wind Project, LLC (applicant) submitted a completed application (Application 1312) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on November 14, 2019, to the Mart 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.

<sup>1</sup> 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 1312.

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, 2019.

Note that any building or improvement existing as of the application review start date of March 20, 2019, 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](mailto:will.counihan@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,



Lisa Craven  
Deputy Comptroller

Enclosure

cc: Will Counihan

**Attachment A – Economic Impact Analysis**

The following tables summarize the Comptroller’s economic impact analysis of Prairie Hill Wind Project, LLC (project) applying to Mart 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 Prairie Hill Wind Project, LLC.

<b>Applicant</b>	Prairie Hill Wind Project, LLC
<b>Tax Code, 313.024 Eligibility Category</b>	Renewable Energy - Wind
<b>School District</b>	Mart ISD
<b>2018-2019 Average Daily Attendance</b>	486
<b>County</b>	Limestone
<b>Proposed Total Investment in District</b>	\$307,000,000
<b>Proposed Qualified Investment</b>	\$307,000,000
<b>Limitation Amount</b>	\$15,000,000
<b>Qualifying Time Period (Full Years)</b>	2020-2021
<b>Number of new qualifying jobs committed to by applicant</b>	8*
<b>Number of new non-qualifying jobs estimated by applicant</b>	0
<b>Average weekly wage of qualifying jobs committed to by applicant</b>	\$805
<b>Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)</b>	\$805
<b>Minimum annual wage committed to by applicant for qualified jobs</b>	\$41,885
<b>Minimum weekly wage required for non-qualifying jobs</b>	\$784
<b>Minimum annual wage required for non-qualifying jobs</b>	\$40,769
<b>Investment per Qualifying Job</b>	\$38,375,000
<b>Estimated M&amp;O levy without any limit (15 years)</b>	\$28,229,979
<b>Estimated M&amp;O levy with Limitation (15 years)</b>	\$7,232,439
<b>Estimated gross M&amp;O tax benefit (15 years)</b>	\$20,997,541

\* 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 Prairie Hill Wind Project, LLC (modeled).**

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	75	68	143	\$3,375,000	\$5,625,000	\$9,000,000
2020	225	199	424	\$10,125,000	\$18,875,000	\$29,000,000
2021	8	23	31	\$334,840	\$4,665,160	\$5,000,000
2022	8	17	25	\$334,840	\$3,665,160	\$4,000,000
2023	8	12	20	\$334,840	\$2,665,160	\$3,000,000
2024	8	8	16	\$334,840	\$1,665,160	\$2,000,000
2025	8	15	23	\$334,840	\$1,665,160	\$2,000,000
2026	8	10	18	\$334,840	\$1,665,160	\$2,000,000
2027	8	12	20	\$334,840	\$2,665,160	\$3,000,000
2028	8	12	20	\$334,840	\$1,665,160	\$2,000,000
2029	8	10	18	\$334,840	\$1,665,160	\$2,000,000
2030	8	12	20	\$334,840	\$1,665,160	\$2,000,000
2031	8	6	14	\$334,840	\$1,665,160	\$2,000,000
2032	8	8	16	\$334,840	\$665,160	\$1,000,000
2033	8	6	14	\$334,840	\$665,160	\$1,000,000

Source: CPA REMI, Prairie Hill Wind Project, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate	Mart ISD I&S Tax Levy	Mart ISD M&O Tax Levy	Mart ISD M&O and I&S Tax Levies	Limestone County Tax Levy	Limestone County Emergency Services Tax Levy	Limestone County Hospital District Tax Levy	McLennan County Tax Levy	McLennan Community College District Tax Levy	Mart ISD Tax Levy	Estimated Total Property Taxes
2020	\$5,000,000	\$5,000,000	0.4328	\$21,640	\$52,000	\$73,640	\$34,758	\$1,800	\$14,040	\$2,527	\$752	\$61,345	\$188,861
2021	\$294,020,000	\$294,020,000		\$1,272,519	\$3,057,808	\$4,330,327	\$2,043,909	\$105,847	\$825,608	\$148,568	\$44,191	\$3,607,331	\$11,105,782
2022	\$273,484,000	\$273,484,000		\$1,183,639	\$2,844,234	\$4,027,872	\$1,901,151	\$98,454	\$767,943	\$138,191	\$41,105	\$3,355,375	\$10,330,092
2023	\$254,383,600	\$254,383,600		\$1,100,972	\$2,645,589	\$3,746,562	\$1,768,373	\$91,578	\$714,309	\$128,540	\$38,234	\$3,121,032	\$9,608,628
2024	\$236,619,800	\$236,619,800		\$1,024,090	\$2,460,846	\$3,484,936	\$1,644,886	\$85,183	\$664,478	\$119,564	\$35,564	\$2,903,088	\$8,937,650
2025	\$220,097,600	\$220,097,600		\$952,582	\$2,289,015	\$3,241,597	\$1,538,030	\$79,235	\$618,034	\$111,215	\$33,081	\$2,780,377	\$8,313,571
2026	\$204,731,000	\$204,731,000		\$886,076	\$2,129,207	\$3,015,278	\$1,423,208	\$73,703	\$574,885	\$103,451	\$30,771	\$2,511,845	\$7,733,149
2027	\$190,440,000	\$190,440,000		\$824,224	\$1,980,576	\$2,804,800	\$1,323,863	\$68,558	\$534,756	\$96,229	\$28,623	\$2,336,508	\$7,193,338
2028	\$177,147,500	\$177,147,500		\$766,694	\$1,842,334	\$2,609,028	\$1,231,459	\$63,773	\$497,430	\$89,513	\$26,625	\$2,173,423	\$6,691,251
2029	\$164,784,600	\$164,784,600		\$713,188	\$1,713,760	\$2,426,948	\$1,145,517	\$59,322	\$462,715	\$83,266	\$24,767	\$2,021,742	\$6,224,277
2030	\$153,286,200	\$153,286,200		\$663,423	\$1,594,176	\$2,257,599	\$1,065,584	\$55,183	\$430,428	\$77,456	\$23,039	\$1,890,668	\$5,789,957
2031	\$145,642,300	\$145,642,300		\$630,340	\$1,514,660	\$2,145,020	\$1,012,447	\$52,431	\$408,964	\$73,593	\$21,890	\$1,786,885	\$5,501,230
2032	\$138,379,900	\$138,379,900		\$598,908	\$1,439,151	\$2,038,059	\$961,962	\$49,817	\$388,571	\$69,923	\$20,798	\$1,697,783	\$5,226,913
2033	\$131,480,000	\$131,480,000		\$569,045	\$1,367,392	\$1,936,437	\$913,996	\$47,333	\$369,156	\$66,437	\$19,761	\$1,613,128	\$4,966,289
2034	\$124,924,600	\$124,924,600		\$540,674	\$1,299,216	\$1,839,890	\$868,426	\$44,973	\$350,788	\$63,124	\$18,776	\$1,532,700	\$4,718,677
			Total	\$11,748,015	\$28,229,979	\$39,977,994	\$18,869,570	\$977,192	\$7,423,894	\$1,371,597	\$407,977	\$33,303,232	\$102,529,657

Source: CPA, Prairie Hill Wind Project, LLC  
Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Limestone 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	Tax Rate	Mart ISD I&S Tax Levy	Mart ISD M&O Tax Levy	Mart ISD M&O and I&S Tax Levies	Limestone County Tax Levy	Limestone County Emergency Services Tax Levy	Limestone County Hospital District Tax Levy	McLennan County Tax Levy	McLennan Community College District Tax Levy	Mart ISD Tax Levy	Estimated Total Property Taxes	
				0.4328	1.0400		0.7724	0.0400	0.3120	0.5053	0.1503	1.2169		
2020	\$5,000,000	\$5,000,000		\$21,640	\$52,000	\$73,640	\$0	\$1,800	\$14,040	\$2,527	\$752	\$61,345	\$154,103	
2021	\$294,020,000	\$15,000,000		\$1,272,519	\$156,000	\$1,428,519	\$0	\$105,047	\$825,608	\$148,568	\$44,191	\$3,607,331	\$6,160,065	
2022	\$273,484,000	\$15,000,000		\$1,183,639	\$156,000	\$1,339,639	\$0	\$98,454	\$767,943	\$138,191	\$41,105	\$3,355,375	\$5,740,707	
2023	\$254,383,600	\$15,000,000		\$1,100,972	\$156,000	\$1,256,972	\$0	\$91,578	\$714,309	\$128,540	\$38,234	\$3,121,032	\$5,350,666	
2024	\$236,619,800	\$15,000,000		\$1,024,090	\$156,000	\$1,180,090	\$0	\$85,183	\$664,428	\$119,564	\$35,564	\$2,903,088	\$4,987,918	
2025	\$220,097,600	\$15,000,000		\$952,582	\$156,000	\$1,108,582	\$0	\$79,235	\$618,034	\$111,215	\$33,081	\$2,700,377	\$4,650,525	
2026	\$204,731,000	\$15,000,000		\$886,076	\$156,000	\$1,042,076	\$0	\$73,703	\$574,885	\$103,451	\$30,771	\$2,511,845	\$4,336,730	
2027	\$190,440,000	\$15,000,000		\$824,224	\$156,000	\$980,224	\$0	\$68,558	\$534,756	\$96,229	\$28,623	\$2,336,508	\$4,044,899	
2028	\$177,147,500	\$15,000,000		\$766,694	\$156,000	\$922,694	\$0	\$63,773	\$497,430	\$89,513	\$26,625	\$2,173,423	\$3,773,458	
2029	\$164,784,600	\$15,000,000		\$713,188	\$156,000	\$869,188	\$0	\$0	\$462,715	\$83,266	\$24,767	\$2,021,742	\$3,461,678	
2030	\$153,286,200	\$15,000,000		\$663,423	\$156,000	\$819,423	\$1,065,584	\$55,183	\$430,428	\$77,456	\$23,039	\$1,880,668	\$4,351,781	
2031	\$145,642,300	\$145,642,300		\$630,340	\$1,514,680	\$2,145,020	\$1,012,447	\$52,431	\$408,964	\$73,593	\$21,890	\$1,786,885	\$5,501,230	
2032	\$138,379,900	\$138,379,900		\$598,908	\$1,439,151	\$2,038,059	\$961,962	\$49,817	\$388,571	\$69,923	\$20,798	\$1,697,783	\$5,226,913	
2033	\$131,480,000	\$131,480,000		\$569,045	\$1,367,392	\$1,936,437	\$913,996	\$47,333	\$369,196	\$66,437	\$19,761	\$1,613,128	\$4,966,289	
2034	\$124,924,600	\$124,924,600		\$540,674	\$1,299,216	\$1,839,890	\$868,426	\$44,973	\$350,788	\$63,124	\$18,776	\$1,532,700	\$4,718,677	
				<b>Total</b>	<b>\$11,748,015</b>	<b>\$7,232,439</b>	<b>\$18,980,453</b>	<b>\$4,822,415</b>	<b>\$917,869</b>	<b>\$7,622,894</b>	<b>\$1,371,597</b>	<b>\$407,977</b>	<b>\$33,303,232</b>	<b>\$67,425,639</b>
				Diff	\$0	\$20,997,541	\$20,997,541	\$14,047,154	\$59,322	\$0	\$0	\$0	\$35,104,018	

Source: CPA, Prairie Hill Wind Project, LLC  
 \*Tax Rate per \$100 Valuation

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

**Attachment B – Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start**

This represents the Comptroller's determination that Prairie Hill Wind Project, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$52,000	\$52,000	\$0	\$0
<b>Limitation Period (10 Years)</b>	2021	\$156,000	\$208,000	\$2,901,808	\$2,901,808
	2022	\$156,000	\$364,000	\$2,688,234	\$5,590,042
	2023	\$156,000	\$520,000	\$2,489,589	\$8,079,631
	2024	\$156,000	\$676,000	\$2,304,846	\$10,384,477
	2025	\$156,000	\$832,000	\$2,133,015	\$12,517,492
	2026	\$156,000	\$988,000	\$1,973,202	\$14,490,694
	2027	\$156,000	\$1,144,000	\$1,824,576	\$16,315,270
	2028	\$156,000	\$1,300,000	\$1,686,334	\$18,001,604
	2029	\$156,000	\$1,456,000	\$1,557,760	\$19,559,364
	2030	\$156,000	\$1,612,000	\$1,438,176	\$20,997,541
<b>Maintain Viable Presence (5 Years)</b>	2031	\$1,514,680	\$3,126,680	\$0	\$20,997,541
	2032	\$1,439,151	\$4,565,831	\$0	\$20,997,541
	2033	\$1,367,392	\$5,933,223	\$0	\$20,997,541
	2034	\$1,299,216	\$7,232,439	\$0	\$20,997,541
	2035	\$1,234,445	\$8,466,883	\$0	\$20,997,541
<b>Additional Years as Required by 313.026(e)(1) (10 Years)</b>	2036	\$1,172,903	\$9,639,786	\$0	\$20,997,541
	2037	\$1,114,433	\$10,754,219	\$0	\$20,997,541
	2038	\$1,058,890	\$11,813,108	\$0	\$20,997,541
	2039	\$1,006,117	\$12,819,225	\$0	\$20,997,541
	2040	\$955,980	\$13,775,206	\$0	\$20,997,541
	2041	\$908,343	\$14,683,549	\$0	\$20,997,541
	2042	\$863,081	\$15,546,630	\$0	\$20,997,541
	2043	\$820,081	\$16,366,711	\$0	\$20,997,541
	2044	\$785,809	\$17,152,520	\$0	\$20,997,541
	2045	\$785,664	\$17,938,184	\$0	\$20,997,541

\$17,938,184

Is less than

\$20,997,541

**Analysis Summary**

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

No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.  
Source: CPA, Prairie Hill Wind Project, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2019	75	68	143	\$3,375,000	\$5,625,000	\$9,000,000	470000	-260000	\$730,000
2020	225	199	424	\$10,125,000	\$18,875,000	\$29,000,000	1,450,000	-670,000	\$2,120,000
2021	8	23	31	\$334,840	\$4,665,160	\$5,000,000	270,000	370,000	-\$100,000
2022	8	17	25	\$334,840	\$3,665,160	\$4,000,000	220,000	350,000	-\$130,000
2023	8	12	20	\$334,840	\$2,665,160	\$3,000,000	180,000	330,000	-\$150,000
2024	8	8	16	\$334,840	\$1,665,160	\$2,000,000	210,000	320,000	-\$110,000
2025	8	15	23	\$334,840	\$1,665,160	\$2,000,000	240,000	280,000	-\$40,000
2026	8	10	18	\$334,840	\$1,665,160	\$2,000,000	240,000	270,000	-\$30,000
2027	8	12	20	\$334,840	\$2,665,160	\$3,000,000	210,000	220,000	-\$10,000
2028	8	12	20	\$334,840	\$1,665,160	\$2,000,000	180,000	190,000	-\$10,000
2029	8	10	18	\$334,840	\$1,665,160	\$2,000,000	180,000	180,000	\$0
2030	8	12	20	\$334,840	\$1,665,160	\$2,000,000	150,000	140,000	\$10,000
2031	8	6	14	\$334,840	\$1,665,160	\$2,000,000	110,000	110,000	\$0
2032	8	8	16	\$334,840	\$665,160	\$1,000,000	110,000	90,000	\$20,000
2033	8	6	14	\$334,840	\$665,160	\$1,000,000	120,000	20,000	\$100,000
2034	8	10	18	\$334,840	\$665,160	\$1,000,000	110,000	10,000	\$100,000
2035	8	6	14	\$334,840	\$665,160	\$1,000,000	50,000	-40,000	\$90,000
2036	8	8	16	\$334,840	\$665,160	\$1,000,000	40,000	-80,000	\$120,000
2037	8	4	12	\$334,840	-\$334,840	\$0	10,000	-110,000	\$120,000
2038	8	0	8	\$334,840	-\$334,840	\$0	20,000	-140,000	\$160,000
2039	8	8	16	\$334,840	\$665,160	\$1,000,000	30,000	-180,000	\$210,000
2040	8	2	10	\$334,840	-\$334,840	\$0	-30,000	-240,000	\$210,000
2041	8	6	14	\$334,840	-\$334,840	\$0	-20,000	-270,000	\$250,000
2042	8	2	10	\$334,840	-\$334,840	\$0	-50,000	-280,000	\$230,000
2043	8	0	8	\$334,840	-\$334,840	\$0	-30,000	-330,000	\$300,000
2044	8	(2)	6	\$334,840	-\$334,840	\$0	-60,000	-320,000	\$260,000
2045	8	(2)	6	\$334,840	-\$334,840	\$0	-80,000	-410,000	\$330,000
2046	8	(4)	4	\$334,840	-\$334,840	\$0	-30,000	-420,000	\$390,000
<b>Total</b>							\$4,300,000	-\$870,000	\$3,170,000
							\$23,108,184	is greater than	\$20,997,541
<b>Analysis Summary</b>									
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?									Yes

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

## Attachment C – Limitation as a Determining Factor

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

### Methodology

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

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

### Determination

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

- Per Prairie Hill Wind Project LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “As a developer with international scope and capabilities, the Applicant has the ability to locate projects of this type in other countries as well as in states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects that are competing for limited investment funds. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a wind project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates. Global markets that have various available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.”
  - B. “The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at today’s contracted power rates under a power purchase agreement (PPA). Therefore, the applicant would be unable to finance and build the project in Texas even with a signed PPA because of the low price in the PPA. Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher.”
- Per Comptroller Research:
  - A. On December 1, 2018, the Waco Tribune reported that Engie North America applied for a Chapter 313 School Value-Limitation Agreement for the Prairie Hill Wind Project that would be located in Mart ISD. Len Williams, the interim superintendent of Mart ISD was quoted saying “if they (Engie) don’t get exempt from paying some of them (taxes) they won’t do it... and that’s how it is everywhere.” Also be known that Julie Vitek, a spokeswoman for Engie stated “right now the project is in a ‘mid-level’ development stage... we have secured land for the project and are

working on the proposed layout of the wind farm as well as determining the optimal wind turbine type... construction could start by late next year.”

- Supplemental information provided by Applicant:
  - A. The project’s IGNR number is 19INR0100 and was assigned 6/19/2017
  - B. Prairie Hill Wind Project has not entered in to a PPA

**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 1717 .....  Yes  No
2. The property will be used for one of the following activities:
  - (1) manufacturing .....  Yes  No
  - (2) research and development .....  Yes  No
  - (3) a clean coal project, as defined by Section 5.001, Water Code .....  Yes  No
  - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code .....  Yes  No
  - (5) renewable energy electric generation .....  Yes  No
  - (6) electric power generation using integrated gasification combined cycle technology .....  Yes  No
  - (7) nuclear electric power generation .....  Yes  No
  - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) .....  Yes  No
  - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 .....  Yes  No
3. Are you requesting that any of the land be classified as qualified investment? .....  Yes  No
4. Will any of the proposed qualified investment be leased under a capitalized lease? .....  Yes  No
5. Will any of the proposed qualified investment be leased under an operating lease? .....  Yes  No
6. Are you including property that is owned by a person other than the applicant? .....  Yes  No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? .....  Yes  No

**SECTION 7: Project Description**

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

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

**SECTION 8: Limitation as Determining Factor**

1. Does the applicant currently own the land on which the proposed project will occur? .....  Yes  No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? .....  Yes  No
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 313.028(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.

For more information, visit our website: [comptroller.texas.gov/economy/local/ch313/](http://comptroller.texas.gov/economy/local/ch313/)

## **Supporting Information**

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



## TAB 5

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

ENGIE North America, a division of ENGIE, manages a range of energy businesses throughout North America, including retail energy sales and energy services to commercial, industrial and residential customers, natural gas and liquefied natural gas (LNG) distribution and sales, and electricity generation and cogeneration. In 2015, ENGIE recorded \$77.6 billion in global revenues. More than 3,500 employees work in the region, with Houston serving as ENGIE North America's corporate headquarters.

ENGIE is one of the largest non-residential retail electricity suppliers in the United States and currently serves commercial, industrial, and institutional customers in 14 markets. Supplying energy to nearly 50 percent of Fortune 100 companies, ENGIE serves over 89,000 accounts, with an estimated peak load totaling nearly 13,000 MW.

In the United States and Canada, ENGIE owns and/or operates cogeneration, steam, and chilled water facilities, including more than 1,000 MW in the portfolio produced by combined heat and power (CHP) units located within commercial or industrial facilities and using waste heat from an onsite generation system to provide for heating and chilling needs. The North America renewables portfolio consists of wind, solar and biomass/biogas assets, with a capacity of close to 1,000 MW. In Canada, ENGIE is among the Top 5 wind developers, with assets in Ontario, the Maritimes and British Columbia.

As a developer with international scope and capabilities, the Applicant has the ability to locate projects of this type in other countries as well as in states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects that are competing for limited investment funds. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a wind project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates. Global markets that have various available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.

The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement (PPA). Therefore, the applicant would be unable to finance and build the project in Texas even with a signed PPA because of the low price in the PPA. Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher.

ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY BY  
PRAIRIE HILL WIND PROJECT TO MART ISD

# **Supporting Information**

**Additional information  
provided by the Applicant or  
located by the Comptroller**

**COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)  
- Mart ISD- Prairie Hill Wind Project, LLC App. #1312**

**Comptroller Questions (via email on April 5, 2019):**

1. Is Prairie Hill Wind Project, LLC currently known by any other project names?
2. Please also list any other names by which this project may have been known in the past—in media reports, investor presentations, or any listings with any federal or state agency.
3. Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when was it assigned.
4. Per the article included in this email, has Prairie Hill Wind Project, LLC entered into a PPA, if so when?

**Applicant Response (via email on April 5, 2019):**

1. No
2. N/A
3. 19INR0100 and was assigned 6/19/2017
4. Prairie Hill Wind Project has not entered in to a PPA.

[https://www.wacotrib.com/news/business/wind-farm-could-carry-tax-base-boost-into-mart-isd/article\\_9bffc97d-3f42-5826-93f3-a247c0db5f47.html](https://www.wacotrib.com/news/business/wind-farm-could-carry-tax-base-boost-into-mart-isd/article_9bffc97d-3f42-5826-93f3-a247c0db5f47.html)

## Wind farm could carry tax base boost into Mart ISD

By LAUREN DODD [lauren.dodd@wacotrib.com](mailto:lauren.dodd@wacotrib.com) Dec 1, 2018



Mart Mayor Lan Williams shows an area where Engle North America Inc. has proposed a 52,000-acre wind farm. **Bur**  
Staff photo — Jerry Larson

**A French energy company that boasts wind power projects in Brazil, India, Norway and Kansas has set its sights just outside Mart, a one-stoplight town 20 miles from Waco.**

[https://www.wacotrib.com/news/business/wind-farm-could-carry-tax-base-boost-into-mart-isd/article\\_9bffc97d-3f42-5826-93f3-a247c0db5f47.html](https://www.wacotrib.com/news/business/wind-farm-could-carry-tax-base-boost-into-mart-isd/article_9bffc97d-3f42-5826-93f3-a247c0db5f47.html)

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Where wind turbines may soon stand on a property straddled by Farm-to-Market Road 939 and JPM Road, 2 miles away from Mart's city center, tall native grasses blew in the wind as Mayor Len Williams, also the interim superintendent of Mart Independent School District, described Engie North America Inc.'s proposed Prairie Hill Wind Farm project as a breath of fresh air to the community of 2,000 people, and to the school district's tax base.

If the sustainable energy project receives final approval from state and local agencies, along with Engie investors, 300 wind turbines will be constructed across 52,000 acres in McLennan and Limestone Counties.

Texas, the nation's leading oil-producing state, also leads the country in wind power production capacity, according to the U.S. Energy Information Administration.

On average, each turbine produces about 1 megawatt of energy, enough to power about 200 homes during peak periods. Wind energy produced from the proposed Prairie Hill Wind Farm would provide electricity to Engie's private customers rather than residents of Mart.

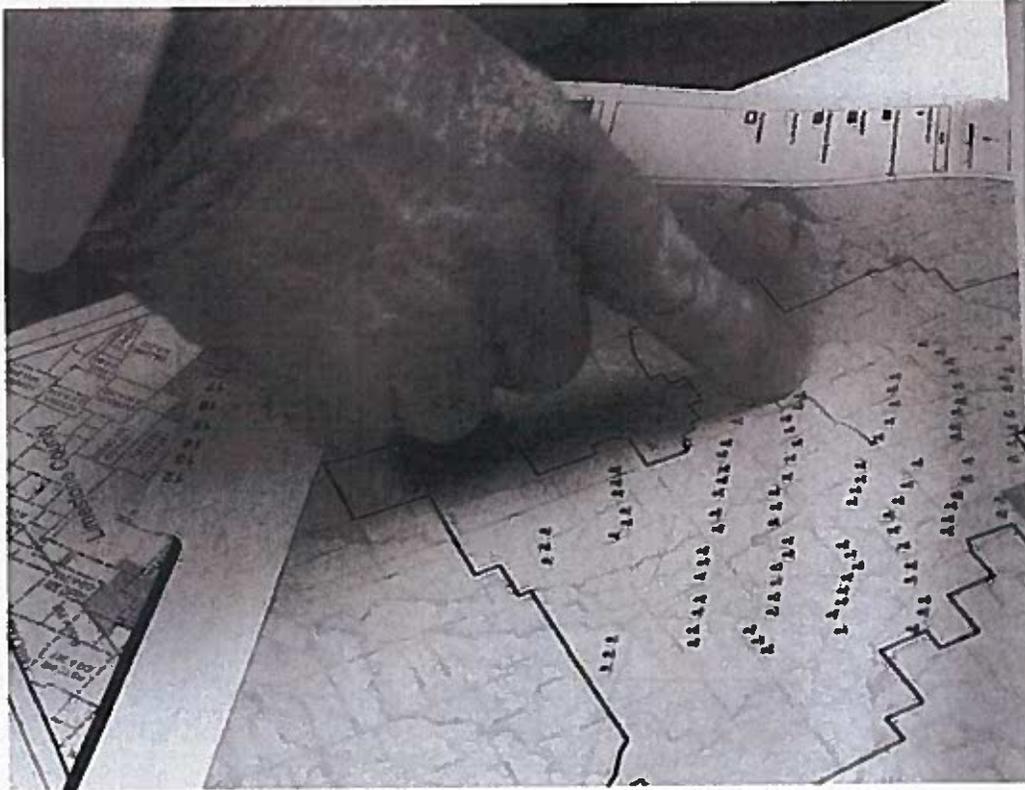
Wind speeds in Mart average about 7 meters per second at a height of 80 meters, according to the U.S. Department of Energy. Areas with annual average wind speeds of about 6.5 meters per second are considered suitable for wind energy development, according to the DOE.

Most of the proposed turbines would be on land in the boundaries of Mart ISD, adding to the district's tax base, and some turbines would be on vacant district property, adding land's value, Williams said.

Each turbine could add about \$1 million in property value, raising the prospect of a \$300 million boost in taxable property value, he said.

But Engie and the district have applied for a Chapter 313 School Value-Limitation Agreement with the state that would limit the company's property taxes due to the district for at least 10 years, Williams said.

"If they (Engie) don't get exempt from paying some of them (taxes) they won't do it," Williams said. "And that's how it is everywhere."



Mart Mayor Len Williams points to a map showing Engie North America Inc.'s proposed 52,000-acre Prairie Hill Wind Farm.

[Buy Now](#)

Staff photo — Jerry Larson

About 500 school districts in Texas have similar value-limitation agreements or applications on file with the Secretary of State. About 200 of those agreements are with wind energy companies.

Williams said the renewable energy project could be a “big shot in the arm” if it means the cash-strapped district receives an additional \$50,000 in annual state funding for the next 15 years.

Right now the project is in a “mid-level” development stage, Engie spokeswoman Julie Vitek said.

“We have secured land for the project and are working on the proposed layout of the wind farm as well as determining the optimal wind turbine type,” Vitek said.

Area landowners have already received an initial \$8,000 from Engie for use of the land, another \$5,000 for legal services, and a promise to pay an undisclosed amount to each landowner annually, Williams said.

“That helps them out a little bit,” he said. “They were all really excited about it.”

The average median household income in Mart is about \$34,000, about \$20,000 less than the national average.

If approved, the project could add seven full-time jobs to the local economy and 200 temporary construction jobs, Williams said.

Construction could start by late next year, Vitek said. If everything goes smoothly, the wind farm could start commercial operation in 2020.

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4/10/2019

Wind farm could carry tax base boost into Mart ISD | Business | wacotrib.com

[https://www.wacotrib.com/news/business/wind-farm-could-carry-tax-base-boost-into-mart-isd/article\\_bbf697d-3f42-5826-93f3-e247c0db5f47.html](https://www.wacotrib.com/news/business/wind-farm-could-carry-tax-base-boost-into-mart-isd/article_bbf697d-3f42-5826-93f3-e247c0db5f47.html)

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**Findings and Order of the Mart Independent School District  
Board of Trustees under the Texas Economic Development Act on the Application  
Submitted by Prairie Hill Wind Project, LLC (Tax ID 32064084497) (Application #1312)**

**EXHIBIT B**

**Summary of Financial Impact on  
Mart Prepared by  
Education Service Center, Region 1**

**SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED  
PRAIRIE HILL WIND PROJECT, LLC. PROJECT  
(APPLICATION #1312)  
ON THE FINANCES OF  
MART INDEPENDENT SCHOOL DISTRICT  
UNDER A REQUESTED  
CHAPTER 313 APPRAISED VALUE LIMITATION**

**PREPARED BY  
EDUCATION SERVICE CENTER, REGION 12  
AUGUST 5, 2019**

## Introduction

Prairie Hill Wind Project, LLC (“Prairie Hill” or “Company”) has submitted an application to the Mart Independent School District (“MISD” or “District”) requesting a property value limitation on a proposed project, located within the school district boundaries, under Chapter 313 of the Texas Tax Code. The proposed project is a renewable energy project using wind turbines located in Limestone, and McLennan County, TX. The company estimates that the total investment in this project will be in excess of \$300 million.

Local government entities in Texas, including school districts, rely heavily on the ad valorem property tax to fund operations and building projects. Thus, the property tax burden that Texas imposes on individuals and business entities is higher compared to most other states. Seeking to encourage economic development and to attract large scale capital investment, the 77th Texas Legislature in 2001 enacted House Bill 1200 creating Tax Code Chapter 313, the Texas Economic Development Act. The act as amended by the legislature in 2007, 2009, and 2013 now grants eligibility to companies engaging in manufacturing, advanced clean energy projects, research and development, clean coal projects, renewable electric energy generation, electric power generation using integrated gasification combined cycle technology, nuclear electric power generation and a computer center used primarily in connection to one of the other categories, or a Texas Priority Project. Under the provisions of this law, the Mart Independent School District may grant a value limitation for maintenance and operation taxes in the amount of \$15 million dollars for a period of ten years.

The application calls for the project to be fully taxable for both maintenance and operation (M&O) and interest and sinking (I&S) during the 2019-20 and 2020-21 school years. Beginning with the 2021-22 school year, the value of the project would be limited to \$15 million for maintenance and operation (M&O) tax purposes and remain limited through the 2030-31 school year. The full value of the project will be taxable for debt service purposes using the I&S tax rate in all years of the agreement.

Revenue Protection Payment to Mart ISD -	\$2,706,494
Supplemental Payments to Mart ISD -	\$750,000
Total Revenue to Mart ISD Resulting from Tax Code Chapter 313 Agreement	<u>\$3,456,494</u>
Total Tax Savings to Company after all Payments -	<u>\$16,127,751</u>

## School Finance Mechanics

The Texas system of public-school funding is based on the ad valorem property tax. Schools levy a tax rate for maintenance and operation (M&O) and interest and sinking (I&S) against a current year tax roll. As a result of House Bill 3, as passed by the 86<sup>th</sup> Texas Legislature, signed into law, and effective in relevant part, on September 1, 2019, State funding is calculated using current year property value, which is a significant change from prior law which has relied on prior year values as certified by the Comptroller's Property Tax Division (CPTD), since 1993. However, for the purposes of districts with Tax Code Chapter 313 agreements and in accordance with Sec. 48.256 – LOCAL SHARE OF PROGRAM COST (TIER I), Subsection d - *A revenue protection payment required as part of an agreement for a limitation on appraised value shall be based on the district's taxable value of property for the preceding tax year.*

Texas school districts are funded by some combination of local ad valorem property taxes and state aid. Most of the money that a school district generates through the funding formulas is generated in Tier 1. Local M&O collections at the compressed tax rate generate Tier I funding. In 2019-20, a school district's Tier I revenue is the greater of the adjusted minimum target revenue amount or the state share of Tier 1 plus local M&O collections at the compressed rate. The Tier 1 formulas start with a Basic Allotment per student of \$6,160. Funding calculations use the number of students in average daily attendance, the number of students who participate in categorical/special programs, and adjustments for size, sparsity, and location determine a Total Cost of Tier 1. A Local Fund Assignment is determined by multiplying the district's compressed tax rate by the current year property value. This formula determines the local ad valorem property taxes the district must collect in order to satisfy the district's share of the Tier 1 cost. School districts that are relatively property wealthy per student fund most of the Total Cost of Tier 1 with local property taxes, while school districts that are relatively property poor per student receive most of the Total Cost of Tier 1 from state aid.

Mart ISD is a relatively property poor district per student and so most of its M&O revenue is not generated from local ad valorem property taxes. In attempting to provide some degree of funding equity among school districts, the formulas provide guaranteed yields for both Tier I (formula funding) and for Tier II (enrichment). For those districts that generate local revenue in excess of entitlement amounts, the excess revenue is recaptured. Under prior law, recapture was a function of excess property wealth per weighted student. The system continues to rely on both golden (greater of 96<sup>th</sup> percentile of wealth up to 160% of basic allotment) and copper (equalized up to \$49.28/WADA) enrichment pennies (Tier II tax rate). Under HB 3, districts can access up to 8 golden pennies. Copper pennies will be compressed in manner that generates the same revenue for the compressed number of pennies as were taxed under the old law. MISD currently

has property wealth per weighted ADA that is less than the second equalized wealth level at \$148,387 per weighted ADA. Under prior law, MISD was considered a Chapter 42 district and paid no recapture. The implementation of HB 3, is not expected to alter Mart's

status in terms of not being required to pay recapture. Prairie Hill is requesting that the value of the renewable energy project using wind turbines be limited to \$15,000,000 in years one through ten of the agreement, corresponding to the 2021-22 school year through the 2030-31 school year. The full value of the project would be subject to interest and sinking (I&S) taxes levied by Mart ISD in all years of the agreement.

### Underlying Assumptions

A forecast of the financial impact that the proposed value limitation will have on MISD's future revenue is critical information that will be very useful to the district when making the decision to grant the limitation and for the district's long range financial planning process. Analysis for this application covers the 2019-20 through the 2035-36 school years.

The Revenue Protection Clause of the proposed agreement calls for the school district to be held harmless against any potential state and local maintenance and operation revenue losses as a result of the value limitation agreement. Revenue protection calculations are to be made using whatever property tax laws and school funding formulas are in place at that time in years one through ten of the agreement. This stipulation is a statutory requirement under Section 313.027 of the Tax Code.

The approach used in this report was to predict 18 years of base data including average daily attendance, M&O and I&S tax rates, maintenance and operation (M&O) tax collections and current year (CAD) values and prior year (CPTD) values for each year of the agreement. For the purposes of this analysis, final 2017 CPTD values were used as well as 2018 CAD values from Falls, Limestone, and McLennan CAD. These values have been included in the base data illustrated in **Table 1**.

**Table 1 Base District Information  
Mart ISD Prairie Hill Wind Project, LLC. Agreement #1312**

Year of Agreement	School Year	ADA	WADA	Assumed M&O Tax Rate	Assumed I&S Tax Rate	CAD Value No Limit	CAD Value with Limitation
0	2019-20	486	889	\$0.9700	\$0.4328	\$148,807,605	\$148,807,605
QTP1	2020-21	486	889	\$0.9700	\$0.4328	\$153,807,605	\$153,807,605
QTP2/L1	2021-22	486	889	\$0.9700	\$0.4328	\$442,827,605	\$163,807,605
L2	2022-23	486	889	\$0.9700	\$0.4328	\$422,291,605	\$163,807,605
L3	2023-24	486	889	\$0.9700	\$0.4328	\$403,191,205	\$163,807,605
L4	2024-25	486	889	\$0.9700	\$0.4328	\$385,427,405	\$163,807,605
L5	2025-26	486	889	\$0.9700	\$0.4328	\$368,905,205	\$163,807,605
L6	2026-27	486	889	\$0.9700	\$0.4328	\$353,538,605	\$163,807,605
L7	2027-28	486	889	\$0.9700	\$0.4328	\$339,247,605	\$163,807,605
L8	2028-29	486	889	\$0.9700	\$0.4328	\$325,955,105	\$163,807,605
L9	2029-30	486	889	\$0.9700	\$0.4328	\$313,592,205	\$163,807,605
L10	2030-31	486	889	\$0.9700	\$0.4328	\$302,093,805	\$163,807,605
MVP1	2031-32	486	889	\$0.9700	\$0.4328	\$294,449,905	\$294,449,905
MVP2	2032-33	486	889	\$0.9700	\$0.4328	\$287,187,505	\$287,187,505
MVP3	2033-34	486	889	\$0.9700	\$0.4328	\$280,287,605	\$280,287,605
MVP4	2034-35	486	889	\$0.9700	\$0.4328	\$273,732,205	\$273,732,205
MVP5	2035-36	486	889	\$0.9700	\$0.4328	\$267,504,205	\$267,504,205

To isolate the impact of the value limitation on the District's finances over this 18 year agreement, average daily attendance and maintenance and operation tax rates were held constant at levels that existed in the 2018-19 school year. An ADA of 471.434, a WADA of 863.144 and a 2018 M&O tax rate of \$1.04, compressed to \$ .97 under HB 3 are used for each year of the forecast. A tax collection rate of 100% is assumed in all of the calculations used in this analysis. The Falls, Limestone, and McLennan CAD certified value for 2018 was used as the 2018 CAD value. This value was used as the basis for subsequent current year (CAD) values in this report. The final 2017 T1, T2, T3 and T4 Comptroller Property Tax Division (CPTD) values, certified to school districts in late July, 2018, were used as a basis for predicting prior year (CPTD) values for each of the agreement years.

The proposed agreement calls for Mart ISD to be held harmless against potential state and local revenue losses that might occur as a result of the value limitation being in effect for any given year of the agreement. In order to predict when and if these revenue losses may occur, a state and local revenue projection for the 2019-2020 school year was completed to serve as base line data and is displayed in Table 2.

**Table 2 2019-2020 Projected Summary of Finances**

**Funding Elements**

**Students**

Refined Average Daily Attendance (ADA)	479.465
Weighted ADA (WADA)	873.357

**Property Values**

2019 (current tax year) Locally Certified Property Value	\$148,807,605
2018 (prior tax year) Adjusted State Certified Property Value	\$136,285,989

**Tax Rates and Collections**

2005 Adopted M&O Tax Rate	1.3882
2019 (current tax year) Compressed M&O Tax Rate	0.9800
Average Tax Collection Rate	93.0%
2019 (current tax year) M&O Tax Rate	1.0400
2019-2020 (current school year) M&O Tax Collections	\$1,510,452
2019 (current tax year) I&S Tax Rate	0.4328
2019-2020 (current school year) I&S Tax Collections	\$590,867
2019-2020 (current school year) Total Tax Collections	\$2,101,319
2019-2020 (current school year) Total Tax Levy	\$1,768,907

**Funding Components**

Adjusted Allotment	\$7,057
Revenue at Compressed Rate (RACR) per WADA	\$5,313
Cost of Education (CEI) Index	1.050
Adjusted CEI	1.050
Per Capita Rate	\$247.587

**Tier I Allotments**

Total Cost of Tier I	\$4,552,576
Less Local Fund Assignment	(\$1,335,603)
State Share of Tier I	\$3,216,973
Per Capita Distribution from Available School Fund (ASF)	\$119,122

**Foundation School Program (FSP) State Funding**

Greater of State Share of Tier I or (ASF+NIFA+HS)	\$3,216,973
Tier II	\$620,999
Other Programs	\$12,417
Less Total Available School Fund (\$247.587 * Prior Yr ADA)	(\$119,122)
Foundation School Fund	\$3,731,267
Available School Fund	\$119,122
EDA	\$111,766
<b>TOTAL FSP/ASF STATE AID</b>	<b>\$3,962,155</b>

In any year of the limitation period where total state and or local funding with the full project value exceeds the total state and local funding produced when the limited value is used, a Revenue Protection Payment is indicated for that year. The results of these calculations are illustrated in **Table 3**.

**Table 3 Estimated Financial Impact of HB 3  
Mart ISD Prairie Hill Wind Project, LLC. Agreement #1312**

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits	School District Benefit \$100 per ADA	Company Tax Benefit
0	2019-20	\$0	\$0	\$0	0.9700	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	-\$50,000
QTP1	2020-21	\$5,000,000	\$5,000,000	\$0	0.9700	\$48,500	\$48,500	\$0	\$0	\$0	\$0	\$50,000	-\$50,000
QTP2L1	2021-22	\$294,020,000	\$15,000,000	\$279,020,000	0.9700	\$2,851,994	\$145,500	\$2,706,494	\$2,706,494	-\$2,706,494	\$0	\$50,000	-\$50,000
L2	2022-23	\$273,484,000	\$15,000,000	\$258,484,000	0.9700	\$2,852,795	\$145,500	\$2,507,295	\$2,507,295	\$0	\$2,507,295	\$50,000	\$2,457,295
L3	2023-24	\$254,383,800	\$15,000,000	\$239,383,800	0.9700	\$2,467,521	\$145,500	\$2,322,021	\$2,322,021	\$0	\$2,322,021	\$50,000	\$2,272,021
L4	2024-25	\$236,819,800	\$15,000,000	\$221,819,800	0.9700	\$2,295,212	\$145,500	\$2,149,712	\$2,149,712	\$0	\$2,149,712	\$50,000	\$2,099,712
L5	2025-26	\$220,097,600	\$15,000,000	\$205,097,600	0.9700	\$2,134,947	\$145,500	\$1,989,447	\$1,989,447	\$0	\$1,989,447	\$50,000	\$1,939,447
L6	2026-27	\$204,731,000	\$15,000,000	\$189,731,000	0.9700	\$1,985,891	\$145,500	\$1,840,391	\$1,840,391	\$0	\$1,840,391	\$50,000	\$1,790,391
L7	2027-28	\$190,440,000	\$15,000,000	\$175,440,000	0.9700	\$1,847,268	\$145,500	\$1,701,768	\$1,701,768	\$0	\$1,701,768	\$50,000	\$1,651,768
L8	2028-29	\$177,147,500	\$15,000,000	\$162,147,500	0.9700	\$1,718,331	\$145,500	\$1,572,831	\$1,572,831	\$0	\$1,572,831	\$50,000	\$1,422,831
L9	2029-30	\$164,784,600	\$15,000,000	\$149,784,600	0.9700	\$1,598,411	\$145,500	\$1,452,911	\$1,452,911	\$0	\$1,452,911	\$50,000	\$1,402,911
L10	2030-31	\$153,298,200	\$15,000,000	\$138,298,200	0.9700	\$1,486,878	\$145,500	\$1,341,378	\$1,341,378	\$0	\$1,341,378	\$50,000	\$1,291,378
MVP1	2031-32	\$148,642,300	\$145,642,300	\$0	0.9700	\$1,412,730	\$1,412,730	\$0	\$0	\$0	\$0	\$50,000	-\$50,000
MVP2	2032-33	\$138,379,900	\$138,379,900	\$0	0.9700	\$1,342,285	\$1,342,285	\$0	\$0	\$0	\$0	\$50,000	-\$50,000
MVP3	2033-34	\$131,480,000	\$131,480,000	\$0	0.9700	\$1,275,358	\$1,275,358	\$0	\$0	\$0	\$0	\$50,000	-\$50,000
MVP4	2034-35	\$124,924,800	\$124,924,800	\$0	0.9700	\$1,211,769	\$1,211,769	\$0	\$0	\$0	\$0	\$50,000	-\$50,000
MVP5	2035-36	\$118,998,800	\$118,998,800	\$0	0.9700	\$1,151,357	\$1,151,357	\$0	\$0	\$0	\$0	\$50,000	-\$50,000
<b>TOTALS</b>						<b>\$27,481,242</b>	<b>\$7,896,997</b>	<b>\$19,584,245</b>	<b>\$19,584,245</b>	<b>-\$2,706,494</b>	<b>\$16,877,751</b>	<b>\$750,000</b>	<b>\$16,127,751</b>

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

### Financial Impact on the School District

Utilizing the assumptions and methodology described above, total maintenance and operation revenue was estimated for each year of the agreement. **Table 3**, which summarizes the difference between the two models, indicates that there will be a total revenue loss of \$2.7 million over the course of the agreement. The revenue loss by the district, due to the agreement, is estimated to be mostly in the first year of the value limitation period.

### Financial Impact on the Taxpayer

The terms of the proposed agreement call for the maintenance and operation (M&O) value of the project to be limited to \$15 million starting in school year 2021-22 and remaining limited through school year 2030-31. The potential gross and net tax savings to Prairie Hill are shown in **Table 5**. As stated earlier, an M&O tax rate of \$.97 and a collection rate of 100% is used throughout the calculations in this report. **Table 5** shows gross tax savings due to the limitation of \$20.9 million over the length of the contract. Net tax savings are estimated to be \$16.9 million. To estimate supplemental payments to the school district of \$100 per ADA, a growth model of ADA was applied to the base ADA of 471, which was the ADA for MISD through the end of the first six-weeks of the 2018-19 school year. MISD's growth rate for the last 10 years has averaged 0.98%, so no ADA growth was used in the calculation of supplemental payment.

## Facilities Funding Impact on the District

Reports submitted by Prairie Hill show the full value of the property being depreciated over time. Even so, the full value of the project will be available to the district for I&S taxes and will enhance the district's ability to service current and future debt obligations. While the project is expected to provide additional employment opportunities in the area, the impact on student enrollment is predicted to be minimal.

## Conclusion

The Prairie Hill project proposed in this application will benefit the community, the district, MISD, and the taxpayer, Prairie Hill. The community will receive economic development, the taxpayer will enjoy savings on property taxes and the district will be held harmless from revenue loss due to the provisions of the agreement. The district will also enjoy an increased value available for I&S tax collections dedicated to debt service that can be leveraged to provide first class facilities for faculty and students.

Remember that the Texas Legislature could take additional action that could potentially change the impact of this agreement on the finances of Mart ISD and result in estimates that differ significantly from the estimates presented in this analysis. Some of the factors that could significantly change these estimates are legislative or administrative changes by the Texas Legislature, the Texas Education Agency or the Comptroller of Public Accounts. Those changes could contain changes to the school finance formulas, property value appraisals and tax exemptions. Other factors which could change, and will impact the estimates of this agreement, include changes to property values, district tax rates and student enrollment.

**Findings and Order of the Mart Independent School District  
Board of Trustees under the Texas Economic Development Act on the Application  
Submitted by Prairie Hill Wind Project, LLC (Tax ID 32064084497) (Application #1312)**

**EXHIBIT C**

**Proposed Agreement between  
Mart Independent School District  
and Prairie Hill Wind Project, LLC**

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

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by and between

MART INDEPENDENT SCHOOL DISTRICT

and

PRAIRIE HILL WIND PROJECT, LLC

(Texas Taxpayer ID # 32064084497)

Comptroller Application # 1312

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Dated:

August 14, 2019



**WHEREAS**, the District's Board of Trustees, by appropriate documentation dated August 2, 2019, extended the statutory deadline by which the District must consider the Application until August 31, 2019, and the Comptroller was provided notice of such extension as set out under 34 TEXAS ADMIN. CODE Section 9.1054(d);

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

**WHEREAS**, on August 14, 2019, 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 August 14, 2019, 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 August 14, 2019 pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the Texas Tax Code.

**WHEREAS**, on August 6, 2019, 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 August 14, 2019, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant;

**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 Prairie Hill Wind Project (Texas Taxpayer ID # 32064084497), 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 3** 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 November 14, 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 Limestone County Appraisal District.

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

“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 Limestone County, Texas.

“District” or “School District” means the Mart 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.

“Aggregate Limit” means, for any Tax Year during the term of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and all previous Tax Years during the term of this Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article VI.

“Annual Limit” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Section 313.027(i) of the TEXAS TAX CODE. For purposes of this Agreement, and as further provided in Sections 6.2A and 6.2D, the amount of the Annual Limit shall be equal to the greater of \$50,000 or an amount calculated for each calendar year by multiplying the District’s Average Daily Attendance for the school year immediately preceding the year for which the calculation is being made, as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, times \$100, or any larger amount allowed by Section 313.027(i) of the TEXAS TAX CODE, if such limitation is increased for any future year of this Agreement and such increase is effective for purposes of this Agreement. The Annual Limit shall first be computed for Tax Year 2019, which the Qualifying Time Period for the project is to

commence under this Agreement as provided in Section 2.3.C.i.

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

“Commencement Date” means July 18, 2019, the start of the Qualifying Time Period.

“Commercial Operations” shall mean the date on which all of the principal units included in the project described in the Application become commercially operational and placed into service, such that it is capable of producing electricity for consumer consumption.

“Cumulative Payments” means for each year of this Agreement the total of all payments, calculated under Articles IV, V and VI of this Agreement for the current Tax Year which are paid by or owed by Applicant to the District, plus payments paid by Applicant to compensate District for loss of revenue under this Agreement.

“Lost M&O Revenue” means the reduction in Maintenance and Operations ad valorem tax revenue to the District caused by, resulting from, or on account of the execution of this Agreement for each year starting in the year of the Application Approval Date and ending on the Final Termination Date of this Agreement.

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

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

“Original M&O Revenue” means the total State and local Maintenance and Operations Tax Revenue that the District would have received for the school year, under the Applicable School Finance Law for such Tax Year, had this Agreement not been entered into by the Parties and the Applicant’s Qualified Property been subject to the District’s full *ad valorem* M&O tax at the then-current tax rate. For purposes of this calculation, the Third Party will base its calculations upon the District’s taxable value of property for the preceding tax year as certified by the County Appraisal District for all taxable accounts in the District, less the Qualified Property subject to this Agreement, *plus* the total appraised value of the Qualified Property subject to this Agreement which is or would be used for the calculation of the District’s tax levy for debt tax purposes.

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

“Third Party” shall have the meaning set forth in Section 4.3.

**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 March 20, 2019, 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 August 14, 2019.

C. The Qualifying Time Period for this Agreement:

- i. Starts on August 14, 2019, the Application Approval Date, and
- ii. Ends on December 31, 2021, 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, first complete Tax Year that begins after the date of the commencement of Commercial Operations; and
- ii. Ends on December 31, 2030, which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i plus 9 years.

E. The Final Termination Date for this Agreement is December 31, 2035, which is the last year of the Tax Limitation Period as defined in Section 2.3.D.ii plus 5 years.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

**Section 2.4. TAX LIMITATION.** So long as the Applicant makes the Qualified Investment as

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

- A. the Market Value of the Applicant's Qualified Property; or
- B. Fifteen Million Dollars (\$15,000,000), 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 313.022(b) 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 \$5,000,000 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 \$784 for all New Non-Qualifying Jobs created by the Applicant.

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

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

### **ARTICLE III**

### **QUALIFIED PROPERTY**

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

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

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

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

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

**ARTICLE IV**  
**PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES**

**Section 4.1. INTENT OF THE PARTIES.** 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 and Section 48.256(d) of the TEXAS EDUCATION CODE, be compensated by the Applicant for any Lost M&O Revenue in each year of this Agreement for which this Agreement was the producing cause, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement. It is the intent of the Parties that the risk of any and all Lost M&O Revenue, for which this Agreement was the producing cause, will be borne solely by Applicant and not by the District.

The calculation of any Lost M&O Revenue required to be paid by the Applicant under this Article IV shall be made for the first time in the first complete Tax Year following the Application Approval Date, and every year thereafter during the term of this Agreement.

Within 60 days from the date Commercial Operations begin, the Applicant shall provide to the District, the Comptroller, and the Appraisal District a verified written report, giving a specific and detailed description of the land, tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such Qualified Property within the boundaries of the land which is subject to the Agreement, if such final description is different than the description provided in the Application or any supplemental application information, or if no substantial changes have been made, a verification of the fact that no substantial changes have been made.

The Parties further agree that the school finance report and projected revenue protection payment amounts 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;
- ii. Are based upon current Applicable School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and,
- iii. May change in future years to reflect changes in the Applicable School Finance Law.

**Section 4.2. CALCULATING THE LOST M&O REVENUE BY THE DISTRICT.** Subject only to the provisions of Section 7.1 of this Agreement, the amount to be paid by the Applicant to compensate the District for Lost M&O Revenue for each year starting in the year of the Application Approval Date and ending on the Final Termination Date shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula: The Lost M&O Revenue owed by the Applicant to the District means the Original M&O Revenue minus the New M&O Revenue. In making the calculations required by this Section 4.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law 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.
- v. All calculations under this Section 4.2 shall be made by a methodology which isolates the full M&O Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or on account of or otherwise arising out of any other factors not contained in this Agreement.

**Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY.** All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") selected each year by the District, with the consent of the Applicant. In the event the Applicant and the District cannot agree upon a Third Party, the Parties will participate in mediation as provided in Section 9.3 of this Agreement. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, shall also indemnify and reimburse the District for any reasonable and necessary costs to the District, including costs under Subsection 8.6(C), below, which are or may be attributable to compliance with State-imposed costs of compliance with the terms of this Agreement.

In the event that the calculations made under this Agreement by the Third Party should become the subject of litigation, the Parties stipulate that the Third Party's participation in any such dispute shall be limited to providing the court or administrative body with jurisdiction over such dispute with an explanation of the methodology used in reaching the Third Party's calculation so as to assist the court or administrative body.

**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 appraisal 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 appraisal 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 appraisal roll or any other changes in student counts, tax collections, or other data.

**Section 4.5. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.** If the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and such appeal remains unresolved at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property by the Appraisal District. The calculations shall be readjusted, if necessary, based on the outcome of the appeal as set forth below.

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

**Section 4.6. DELIVERY OF CALCULATIONS.** On or before November 1 of each year for which this Agreement is effective, the Third Party shall forward to the Parties a certification containing the calculations required under Articles IV, V, 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 an invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.7, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

**Section 4.7. PAYMENT BY APPLICANT.** The Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before January 31 of the year 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 legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas, for any audits conducted by the State Auditor's Office, 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 fees and expenses under this Section 4.7 that exceeds the necessary and reasonable costs incurred by the District for compliance with this Agreement. In any year in which such compliance is anticipated to exceed an aggregate amount of Fifteen Thousand Dollars (\$15,000) per year, the District shall provide the Applicant with prior written notice given by July 31 of the anticipated annual aggregate amount the District anticipates it will incur, and if the Applicant disagrees that such fees are necessary and reasonable, the Parties may resolve such dispute as provided in Section 4.8 below.

**Section 4.8. RESOLUTION OF DISPUTES.** Pursuant to this Article IV of this Agreement, should the Applicant disagree with the Third Party's certification containing the calculations (the "Certified 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 Certified Calculations, 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 Certified Calculations. Within ten (10) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the Certified Calculations (the "Final Certification of Calculations"). Thereafter, the Applicant may appeal the Final Certification of Calculations to the District's Board of Trustees. Any such appeal by the Applicant of the Final Certification of Calculations may be made, in writing, to the District's Board of Trustees within thirty (30) days of the Applicant's receipt of the Final Certification of Calculations and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

**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 the Comptroller, the Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to the District, up to the Annual Limitation amount set forth in Section 7.1, that are necessary to offset any negative impact on the 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 the District.

**Section 4.10. PAYMENT LIMITATION; AGGREGATE LIMIT.** In the event that the Revenue Protection Amount for any Tax Year during the Limitation Period of this Agreement shall exceed the Applicant's Net Tax Benefit for that Tax Year, the Revenue Protection Amount owed for that year shall be limited to the Applicant's Net Tax Benefit for that Tax Year. Amounts otherwise due and owing by the Applicant to the District which, by virtue of this payment limitation, are not paid in that Tax Year shall be carried forward from year to year into subsequent Tax Years until paid in full.

## **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

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.**

In interpreting the provisions of this Article VI, the Parties agree that, in addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article VI. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the TEXAS TAX CODE, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under this Article VI are separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V. Each Supplemental Payment shall be due and payable on January 31<sup>st</sup> of the year following that in which such Supplemental Payment accrued.

### **Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:**

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

B. Supplemental Payments may only be made during the period starting 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 Average Daily Attendance for the previous school year.

Failure to pay such Supplemental Payments shall constitute Material Breach of this Agreement, as set forth more fully herein at Article IX.

**Section 6.3. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT.** For each Tax Year during the term of this Agreement beginning with the first year of the Qualifying Time Period (Tax Year 2019) and continuing thereafter through the third year following the Tax Limitation Period defined in Section 2.3(D)(ii) (Tax Year 2033), the District, or its successor beneficiary should one be designated under Section 6.2 and 6.3 above, shall be entitled to receive Supplemental Payments.

- A. If, for any Tax Year during the Qualifying Time Period and/or Limitation Period under this Agreement the Supplemental Payment Amount, calculated under Section 6.2 above for such Tax Year, which, by virtue of the application of the payment limitation set forth in Section 7.1 below, is not payable to the District for such Tax Year, such sums shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, but shall be subject, in each subsequent Tax Year, to the Payment limit set forth in Section 7.1.
- A. Pursuant to TEXAS TAX CODE Section 313.027(i), the parties agree that Supplemental Payments under this Section 6 shall be owed for each year of the period beginning in the first year of the Qualifying Time Period (2019 Tax Year) and ending December 31 of the third year following the end of the Tax Limitation Period (2033 Tax Year).

**Section 6.4. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS.** All calculations required by this Article VI, including but not limited to: (i) the calculation of the Applicant's Stipulated Supplemental Payment Amount; (ii) the determination of both the Annual Limit and the Aggregate Limit; (iii) the effect, if any, of the Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and (iv) the carry forward and accumulation of any of the Applicant's Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 4.3.

- (a) 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.
- (b) The payment of all amounts due under this Article VI shall be made at the time set forth in Section 4.7.
- (c) Any appeal by the Applicant of the calculations made by the Third Party under this Article VI shall be done in the same manner as set forth in Section 4.8, above.

**Section 6.5. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY.** At any time during this Agreement, the Board of Trustees may, in its sole discretion, direct that all or any portion of the Applicant's payments under this Article VI ("Directed Payments") be made to the District's educational foundation or to a similar entity. Such foundation or entity may only use such funds received under this

Article VI to support the educational mission of the District and its students. Any designation of such foundation or entity to receive Directed Payments must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the Board of Trustees. Any such designation will become effective after such 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 by the Board of Trustees, by Board action, at any time, and any such rescission will become effective after delivery of notice of such action to the Applicant in conformance with the provisions of Section 10.1.

Any designation of a successor beneficiary under this Section 6.5 shall not alter the limits on Supplemental Payments described in Sections 6.2 and 6.3, above.

Notwithstanding the foregoing, any payments made by Applicant shall be made in the manner and to the party designated in this Agreement, unless Applicant receives unambiguous written notice from the District that such payments are to be made to a different party.

## **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 ninety-six (96) hours prior written notice and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

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

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

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

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

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

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

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly

under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

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

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

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

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

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

## **ARTICLE IX**

### **MATERIAL BREACH OR EARLY TERMINATION**

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

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

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

- C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;
- D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;
- E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;
- F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;
- G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;
- H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;
- I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;
- J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;
- K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;
- L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;
- M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;
- N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement; or
- O. The Applicant failed to comply with the conditions included in the certificate for limitation

issued by the Comptroller.

## **Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.**

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

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

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

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

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

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

## **Section 9.3. DISPUTE RESOLUTION.**

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Limestone County. 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 Limestone 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 ninety (90) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE, and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

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

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.2 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within 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 ninety (90) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

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

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

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

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

**Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT.**

Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make

\$5,000,000 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:

Mrs. Elizabeth Burnett (or her  
successor) Superintendent of Schools  
Mart Independent School District  
700 Navarro Street  
Mart, Texas 7664  
Phone: (254) 876-2523  
Email: len.williams@martisd.org

With a copy to:

Sara Leon  
Sara Leon & Associates,  
LLC  
Phone: (512) 656-4546  
Facsimile: (512) 637-  
4245  
Email: [sleon@saraleonlaw.com](mailto:sleon@saraleonlaw.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.

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

ENGIE North America  
Attn: Matt Riley  
Vice President  
3760 State Street, Suite 200  
Santa Barbara, CA 9105  
Phone: (805) 569-6181  
Facsimile: (805) 569-6190  
Email: matt.riley@engie.com

With a copy to:

ENGIE North America  
Keith Kurtz  
Senior Project  
Manager  
150 S. Wacker Drive, Suite 2400  
Chicago, IL  
60606  
Phone: (217) 306-6452  
Facsimile: (217) 306-6452  
Email: Keith.Kurtz@engie.com

And:

Wes Jackson  
Cummings Westlake, LLC  
12837 Louetta Road, Suite 201  
Cypress, Texas 77429  
Phone: (713) 266-4456  
Facsimile: (713) 266-2333  
Email: wjackson@cwlp.net

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

#### **Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.**

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

B. By official action of the District's Board of Trustees, the Application and this Agreement

may only be amended according to the following:

- i. The Applicant shall submit to the District and the Comptroller:
    - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
    - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
    - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;
  - ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and
  - iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.
- C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:
- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;
  - ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and
- D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.
- E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.
- F. The Applicant shall amend the Application and this Agreement to identify the changes in the information that was provided in the Application and was approved by the District and as considered by the Comptroller no earlier than 180 days and no later than 90 days prior to the start of the Qualifying Time Period as identified in Section 2.3.C.i of this Agreement.
- i. The Applicant shall comply with written requests from the District or the Comptroller to provide additional information necessary to prepare a Comptroller certificate for a limitation for the conditions prior to the start of the Qualifying Time Period; and

ii. If the Comptroller provides its certificate for a limitation with conditions different from the existing agreement, the District shall hold a meeting and determine whether to amend this Agreement to include the conditions required by the Comptroller or terminate this Agreement; or

iii. If the Comptroller withdraws its certificate for a limitation based on the revised Application, the District shall terminate this Agreement.

### **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 Limestone 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 313.28 of the TEXAS TAX CODE.

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

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

**Section 10.14. CONFLICT OF INTEREST.**

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

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

C. The District and the Applicant each separately agree to notify the other Party and the

Comptroller immediately upon learning of any conflicts of interest.

**Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION.**

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

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

**Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.**

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

B. Delivery is deemed complete as follows:

- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
- iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
- iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

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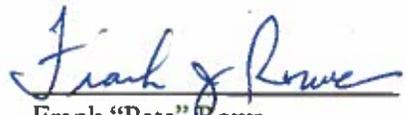
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this <sup>24<sup>th</sup></sup> ~~31~~st day of August, 2019.

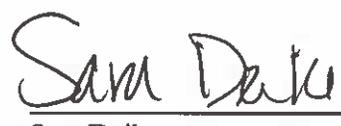
PRAIRIE HILL WIND PROJECT, LLC

MART INDEPENDENT SCHOOL DISTRICT

By:   
Matt Riley  
Vice President, ENGIE North America

By:   
Frank "Pete" Rowe  
President, Board of Trustees

ATTEST:

By:   
Sara Deike  
Secretary, Board of Trustees

**EXHIBIT 1**  
**DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE**

Parcel ID	Description	Parcel Name	Acres	County
5	888 & CRY, Tract 9, 102.0 acres, Prop. ID 133490 888 & CRY, Tract 8A, 17.58 acres, Prop. ID 331902 888 & CRY, Tract 2, 29.022 acres, Prop. ID 340857	Selvanv, Margaret	148.602	McLennan
8	A548 A. Tim, 60 acres, Prop. ID R13600 A177 L. Dillon, 160 acres, Prop. ID R13601 A548 A. Tim, 40 acres, Prop. ID R13602	Potts, Thomas	260	Limestone
9	A340 P.S. Meneal, 75.584 acres, Prop. ID R133970 A340 P.S. Meneal, 84.86 acres, Prop. ID R13179 A619 G.A. Crawford, 42.8 acres, Prop. ID R13852 A466 F.A. Richardson, 50 acres, Prop. ID R13972 A441 P. Pate, 98.5 acres, (SHELTON FARM), Prop. ID R13980 A140 T.J. Church, 102.5 acres, (SHELTON FARM), Prop. ID R13980 A340 P.S. Meneal, 100 acres, Prop. ID R14057 A544 J.B. Trainary, 105.351 acres, Prop. ID R14266	Mach, Robert & Annie	659.595	Limestone
10	A544 J.B. Trainary, 107.2 acres, Prop. ID R13978 A466 F.A. Richardson, 316.35 acres, Prop. ID R13981 A119 J. Contis, 2 acres, Prop. ID R13982 A119 J. Contis, 108.44 acres, Prop. ID R14265	Mach Trust, Robert & Annie	533.99	Limestone
11	GAUNDO I, 69.815 acres, Prop. ID 347174 GAUNDO I, Tract 21, 5.9 acres, Prop. ID 131578 GAUNDO I, 67.89 acres, Prop. ID 131578 GAUNDO I, 15.0 acres, Prop. ID 131760	Hughes, Marvin & Cheryl	158.605	McLennan
14	Limestone County: A305 L. Kelsey, 149.14 acres, Prop. ID R14120 A 305 L. Kelsey, 101.6 acres, Prop. ID R41417 McLennan County: TOBY T, 17.36 acres, Prop. ID 134881	Hogg, Connie	268.1	McLennan, Limestone
15	GAUNDO I Tract 33, 162.0 acres, Prop. ID 131724	Parma, Ray & Rose	162	McLennan
16	GAUNDO I, Tract 25, 162.6 acres, Prop. ID 131719	Parma Family Trust	162.6	McLennan
17	Limestone County: A 503 T. Sargeant, 127.34 acres, Prop. ID R13788 McLennan County: Sergeant T, Tract 18, 187.8 acres, Prop. ID 353220 Donahoe WM, 242.07 acres, Prop. ID 134156	Lazy J. Ranch, LLC	557.21	McLennan, Limestone

18	A085 I. Bear, 100 acres, Prop. ID R13749 A085 I. Bear, 109.5 acres, Prop. ID R13963 A441 P. Pata, 46.71 acres, Prop. ID R13964	Labkowski, Gene & Betty	256.21	Limestone
21	A177 L. Dillon, 100 acres, Prop. ID R14058	Freeman, Jeanie	100	Limestone
22	A085 I. Bear, 132.1 acres, Prop. ID R13906 A085 I. Bear, 27.33 acres, Prop. ID R13907 A085 I. Bear, 85.87 acres, Prop. ID R14141	Jones, Calvin	245.3	Limestone
28	Manchaca J.A, 22.488 acres, Prop. ID R131848	Blasingame, Roy & Barbara	22.448	McLannan
31	A331 A. Litton, 2 acres, Life Estate, Prop. ID R3056 A529 W.A. Senty, 10.72 acres, Life Estate, Prop. ID R6699 A331 A. Litton, 75.5 acres, Life Estate, Prop. ID R6700 A528 D. Sullivan, 80 acres, Life Estate, Prop. ID R6701 A528 D. Sullivan, 381.3 acres, Life Estate, Prop. ID R6702 A123 E. Cory, 30 acres, Life Estate E Cory, Prop. ID R6703	Bennett & Bennett-Stapp	579.52	Limestone
32	R9920 A 108 Ann Cox, 996 acres R9922 A528 D. Sullivan, 576 acres R9921 A146 G.W. Carlie, 163 acres	Oliver Ranch Partnership, LP	1735	Limestone
33	Limestone County: A441 P. Pata, 18.682 acres, Prop. ID R13448 A140 T.J. Church, 40.91 acres, Prop. ID R13950 A140 T.J. Church, 9.63 acres, Prop. ID R13951 A441 P. Pata, 43.41 acres, Prop. ID R13952 A224 A. M. Gosney, 29.4 acres, Prop. ID R13953 A224 A. M. Gosney, 209 acres, Prop. ID R13954 A304 S. A. Kimbrel, 147.48 acres, Prop. ID R14160 A441 P. Pata, 77 acres, Prop. ID R14161 A441 P. Pata, 80.5 acres, Prop. ID R52370 Falls County: A441 P. Pata, 93.3 acres, Prop. ID R13949 A224 A. M. Gosney, 130.84 acres, Prop. ID R13955 A224 A. M. Gosney, 34.09 acres, Prop. ID R14261 A224 A. M. Gosney, 8.3 acres, Prop. ID R14262 A304 S. A. Kimbrel, 161 acres, Prop. ID R14289	Dieterich, Jason & Kyle	1083.742	Falls, Limestone
34	A466 F.A. Richardson, 200 acres, Prop. ID R14250	Chappell & Moana	200	Limestone

33	GAUNDO I Tract 43A, 0.17 acres, Prop. ID 131764 888 & CRY Tract 8A, 2.92 acres, Prop. ID 133492 888 & CRY (A-100), 48.478 acres, Prop. ID 131765 GAUNDO I (A-17), 1.0 acres, Prop. ID 131765	Sewyers, Sherrilee	52.560	McLennan
40	A305 L. Kelsey, 74.74 acres, Prop. ID R13720 A305 L. Kelsey, 15 acres, Prop. ID R117334 A464 R. Rutledge, 100 acres, Prop. ID 2459	Collins, Charles	189.74	Limestone
41	A358 Chas. Moore, 38.584 acres, Prop. ID R116819 A358 Chas. Moore, 109 acres, Prop. ID R2377 A358 Chas. Moore, 15.92 acres, Prop. ID R2379 A526 J.B. Stephenson, 151.3 acres, Prop. ID R13642 A466 F.A. Richardson, 271.80 acres, Prop. ID R13733 A177 L. Dillon, 220 acres, Prop. ID R13734 A265 D. Huffman, 107.5 acres, Prop. ID R13736 A305 L. Kelsey, 120.26 acres, Prop. ID R14121	Wright, Robert et al	1034.364	Limestone
42	A305 L. Kelsey, 131 acres, Prop. ID R14049 A305 L. Kelsey, 213.44 acres, Prop. ID R14217	Wright & Wright-Kemper	344.44	Limestone
43	A421 J. Nelson, 105 acres, Prop. ID R14216 A421 J. Nelson, 25 acres, Prop. ID R50441 A359 J.B. Miller, 125 acres, Prop. ID R52373	Wright, Carol	255	Limestone
44	A376 M. Miller Jr, 83.5 acres, Prop. ID R8261 A528 D. Sullivan, 119 acres, Prop. ID R8262	Harriman, Reva	202.5	Limestone
48	R14198-A456 WM. Pettus, 179.899 Acres, Lower Place R1969-A145 Carr & Connel, 78.5 Acres, Coolidge Place R21746-A030 P. VARELA, Block 021, 83.4 Acres, LIFE ESTATE R21746-A030 P. VARELA, Block 068, 48.46 Acres, "FIFTY ACRES" LIFE ESTATE R2420-A442 J. PEVHOUSE, 33.6 Acres, COOLIDGE PLACE	Barham, Bobbie	423.859	Limestone
49	A456 WM. PETTUS, 20.101 ACRES PROP. ID R48291 A623 J. FORRESTER, 124 ACRES, PROP. ID R1830 A623 J. FORRESTER, 5 ACRES, PROP. ID R2942 A587 M. WHITE, 1.5 ACRES, PROP. ID R3381 A587 M. WHITE, 5.36 ACRES, PROP. ID R3392 A456 WM. PETTUS, 70.74 ACRES, PROP. ID R50496	Barham, John	226.701	Limestone

52	Limestone County: A421 J. Nelson, 27 acres, Prop. ID R13983 McLennan County: Nelson J, 190.456 acres, Prop. ID 134903	Lockridge Family	217.456	McLennan, Limestone
53	A353 J.H. Murray, 20.11 acres, Prop. ID R60821	Radney, Charles	20.11	Limestone
54	Limestone County: A421, J.B. Miller, Tract One, 144.8 acres, Prop. ID R14100 A490, E. Smith, Tract Two, 350.8 acres, Prop. ID R14102 A359, J.B. Miller, Tract Three, 359.8 acres, Prop. ID R14103 E. Smith, Tract Four, 17.933 acres, Prop. ID R14277 A185, A. Eldridge, Tract Five, 167.675 acres, Prop. ID R14105 McLennan County: J.W. Hatch, Tract Six, 95.94 acres, Prop. ID 134866 Tract Seven, 1095.4 acres, Prop. ID 100732	W.B. Shelton Farm & Ranch, Ltd.	2232.348	McLennan, Limestone
60	A229, H. Hendrick, 299.86 acres, Prop. ID R13972	LAHW Investments, LLC	299.86	Limestone
61	N BBS & CRY 153.70 acres, Prop. ID 133494	Casper, Billy & Debbie	153.7	McLennan
64	MANCHACA 1 A 64.41 acres, Prop. ID 131850	Hendrick, Stephen & Frances	64.41	McLennan
66	A314 J.M.G., Leiba, 60.13 acres Prop. ID R13801	Romina, Patrick	60.13	Limestone
67	A825, Steiner & Barrett, 225.192 acres, Prop. ID 134843 A873, Toby T, 19 acres, Prop. ID 134843	Copeland, Roger & Robin	244.192	McLennan
68	A007 R. Eaton, ACRES 90.05, Prop. ID R10157 A058 Wm. Brennan, ACRES 25, Prop. ID R10158 A007 R. Eaton, ACRES 50.86, Prop. ID R10159 A058 Wm. Brennan, ACRES 48.75, Prop. ID R10160 A229 H. Hendrick, ACRES 50.95, Prop. ID R133278 A229 H. Hendrick, ACRES 234.36, Prop. ID R14030	Oprika Ranch, LLC	499.97	Limestone
69	Steiner & Barrett, 174.15 acres, Prop. ID 134840 Martinez J.D., 89.27 acres, Prop. ID 134758	Barton, Bernard & Jeanna	263.42	McLennan
72	A544 J.B. Trainary, ACRES 68.32, Prop. ID R134977	Jansen, James & Dana	68.32	Limestone

76	A222 N. Gilliam, ACRES 110, property ID: R10993 A458 J.P. Philipott, ACRES 9.33, property ID: R114786 A306 J. Kelend, ACRES 199.83, property ID: R11693 A225 P.B. George, ACRES 74.13, property ID: R11896 A222 N. Gilliam, ACRES 225.42, property ID: R11697 A397 J. McMillan, ACRES 32.62, property ID: R11698 A440 P. Pate, ACRES 42.27, property ID: R11699 A458 J.P. Philipott, ACRES 6.47, property ID: R11700 A528 D. Sullivan, ACRES 119.92, property ID: R11701 A576 Z. White, ACRES 157.29, property ID: R11702 A222 N. Gilliam, ACRES 47.5, property ID: R13999 A222 N. Gilliam, ACRES 60.1, property ID: R14201 A576 Z. White, ACRES 18.63, property ID: R14202	White, Nolan & Shirley	1163.51	Limestone
77	R7957-A540 J.M. Scarborough, Acres 105 R2462-A464 R. Rutledge, Acres 52 R7956-A642 L.B. Robleson, Acres 159 R7985-A460 N.E. Parks, Acres 126	Gauntt & Gauntt	442	Limestone
78	A544 J.B. Trainery, 68.32 acres, Tract A, Prop. ID R14272	Dusek, Bradley & Lindsey	68.32	Limestone
79	A285, H. & T.C. RR. Co. 9.23 acres, Prop. ID R133529 A285, H. & T.C. RR. Co. 5.66 acres, Prop. ID R1460 A285, H. & T.C. RR. Co. 10 acres, Prop. ID R2251	Carter, Sabrina & Donnie	24.89	Limestone
81	A623, J Forrester, 3.03 acres, Prop. ID R134014 A623, J Forrester, 178.16 acres, Prop. ID R2914	Reinke, Kenneth & JoAnn	181.19	Limestone
82	Limestone County: A085 I Bear, ACRES 261.43, Prop. ID R14015 McLennan County: A085 I BEAR, ACRES 261.43, Prop. ID R14015 BEAR I TRACT 2 ACRES 15.0, Prop. ID 134964	Murphy, Gary	537.86	McLennan, Limestone
83	Limestone County: A085 I Bear, ACRES 173.5, Prop. ID R13698 A085 I Bear, ACRES 200, Prop. ID R13699 A165 L. Dillon, ACRES 495, Prop. ID R13877 A228 N. Hodge, ACRES 290, Prop. ID 13879 A719 L.B. Smyth, ACRES 154, Prop. ID 13880 McLennan County: CHAPMAN W F TRACT 6 ACRES 150.04 BEAR I 390.48 ACRES, Prop. ID 132387 CHAPMAN W F TRACT 8 ACRES 150.04, Prop. ID 133774 CHAPMAN W F TRACT 2 ACRES 51.73, Prop. ID 133775 DONAHOE WM ACRES 42.87, Prop. ID 134107	Jarvis-Paris-Murphy Company, Inc.	2097.66	Limestone, McLennan

86	132332 - BAILEY JOHN, Acres 7 132333 - BAILEY JOHN, Acres 4.55 134277 - DICKINSON R, Tract 5, Acres 267.12 134827 - SOVERIN I Tract 1, Acres 31.34 134828 - SOVERIN I Tract 2, Acres 191.28	Stiles & White	401.09	McLennan
87	A428, W.W. Oliver, ACRES 2.808, Prop. ID R14239 A428, W.W. Oliver, ACRES 1, Prop. ID R14291 A428, W.W. Oliver, ACRES 51.8, Prop ID 60847 A428, W.W. Oliver, ACRES 47.277, Prop ID 13633 A428, W.W. Oliver, ACRES 7.2, Prop ID 14290	Bas, William & Barbara	109.285	Limestone
89	A428, W.W. Oliver, ACRES 182.1, Prop. ID R14119	Dominguez, Guzman & Rita	182.1	Limestone
90	Limestone County: A421 J. Nelson, ACRES 19, Prop. ID R14230 McLennan County: Nelson J., Tract 2, ACRES 195.96, Prop. ID 134905	Grelle, Donald	214.96	McLennan, Limestone
92	STEINER & BARNETT Acres 247.0, Prop ID 134841 TOBY T Acres 96.38, Prop. ID 134841 TOBY T Tract 3 Acres 67.0, Prop. ID 134855	Grelle, Donald & Janice	410.38	McLennan
93	A460, N.E. Parks, ACRES 49, Prop. ID R8671 A540, J.M. Scarborough, ACRES 41, Prop. ID R8672	Thornton, Christopher	90	Limestone
94	R2921-A623, J. Forrester, Acres 110 R13930-A292, J.I. Justice, Acres 50 R47878-A292, J.I. Justice, Acres 50	Nale, Christy	210	Limestone
96	A594 H. York, ACRES 113, Prop. ID R2898	Waldrop, Billy & George	113	Limestone
97	A594 H. York, ACRES 72, Prop. ID R50178	Waldrop, George	72	Limestone
98	A594 H. York, Acres 65.7 Prop. ID R2899	Waldrop, Billy	65.7	Limestone
99	R14084 - A334 C. A. Lacosta, Acres 116.85 R48005 - A335 C. A. Lacosta, Acres 37.125 A48288 - A335 C. A. Lacosta, Acres 296.03 R48289 - A337 C. A. Lacosta, Acres 128.89	Jansen Equipment, Inc.	580.835	Limestone

100	R13669 – A259 D. HARRISON, ACRES 504.1 R13670 – A428 W.W. OLIVER, ACRES 252.5 R131671 – A547 WM. THOMPSON, ACRES 156.03 R13673 – A259 D. HARRISON, ACRES 84.04 R13674 – A163 L. DILLON, ACRES 296.96 R13675 – A228 N. HODGE, ACRES 18.96 R13676 – A719 L.B. SMYTH, ACRES 31.15 R13677 – A676 R.M. FANCHER, ACRES 42.36	Warner, James	1385.1	Limestone
101	R5354 – A342 R. McIntyre, Acres 22.53 R1543 – A056 A. Bass, Acres 74.47 R2496 – A467 M. Rockefeller, Acres 92 R117758 – A056 A. Bass, Acres 2	Scott, Larry & Martha	191	Limestone
102	Limestone County: R115901 – A478 S. Rowe, ACRES 48.01 R133392 – A229 H. Hendrick, ACRES 22 R13603 – A644 C Tackett, ACRES 88.53 R14065 – A155 D. Dilke, ACRES 11.6 R14066 – A147 J.C. Carlton, ACRES 81.04 R14190 – A139 A. M. Cleveland, ACRES 101 R14191 – A478 S. Rowe, ACRES 125.27 R14193 – A139 A. M. Cleveland, ACRES 92 R2187 – A139 A M Cleveland, ACRES 45 R2216 – A229 H. Hendrick, ACRES 112.17 McLennan County: 133778 – CHAPMAN W F Tract 9 Acres 50 133779 – CHAPMAN W F Tract 4 Acres 14.6 133780 – CHAPMAN W F Tract 10 Acres 10 133777 – CHAPMAN W F Tract 16 Acres 114.14 131914 – SANCHES J D Tract 38A Acres 8.26 131763 – GALINDO I Tract 43 Acres 25 131762 – GALINDO I Tract 42A Acres 22.53 131761 – GALINDO I Tract 42 Acres 121.72	Larson & Watson	1092.97	McLennan, Limestone

103	<p>Limestone County:  R13620 – A340 P.S. Mcneel, ACRES 75  R13771 – A139 A M Cleveland, ACRES 60  R13772 – A644 C Tackett, ACRES 27.3  R13773 – A139 A M Cleveland, ACRES 49  R13774 – A644 C Tackett, ACRES 20  R13806 – A140 T. I. Church, ACRES 395.82  R14204 – A478 S. Rowe, ACRES 1.96</p> <p>McLennan County:  133796 – CHAPMAN W F, Acres 3  133797 – CHAPMAN W F Tract 17, Acres 70  133798 – CHAPMAN W F, Acres 1.47  134739 – LA COSTA C A Tract 7 Acres 152.951  131847 – MANCHACA J A Acres 91.505  133136 – MART OT Block 106 Lot 2 Acres 0.0717  133137 – MART OT Block 106 Lot 1 Acres 0.0717  133138 – MART OT Block 106 Lot 3 Acres 0.0717  133139 – MART ORIGINAL Block 106 Lot 4 THRU 26 Acres 0.5022  133287 – MART OT Block 124 Lot 12 Acres 0.1722  338134 – LA COSTA C A Acres 6.375  370218 – MANCHACA J A Acres 5.294</p>	Watson, Marcus	950.7643	McLennan, Limestone
104	R5578 – A467 M. Rockerfellow, Acres 116.555	Kennedy, Brett & Traci	116.555	Limestone
105	R131831 – A467 Rockerfellow, Acres 40	Kennedy, Cheryl	40	Limestone
106	<p>R115001 – A340 P.S. MCNEEL, ACRES 71.432  R115002 – A413 J. MCADAMS, ACRES 74.803  R119320 – A295 P. JOHNSON, ACRES 87  R133413 – A334 C.A. LACOSTE, ACRES 25  R134279 – A364 H. MCLAUREN, ACRES 28.45  R13694 – S153 D. DIKES, ACRES 6.67  R13695 – A413 J. MCADAMS, ACRES 2.37  R14062 – A364 H. MCLAUREN, ACRES 80.37  R48290 – A336 C.A. LACOSTE, ACRES 287.49</p>	Winn Family Partnership, LP	900.654	Limestone
108	<p>Limestone County:  R13616 – A340 P.S. Mcneel, Acres 196.5  R13714 – A139 M. Cleveland, Acres 110  R13803 – A490 E. Smith, Acres 323.44  R14284 – A421 J. Nelson, Acres 140.9</p> <p>McLennan County:  134859 – TOBY T Tract 7, Acres 189.09  131854 – MANCHACA J A, Acres 67.4</p>	Larson, Millicent	1007.33	McLennan, Limestone

109	R14192 - A490 E. SMITH, ACRES 70.87	Watson, Murray	70.87	Limestone
111	R13617 - A421 J. Nelson, Acres 27.34 R13618 - A359 J.B. Miller, Acres 100 R13619 - A526 J.B. Stephenson, Acres 95.5	Barclay, Carol & Walter	222.84	Limestone
112	R13843 - A544 J.B. TRAINARY, ACRES 100 R13844 - A305 L. KELSEY, ACRES 240 R13845 - A228 N. HODGE, ACRES 76 R13846 - A620 J.J. CRAWFORD, ACRES 143 R13847- A544 J.B. TRAINARY, ACRES 140 R13848 - A544 J.B. TRAINARY, ACRES 50 R13849 - A635 R.T. MILLER, ACRES 43.3 R13850 - A340 P.S. MCNEEL, ACRES 75 R13851- A544 J.B. TRAINARY, ACRES 105.5	Harris & Harris	972.8	Limestone
115	R2466 - A464 R. Rutledge, Acres 100	Wilson, Wyatt	100	Limestone
116	R2429 - A448 J.P. Plummer, Acres 33.56 R2473 - A464 R. Rutledge, Acres 23 R2894 - A585 J. Walker, Acres 61	Borho, Steven	117.56	Limestone
119	R2463 - A464 R. Rutledge, Acres 41.5 R3014 - A656 A W Patton, Acres 63.4	Bennett, Gerald	104.9	Limestone
120	R2900 - A594 H. York, Acres 122.6	Fambro & Curry	122.6	Limestone
121	R2803 - A544 J. B. Trainary, Acres 90	Fambro, Beverly	90	Limestone
123	R2800 - A544 J.B. Trainary, Acres 31.673 R2957 - A544 J.B. Trainary, Acres 111 R3385 - A594 H. York, Acres 21.9	Pullin, Kenneth	164.573	Limestone
125	R132037 - A229 H. Hendrick, Acres 35 R132038 - A229 H. Hendrick, Acres 13 R13861 - A229 H. Hendrick, Acres 116.78	Kingspoint Land Co. LTD	164.78	Limestone

126	R11506 – A109 Ann Cox, Acres 42 R117590 – A109 Ann Cox, Acres 109 R12483 – A541 H.I. Thompson, TRACT 4, Acres 24 R13835 – A109 Ann Cox, Acres 35 R13729 – A305 L. Kelsey, Acres 102.89 R13730 – A633 W. Kahler, Acres 67.5 R13731 – A619 G.A. Crawford, Acres 83.75 R14182 – A109 Ann Cox, Acres 5 R6654 – A109 Ann Cox, Acres 41 R6664 – A569 W.M. Williams, TRACT 3, Acres 158.586	Francis, William	669.726	Limestone
127	R117265 – A466 F.A. Richardson, Acres 1.08 R13983 – A466 F.A. Richardson, Acres 243 R13984 – A544 J.B. Trainary, Acres 46.5 R3794 – A544 J.B. Trainary, Acres 18	Francis, William & Susan	308.58	Limestone
132	R1544 – A056 A. Bass, Acres 63	Jones, Wayne	63	Limestone
134	R14271 – A544 J.B. Trainary, Acres 240.5 R2804 – A544 J.B. Trainary, Acres 184.92	Sain, Johnny	425.42	Limestone
136	R2143 – A314 J.M.G., Leiba, Acres 75.9 R2144 – A314 J.M.G., Leiba, Acres 9.2 R2146 – A314 J.M.G., Leiba, Acres 53 R2153 – A314 J.M.G., Leiba, Acres 28.294 R2154 – A314 J.M.G., Leiba, Acres 101 R2236 – A355 G.W. McGrew, Tract 9, Acres 130.37 R2257 – A355 G.W. McGrew, Tract 10, Acres 34.071 R2356 – A358 Chas. Moors, Acres 24 R2817 – A556 T. THOMPSON, Acres 3.3 R2949 – A358 Chas. Moors, Acres 11 R3843 – A358 Chas. Moors, Acres 2.24 R5553 – A314 J.M.G., Leiba, Acres 50.9	Serna, Abraham	534.025	Limestone
137	R13595 – A265 D. Huffman, Acres 154.6 R13597 – A340 P.S. Mcneel, Acres 138.07	Kent, H. L.	292.67	Limestone
138	R14034 – A066 W.W. BUSTER, Acres 63.99 R14035 – A087 N.M. Bain, Acres 81.96 R14056 – A544 J.B. Trainary, Acres 107 R14122 – A544 J.B. Trainary, Acres 214.2	Cook, Charlie	467.15	Limestone
139	R115851 – A340 P.S. Mcneel, Acres 107.07 R13805 – A292 J.I. Justice, Acres 96.1 R14234 – A340 P.S. Mcneel, Acres 142.41	Dziedzic, Leonard	345.58	Limestone

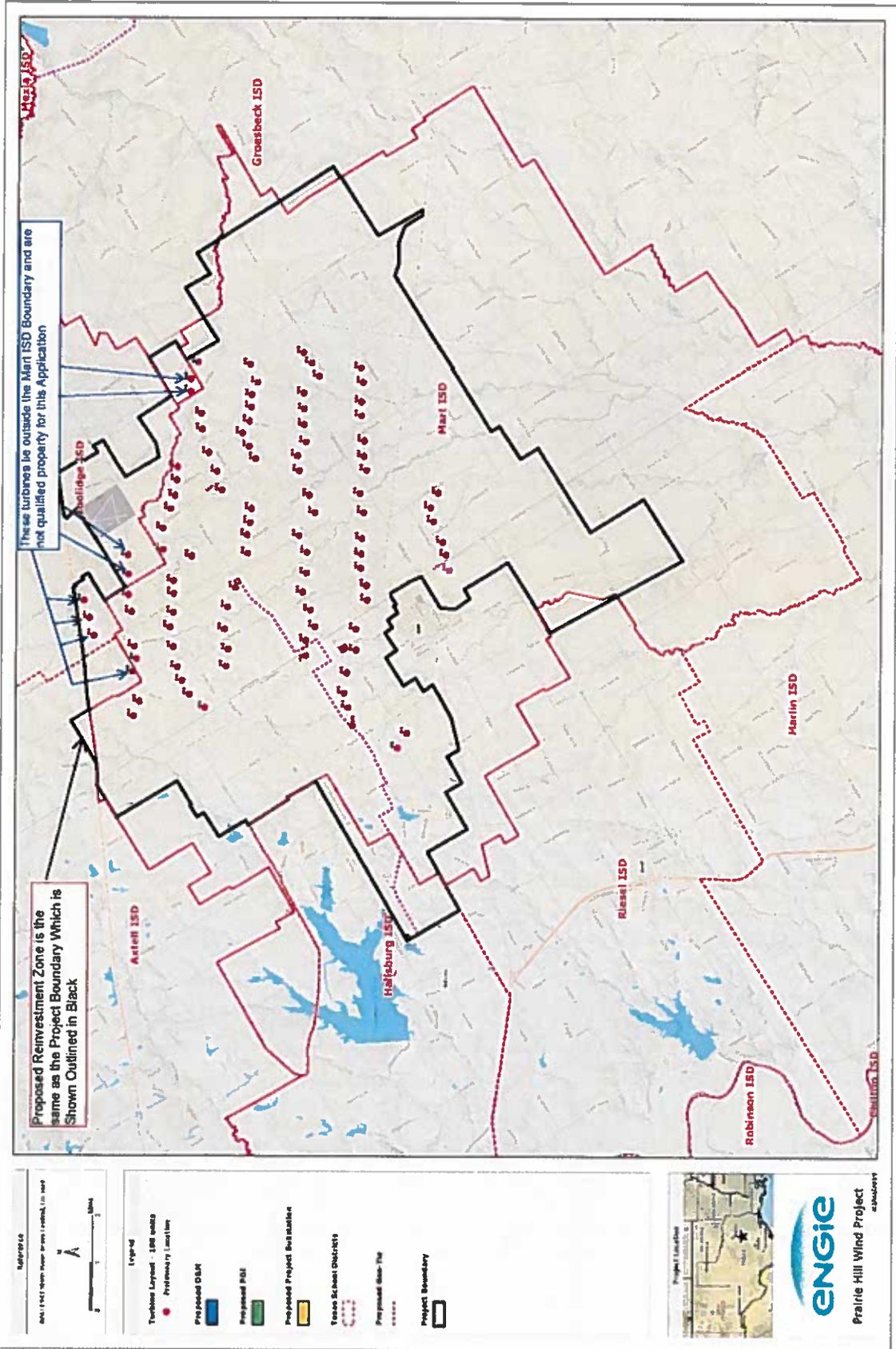
141	R2806 - A082 A. W. Bates, Acres 68	Findley, Payne	68	Limestone
142	R2427 - A448 J.P. Plummer, Acres 158.736 R3007 - A453 F.D. Morey, Acres 107.94 R3015 - A656 A W Patten, Acres 168.8 R5647 - A279 H. & T.C. RR. Co., Acres 45.53	Findley Estate, Payne	481.006	Limestone
168	A340 P S Mcneel, ACRES 360, Prop. ID R13604 A139 A M Cleveland, ACRES 200, Prop. ID R13605	Knesek Trust, Raymond	360	Limestone
216	A233 S. Holloway, ACRES 98.25, Prop. ID R13920 A294 J.W. Jones, ACRES 320, Prop. ID R13921	Keeling, John et al	418.25	Limestone
286	A305 L Kelsey, ACRES 25.4, Prop. ID R133891	Hykel Christopher	25.4	Limestone
294	A185 A Eldridge, ACRES 135.78, Prop. ID R14085 A669 R M Fencher, ACRES 94.7, Prop. ID R14086 A394 C A Lacosta, ACRES 133.8, Prop. ID 3616 A337 C A Lacosta, ACRES 133.8, Prop. ID R47926	Mart ISD	497.68	Limestone
297	A185 A Eldridge, ACRES 204.5, Prop. ID R13760 A185 A Eldridge, ACRES 849, Prop. ID R13809 A535 J S Spence, ACRES 165.72, Prop. ID R13810 A548 A Tom, ACRES 110, Prop. ID R13813	Schmid, Joe	204.5	Limestone
298	A359 J B Miller, ACRES 468.02, Prop. ID R13799 A228 N Hodge, ACRES 83, Prop. ID R13800	Gilam Trust & Gilam, Shelton	1124.72	Limestone
300	A359 J B Miller, ACRES 71.8, Prop. ID R13858	Getzendaner William Living Trust	551.02	Limestone
301	A359 J B Miller, ACRES 93, Prop. ID R13870	Jones, Jimmie	71.8	Limestone
302	A421 J Nelson, ACRES 38.5, R13786	Jones, Donald	93	Limestone
303	A421 J Nelson, ACRES 30, Prop. ID R13859	Jones, Donald	38.5	Limestone
305	A421 J Nelson, ACRES 109, (LIFE EST NELDA RUTH SUMMERS), Prop. ID R14821	Jones, Jimmie	30	Limestone
306	A421 J Nelson, ACRES 109, (LIFE EST NELDA RUTH SUMMERS), Prop. ID R14821	Summers, Julie Ann	109	Limestone
308	A421 J Nelson, ACRES 50, Prop. ID R13631	Jones, Donald Dean	50	Limestone
311	A421 J Nelson, ACRES 77.359, Prop. ID R118597 A421 J Nelson, ACRES 115, Prop. ID R131573 A185 A Eldridge, ACRES 148.606, Prop. ID R133947 A490 E Smikh, ACRES 488.5, Prop. ID R13811 A421 J Nelson, ACRES 150, Prop. ID R13812	Byrd, Jack David	77.359	Limestone
312	A490 E Smikh, ACRES 150, Prop. ID R13812	Gilam, Shelton	902.106	Limestone
	A490 E Smikh, ACRES 94.058, Prop. ID 14068	Strunck, Aubrey C	94.058	Limestone

314	A065 I Bear, ACRES 104.15, Prop. ID R13877	Strunck, Aubrey C	104.5	Limestone
322	A340 P S Mcneel, ACRES 320.2, A131 (H.W.COOK .20AC), Prop. ID R14148	Strunck, A	320.2	Limestone
327	A222 N. Gilham, ACRES 50, Prop. ID R14149	Strunck, A	50	Limestone
328	A222 N. Gilham, ACRES 135, Prop. ID R11022	Strunck, A	135	Limestone
339	A376 M. Miller Jr, Acres 152.552, property ID: R11732 A529 W.A. Senty, Acres 8.5, property ID: R11734 A528 D. Sullivan, Acres 3.35, property ID: R11733 A362 E. Mabry, Acres 134.32, property ID: R114835 A362 E. Mabry, Acres 129.29, property ID: R114836 A537 S.A. & M.G. Rr. Co., Acres 18.79, property ID: R114837 A029G A. Varela (Grosbeck), Acres 21.08, property ID: R13315	Spurlock, Danny & Tyna	467.882	Limestone
1068	A228 N. Hodge, 415 acres, Prop. ID R14220 A259 D. Harrison, 1.21 acres, Prop. ID R14221 A676 R.M. Fancher, 17.8 acres, Prop. ID R14222 A635 R.T. Miller, 105.43 acres, Prop. ID R14223 A428 W.W. Oliver, 93.56 acres, Prop. ID R14224	Hines, June Et Al	572.99	Limestone
1075	A428 W.W. Oliver, ACRES 93.11, Prop. ID R13867 A259 D. Harrison, ACRES 70.67, Prop. ID R13868	Lyles, Jay	163.78	Limestone
1122	A428 W.W. Oliver, ACRES 11.239, Prop. R13802	Caruso, Cole	11.239	Limestone
1123	A314 J.M.G., Leiba, ACRES 48.76, Prop. R119142	Caruso, Cole	48.76	Limestone
1124	A314, J M G Leiba, ACRES 17.93 Prop. ID R135104	Abraham Serna	17.93	Limestone
1126	A340 P.S. Mcneel, ACRES 17.432, Prop. ID R115001 A413 J. McAdams, ACRES 74.803, Prop. ID R115002 A295 P. Johnson, ACRES 87, Prop. ID R119920 A334 C A Lacoste, ACRES 25, Prop. ID R133413 A364 H. McLauren, ACRES 28.45, Prop. ID R134279 A340 P S Mcneel, ACRES 291.069, Prop. ID R13693 A155 D. Diles, ACRES 6.67, Prop. ID R13694 A413 J McAdams, ACRES 2.37, Prop. ID R13695 A544 J.B. Trainary, ACRES 82, Prop. ID R13737 A364 H McLauren, ACRES 79.09, Prop. ID R14062 A544 J.B. Trainary, ACRES 166, Prop. ID R2798 A594 H. York, ACRES 198.65, Prop. ID R2896 A336 C A Lacoste, ACRES 287.45, Prop. ID R48290	Winn Family Partnership, LP	1346.024	Limestone
1396	A165 L. Dillon, ACRES 168.22 Prop. ID R3398	Ricky Sharp	168.22	Limestone

1397	A547 Wm. Thompson, ACRES 33.54, Prop. ID R3754	Ricky Sharp	35.54	Limestone
1400	A228 N. Hodge, SERIAL 90120108282, TITLE # 00632105, LABEL # TXS0532577, ACRES 76.42, MODEL 670, Prop. ID R13855	Tyus W Vamon	76.42	Limestone
1406	A228 N. Hodge, ACRES 68.51, Prop. ID R13791	Freeman Gerald N	68.51	Limestone
1408	A228 N. Hodge, ACRES 50.4, Prop. ID R50003	John Phillips	50.4	Limestone
1410	A228 N Hodge, ACRES 83, Prop. ID R13800	Getzendaner William Living Trust	83	Limestone
1501	A340 P S Mcneel, ACRES 243.53, Prop. ID R3870	Childs, Merlon	243.53	Limestone
1502	A340 P S Mcneel, ACRES 33, Prop. ID 13688 A340 P S Mcneel, ACRES 26, Prop. ID 13692 A340 P S Mcneel, ACRES 4, Prop. ID R135096	Brewer, Brian	63	Limestone
1504	A340 P S Mcneel, ACRES 100.03, Prop. ID R13686	Casey Rebekah Burleson	100.3	Limestone
1505	A340 P S Mcneel, ACRES 100.03, Prop. ID R13690	Kaufmann, Neil	100.3	Limestone
1506	A548 A Tom, ACRES 116.5, Prop. ID R14152	Tankersley Evelyn Estate	116.5	Limestone
1528	DILLON I Acres 159.35, Prop. ID 134880	Ricky Sharp	159.35	McLennan
1721	A155 D. Dikes, ACRES 9, Prop. ID R119813 A109 Ann Cox, ACRES 18.2, Prop. ID R135722 A155 D Dikes, ACRES 8.37, Prop. ID R135723 A109 Ann Cox, ACRES 112.93, Prop. ID R135724 A134 H.w. Cook, ACRES 60.5, Prop. ID R13684	Burke, Kenneth	209	Limestone
1729	A229 H Hendrick, ACRES 45.308, Prop. ID R115717	Miller David J	45.308	Limestone
1732	A228 N. Hodge, ACRES 76.92, Prop. ID R14016	John Phillips	76.92	Limestone
4135	A353 J.H. Murray, ACRES 20.35, (HORN HILL PLACE) Property ID: R7307 A353 J.H. Murray, ACRES 58.33, (HORN HILL PLACE) Property ID: R12665 A076 S. Bridgeman, ACRES 74.64, (HORN HILL) Property ID: R7308 A076 S. Bridgeman, ACRES 37 Property ID: R9158	Longbotham, Martha	190.32	Limestone
4406	MANCHACA J.A., 22.9 acres, Prop. ID 131863	Hees & Hulse (TLE)	22.9	McLennan
4407	MANCHACA J.A., 85.62 acres, Prop. ID 347474 MANCHACA J.A., 40 acres, Prop. ID 131843	Bennett, Gary (TLE)	125.62	McLennan
4409	RIDGEWAY A.W., Acres 72.334, Prop. ID 102165 RAINEY C., Acres 126.5, Prop. ID 134907	Witt, Henry (TLE)	198.834	McLennan
4410	MANCHACA J.A., 245.57 acres, Prop. ID 120711	Bennett, Jeanette (TLE)	245.57	McLennan
4411	MANCHACA J.A., 109.3 acres, Prop. ID 120804 MANCHACA J.A., 255.0 acres, Prop. ID 120792	Sheehy, John (TLE)	364.3	McLennan

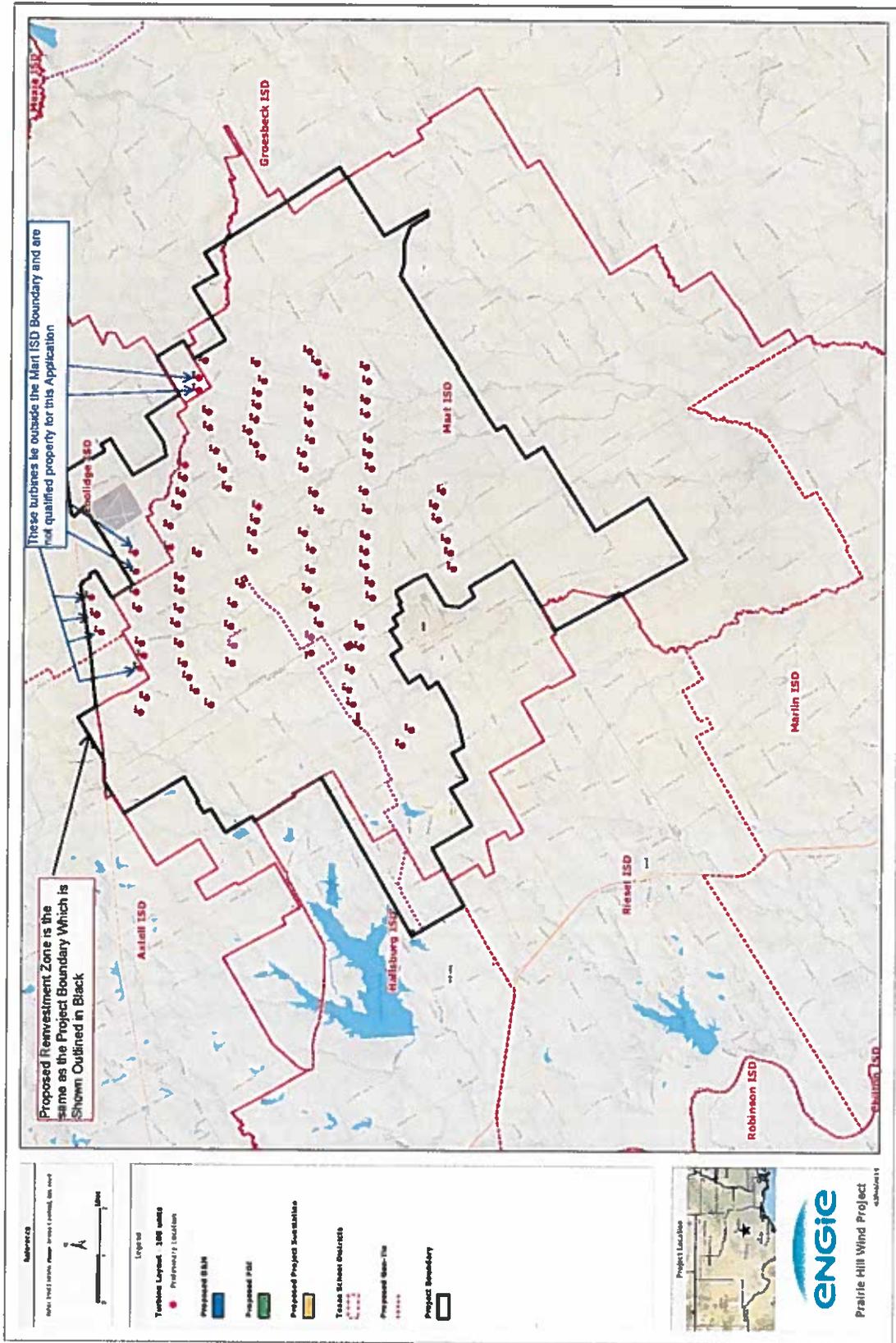
4412	MANCHACA J.A., 165.14 acres, Prop. ID 131845	Hulse, Monte (TLE)	165.14	McLennan
4414	MANCHACA J.A., 148.1 acres, Prop. ID 126703	Barnhart Trust, Russell & Carol (TLE)	148.1	McLennan
4415	MANCHACA J A ACRES 98.4794 MANCHACA J A ACRES 85.4306 MANCHACA J A ACRES 8.09	Kuehl, Sloan (TLE)	192	McLennan
4419	Limestone County: A085 J Bear, ACRES 95.47, Prop. ID R14059 Falls County: A0140 CLEVELAND A M 58.69 ACRES, Prop. ID 34508 A0140 CLEVELAND A M 74.0 ACRES, Prop. ID 34509	Price, Don	228.16	Falls, Limestone
4420	A0140 CLEVELAND A M 79.3 ACRES, Prop. ID 33081 A0140 CLEVELAND A M 20.0 ACRES, Prop. ID 46243	Mills Trust, Rickey & Donna	99.3	Falls
4421	A441 P Pate, ACRES 20, Prop. ID R14227 A441 P Pate, ACRES 100, Prop. ID R14231	David, Kertie	120	Limestone
4422	A0182 FRANCIS SEBASTIAN 199.8 ACRES, Prop. ID 27874 A0140 CLEVELAND A M 151.35 ACRES, Prop. ID 26563 A0140 CLEVELAND A M 130.0 ACRES, Prop. ID 39814 A0300 ROWE SAMUEL 44.78 ACRES, Prop. ID 30116 A0140 CLEVELAND A M 111.65 ACRES, Prop. ID 36552	Dieterich, Ben & Lou Ann	642.58	Falls
4429	A0139 CHAPMEN WM 10.6 ACRES, Prop. ID 29158 A0140 CLEVELAND A M 113.773 ACRES, Prop. ID 29157 A0140 CLEVELAND A M 90.5 ACRES, Prop. ID 30302	Labkowsky, Gene & Betty	214.873	Falls
4430	Falls County: A0140 CLEVELAND A M 73.0 ACRES, Prop. ID 28812 A0140 CLEVELAND A M 57.0 ACRES, Prop. ID 28813 Limestone County: A441 P Pate, ACRES 14.34, Prop. ID R13816 A441 P Pate, ACRES 57.33, Prop. ID R115384	Glaser B Trust	201.67	Falls, Limestone
4434	A359 J B Miller, ACRES 182.2, Prop. ID R13732 A544 J.B. Trainey, ACRES 107.55, Prop. ID R13796 A670 R.M. Fancher, ACRES 59.32, Prop. ID R13797 A822 W.W. Crawford, ACRES 21.19, Prop. ID R13798 A441 P Pate, ACRES 137.34, Prop. ID R14013 A421 J Nelson, ACRES 78.249, Prop. ID R3957	Stansan, Benny & Tammy	585.849	Limestone
4435	A0276 MARKS JOHN 29.36 ACRES, Prop. ID 47154	Winter, Lori	29.36	Falls

1427	A292 J Justice, ACRES 275.05, Prop. ID R14183	Ulcak, Greg	275.05	Limestone
1715	A109 ANN COX, ACRES 2, Prop. ID R10827 A155 D. Dikes, ACRES 75.25 Prop. ID R10828 A155 A155 - D. Dikes, ACRES 2, Prop. ID R131871 A155 D. Dikes, ACRES 6.4, Prop. ID R134732 A155 D. Dikes, ACRES 174.42, Prop. ID R13696	William Haynes	260.07	Limestone



**EXHIBIT 2**  
**DESCRIPTION AND LOCATION OF LAND**

Land owned or leased by the Applicant and located in the sections of land identified in EXHIBIT 1.



Agreement for Limitation on Appraised Value  
 Between Mart ISD and Prairie Hill Wind Project, LLC #1312  
 Exhibit 2  
 August 14, 2019

**EXHIBIT 3**  
**APPLICANT'S QUALIFIED INVESTMENT**

The Qualified Property for which the applicant is requesting an appraised value limitation shall include, but not be limited to

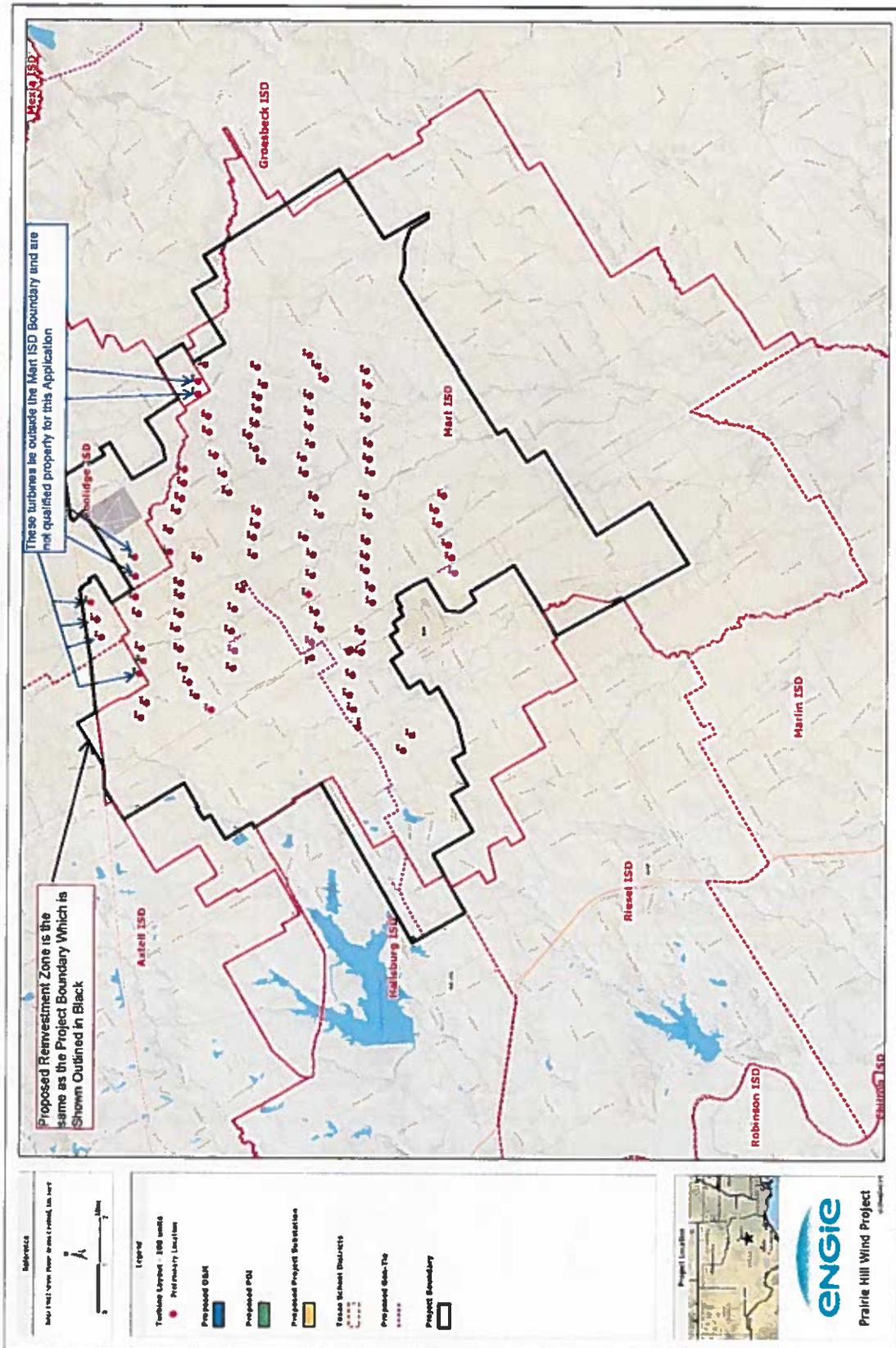
- 110 wind turbines with 2.75MW nameplate capacity.
- Reinforced concrete slabs supporting the weight of each turbine tower.
- Equipment and towers used to gather meteorological data.
- Buried and overhead electrical conductor cables (including poles) used to transport electricity from the turbine towers to an electrical substation.
- The electrical substation and electrical conductor cables used to transport electricity away from the project site.
- Buried and overhead communication cables.
- FAA-required wind turbine obstruction lighting.
- One Operation and Maintenance (O & M) building.
- Associated equipment to safely operate, maintain and deliver electricity to the grid.

## **EXHIBIT 4**

### **DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY**

The Qualified Property for which the applicant is requesting an appraised value limitation shall include, but not be limited to

- 110 wind turbines with 2.75MW nameplate capacity.
- Reinforced concrete slabs supporting the weight of each turbine tower.
- Equipment and towers used to gather meteorological data.
- Buried and overhead electrical conductor cables (including poles) used to transport electricity from the turbine towers to an electrical substation.
- The electrical substation and electrical conductor cables used to transport electricity away from the project site.
- Buried and overhead communication cables.
- FAA-required wind turbine obstruction lighting.
- One Operation and Maintenance (O & M) building.
- Associated equipment to safely operate, maintain and deliver electricity to the grid.



Agreement for Limitation on Appraised Value  
 Between Mart ISD and Prairie Hill Wind Project, LLC #1312  
 Exhibit 4  
 August 14, 2019