

**FINDINGS OF THE MERCEDES
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
MONTE ALTO WINDPOWER, LLC (#1440)**



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JUNE 22, 2020

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SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE
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STATE OF TEXAS §

COUNTY OF HIDALGO §

On the 22nd day of June 2020, a public meeting of the Board of Trustees of the Mercedes Independent School District (“District”) was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Monte Alto Windpower, LLC (“Applicant”) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District’s administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On September 16, 2019, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts (“Comptroller”) received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Application was determined to be complete as of December 2, 2019. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32063809241), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

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

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Hidalgo County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on February 27, 2020 in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

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

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

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

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

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

Board Finding Number 1.

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

In support of Finding 1, the Application indicates that:

Monte Alto Windpower, LLC ("Applicant") is requesting an appraised value limitation from Mercedes ISD for a proposed wind energy project ("Project") located in Hidalgo County. The property for which the Applicant is requesting an appraised value limitation includes: up to 15 wind turbines, 8 with a nameplate capacity of 2.2 MW and 7 with a nameplate capacity of 3.45 MW, with a combined total generating capacity of approximately 41 MW; up to 15 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 15 electric power transformers; underground conductor cables used to transport electricity from each turbine tower to an electrical substation; an O&M building; and an electrical substation facility.

Construction of the Project is expected commence in the 1st quarter of 2022 and take approximately 12 months to complete.

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

Board Finding Number 2.

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

Board Finding Number 3.

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

Board Finding Number 4.

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

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

Board Finding Number 5.

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

In its Application, the Applicant has committed to creating one (1) new qualifying job. The average salary level of qualifying jobs must be at least \$39,384 per year. The review of the application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

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

Board Finding Number 6.

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

Board Finding Number 7.

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

In its Application, Applicant has indicated that it does not intend to create any non-qualifying jobs. For any non-qualifying jobs the Applicant should create, the Applicant will be required to pay at least the county average wage of \$34,606 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

Board Finding Number 8.

The District will realize modest revenue gains in the form of annual supplemental payments that will be realized by the school district if the Application is approved. However, an increase in local I&S taxes will be largely offset by a decrease in state aid.

The analysis prepared by Moak, Casey & Associates projects that the project would initially add \$38.8 million to the tax base that would be available for debt service purposes at the peak investment level for the 2023-24 school year. While the full value of the Monte Alto Windpower project is subject to I&S taxes, Mercedes ISD receives state funding under the Instructional Facilities Allotment (IFA) and Existing Debt Allotment (EDA) programs. An initial analysis suggests that at the current investment level for the Project, the increase in local I&S taxes will largely offset state aid under the IFA and EDA programs.

Board Finding Number 9.

The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities is not expected to

increase the District's facility needs, with current trends suggest little underlying enrollment growth based on the impact of the project.

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

Board Finding Number 10.

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

Board Finding Number 11.

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

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

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

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

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

Board Finding Number 12.

The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Twenty Million Dollars, which is consistent with the minimum values currently set out by Tax Code, Chapter 313.

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller’s Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts’ School and Appraisal Districts’ Property Value Study 2018 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year (**Attachment E**), the total industrial value for the District is \$8.69 million. The District is categorized as

a Subchapter C, Category III district, which can offer a minimum value limitation of \$20 million.

Board Finding Number 13.

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

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

Board Finding Number 14.

The Applicant (Taxpayer No. 32063809241) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32063809241), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 15.

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

Board Finding Number 16.

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

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the initial year that the value limitation is in effect without the proposed Agreement under current law. However, with this Agreement, the

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

Board Finding Number 17.

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

Board Finding Number 18.

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

The Board finds that with the adoption of District Policies BBFA and BBFB set forth at <https://pol.tasb.org/Home/Index/638> that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

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

The Board finds that with the adoption of District Policies DBD, DGA, DH, and BBFB that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

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

Board Finding Number 19.

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

Board Finding Number 20.

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

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

Dated the 22nd day of June 2020.

MERCEDES INDEPENDENT SCHOOL DISTRICT

By: 
Oscar Riojas
President, Board of Trustees

ATTEST:

By: 
Ricardo Garza
Secretary, Board of Trustees

Attachment A

Application



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

October 22, 2019

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

RE: Chapter 313 Application Submitted to the Mercedes Independent School District from Monte Alto Windpower, LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter forwarding this application for review to the Comptroller's Office, the Mercedes Independent School District is notifying Monte Alto Windpower, LLC of its intent to consider the Chapter 313 application for appraised value limitation on qualified property, should a positive certificate be issued by the Comptroller. The Applicant submitted the Application to the School District on September 16, 2019. The Board voted to accept the application on September 16, 2019. The application has been determined complete as of October 22, 2019. We request that the Comptroller's Office prepare the economic impact analysis for this application.

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

The Applicant has provided the schedules in both electronic format and paper copies. The electronic copy is identical to the hard copy that will be hand delivered to the Comptroller' Office. A copy of the application will be submitted to the Hidalgo County Appraisal District.

Thank you for your assistance in this matter. If you have any questions or need additional information, please feel free to contact me.

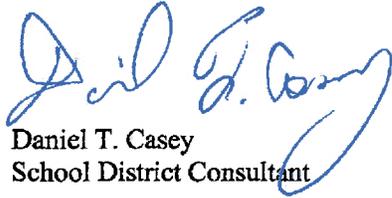
www.moakcasey.com

Phone 512-485-7878

901 S. Mopac Expwy *Bldg. III Suite 310 *Austin, TX 78746

Fax 512-485-7888

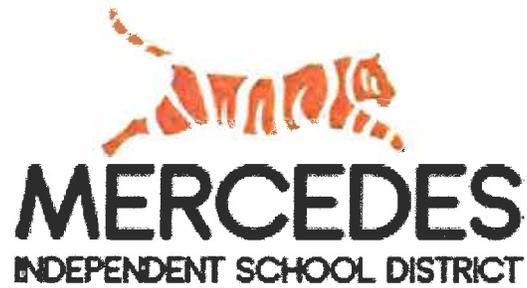
Sincerely,


Daniel T. Casey
School District Consultant

cc: Mr. Rolando Garza, Chief Appraiser, Hidalgo County Appraisal District
Mr. Milton Howard, Vice President of Renewable Development, Terra-Gen, LLC
Mr. Damon Huplosky, Managing Director, Terra-Gen, LLC
Mr. Robert Pena, Jr., Texas Energy Consultants, LLC
Ms. Carolyn Mendiola, Superintendent, Mercedes ISD
Mr. Tony Torres, Flores and Torres LLP

**Application for Appraised Value Limitation
On Qualified Property**

**Submitted to:
Mercedes Independent School District**



By:

Terra-Gen, LLC



Monte Alto Windpower, LLC

September 16, 2019

Attachment 1

Please see executed application attached.

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

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

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

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

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

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

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

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

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

SECTION 1: School District Information

1. Authorized School District Representative

September 16, 2019

Date Application Received by District

Carolyn

First Name

Mendiola

Last Name

Superintendent

Title

Mercedes Independent School District

School District Name

206 W. Sixth Street

Street Address

Mailing Address

Mercedes

City

(956)514-2000

Phone Number

Mobile Number (optional)

TX

State

78570

ZIP

Fax Number

carolyn.mendiola@misdtx.net

Email Address

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

SECTION 1: School District Information *(continued)*

3. Authorized School District Consultant *(If Applicable)*

Kathy	Mathias
First Name	Last Name
Associate	
Title	
Moak, Casey & Associates	
Firm Name	
512-485-7878	512-485-7888
Phone Number	Fax Number
	kmathias@moakcasey.com
Mobile Number <i>(optional)</i>	Email Address

4. On what date did the district determine this application complete? **October 22, 2019**
5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

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

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

Damon	Huplosky	
First Name	Last Name	
Managing Director	Terra-Gen, LLC	
Title	Organization	
437 Madison Avenue		
Street Address		
Mailing Address		
New York	NY	1022-7001
City	State	ZIP
(646)829-3915		
Phone Number	Fax Number	
Mobile Number <i>(optional)</i>	DHuplosky@terra-gen.com	
	Business Email Address	

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Robert Pena, Jr.
 First Name Last Name
 President
 Title
 Texas Energy Consultants, LLC
 Firm Name
 (956)386-9387 (877)341-4474
 Phone Number Fax Number
 robjrpena@texas-kwh.com
 Business Email Address

SECTION 3: Fees and Payments

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

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Monte Alto Windpower, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32063809241
3. List the NAICS code 221115
4. Is the applicant a party to any other pending or active Chapter 313 agreements? Yes No
 4a. If yes, please list application number, name of school district and year of agreement
Application No. 1352-La Villa ISD-2019 & Application No. 1380-Santa Rosa ISD-2019

SECTION 5: Applicant Business Structure

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (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 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

SECTION 9: Projected Timeline

- 1. Application approval by school board QTR 2 2020
- 2. Commencement of construction QTR 1 2022
- 3. Beginning of qualifying time period January 1, 2021
- 4. First year of limitation January 1, 2023
- 5. Begin hiring new employees QTR 3 2022
- 6. Commencement of commercial operations QTR 4 2022
- 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? Yes No
 Note: Improvements made before that time may not be considered qualified property.
- 8. When do you anticipate the new buildings or improvements will be placed in service? QTR 4 2022

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Hidalgo County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Hidalgo County CAD
- 3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes No
- 4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: Hidalgo, 0.5800, 100% City: _____
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: _____ Water District: _____
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): South Texas College, 0.17800, 100% Other (describe): _____
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
- 5. Is the project located entirely within the ISD listed in Section 1? Yes No
 5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.
- 6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 6a. If yes, attach in Tab 6 supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
 Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
- 3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
- 4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 7);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (Tab 11).
- 5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? Yes No

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).

2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? Yes No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (Tab 9);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - c. owner (Tab 9);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
 - e. a detailed map showing the location of the land with vicinity map (Tab 11).

3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? Yes No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
 - b. legal description of reinvestment zone (Tab 16);
 - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - d. guidelines and criteria for creating the zone (Tab 16); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone?

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

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

4. Total estimated market value of existing property (that property described in response to question 1): \$ 0.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.

6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): \$ 0.00

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

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2019
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 1
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 6a. If yes, attach evidence in Tab 12 documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in Tab 13 the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 662.25
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 869.00
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 757.39
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 39,384.28
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 39,384.28
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 12a. If yes, attach in Tab 12 supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 13a. If yes, attach in Tab 6 supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

Attachment 2

Proof of Payment of Application Fee

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

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

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

Attachment 3

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

Not Applicable.

Attachment 4

Detailed description of the project.

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

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

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

Monte Alto Windpower, LLC was recently created for the purpose of interconnecting Monte Alto into the ERCOT market and there are no existing 312 or 313 agreements in place for this project. Monte Alto is requesting an appraised value limitation from Mercedes ISD for a proposed wind energy project located in Hidalgo and Cameron Counties. Monte Alto will NOT be requesting an appraised value of limitation for the portion of the project located within the La Feria ISD school district boundary. The wind farm and its associated infrastructure will be constructed within the jurisdiction of La Villa ISD, Mercedes ISD, Santa Rosa ISD, and La Feria ISD and located within Hidalgo & Cameron Counties, Texas. A map showing the location of the wind farm is included as Attachment 11a.

The wind farm will have an estimated capacity of 204 megawatts ("MW"). To construct the wind farm, Monte Alto expects: 89 wind turbines comprised of 82 wind turbines with a nameplate capacity of 2.2 Megawatts ("MW") and 7 wind turbines with a nameplate capacity of 3.45 MW of which:

- 47 wind turbines being within the La Villa ISD boundaries,
- 15 wind turbines within the Mercedes ISD boundaries,
- 22 wind turbines within the Santa Rosa ISD boundaries, and
- 4 wind turbines within the La Feria ISD boundaries.

In addition to the wind turbine generating units, there will be the supporting electrical collection system and roads to be constructed and improved as necessary, as well as a collection substation to permit the interconnection and transmission of electricity generated by the wind turbines, and an operations and maintenance building constructed within the Project's boundary.

Construction of the wind farm is expected to take approximately 12 months to complete, contingent upon favorable economics for the project.

While the wind regime for Monte Alto is very good, there are many favorable locations for wind projects that could be developed across the United States. Monte Alto has modeled its economics with an expectation that having a Limitation of Appraised Value Agreements with La Villa ISD, Mercedes ISD, and Santa Rosa ISD as a key and invaluable portion of the project.

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

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

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

Wind Capacity by State



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

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

Monte Alto Windpower, LLC was formed for the express purpose of developing a community sponsored wind farm that would help bring significant economic development to an area that is historically economically distressed. Terra-Gen identified Texas, and in particular Hidalgo & Cameron Counties, for its strong wind resource, access to available transmission capacity and the

ERCOT market, and favorable property tax incentives under the Tax Code for Chapter 312 abatement and Chapter 313 Appraised Value Limitation.

Terra-Gen prefers to develop and build the proposed Monte Alto Windpower Project as described throughout this Application but should it not be granted the limitation, then it is likely that Monte Alto Windpower would not be economically viable compared to other projects in development across the U.S.

As of July 2019, Monte Alto has no physical assets on site. Monte Alto has invested additional capital in an Interconnection Study with ERCOT, avian studies, environmental studies, federal aviation studies, and in leasing land for the project.

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

Attachment 5

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

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

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

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

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

- Grants of leases and easements covering approximately 3,850 acres,
- Avian Study and contract,
- Bat Acoustic Study and contract,
- Threatened & Endangered Species Studies and contract,
- Enterprise Zone with Hidalgo County Commissioners Court,
- Interconnection Application with ERCOT, and
- Federal Aviation Studies

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

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

California
Oklahoma
Louisiana
Colorado
Wyoming
Nevada

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

Monte Alto is currently in a period of assessment to determine whether the identified site represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the Project for a planned 204 MW, of which 41MW will be located within Mercedes ISD, could be redeployed to other renewable energy development projects in other power markets in the United States.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is economically competitive with other wind projects with similar incentives. Without the requested value limitation, the Monte Alto Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the total projected capital costs of approximately \$228.388M, of which \$38.83M will be within Mercedes ISD boundary, needed to purchase wind turbines and other infrastructure, and to fund the construction of the facility.

10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?

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

Attachment 6

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

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

It is anticipated that 53% of the planned Qualified Property for the Project will be located within La Villa ISD boundaries, 17% located within the Mercedes ISD boundaries being within Hidalgo County, Texas. 25% will be located within the Santa Rosa ISD boundaries, and the remaining 5% located within La Feria ISD being within Cameron County, Texas. However, Monte Alto, LLC will NOT be applying for an appraised value limitation for the portion of the project located within La Feria ISD boundaries.

School District	County	Percentage of Project	Anticipated Number of Turbines
La Villa ISD	Hidalgo County, Texas	53%	47
Mercedes ISD	Hidalgo County, Texas	17%	15
Santa Rosa ISD	Cameron County, Texas	25%	22
La Feria ISD	Cameron County, Texas	5%	4

Attachment 7

Description of Qualified Investment

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

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

The property for which the Applicant is requesting an appraised value limitation shall include, the following: up to 15 wind turbines: 8 with a nameplate capacity of 2.2 MW and 7 with a nameplate capacity of 3.45 MW with a combined total generating capacity of approximately 41 MW; up to 15 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 15 electric power transformers; underground conductor cables used to transport electricity from each turbine tower to an electrical substation.

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

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

Not Applicable. The proposed Operations and Maintenance building and electrical substation facility to be constructed will not be located within the Mercedes ISD boundaries.

Attachment 8

Description of Qualified Property

Monte Alto Windpower, LLC plans to construct an estimated 41 MW within Mercedes ISD boundaries. Additional improvements of Qualified Property located within Mercedes ISD boundary include:

- 15 Wind Turbines- 8 with a nameplate capacity of 2.2 MW & 7 with a nameplate capacity of 3.45 MW;
- 15 Wind Turbine Foundations;
- Several thousand feet of Transmission Collection System cable & Junction Boxes;
- Overhead Transmission and Interconnection infrastructure;
- All weather Road work sloped for drainage;

Monte Alto anticipates placing 15 wind turbines comprised of 8 wind turbines with a nameplate capacity of 2.2 MW and 7 with a name plate capacity of 3.45 MW. Although final turbine selection and location of the infrastructure may change, all of the equipment outlined above is expected to be located within Mercedes ISD boundaries. Current plans are to install turbines in one phase. Monte Alto has obtained grants of leases and easements covering approximately 3,850 acres within Mercedes ISD boundaries.

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

Attachment 9

Description of Land

Not Applicable.

Attachment 10

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

Not Applicable.

Attachment 11

Maps that clearly show:

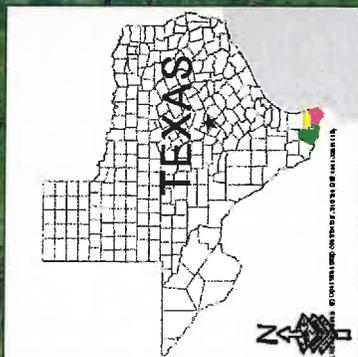
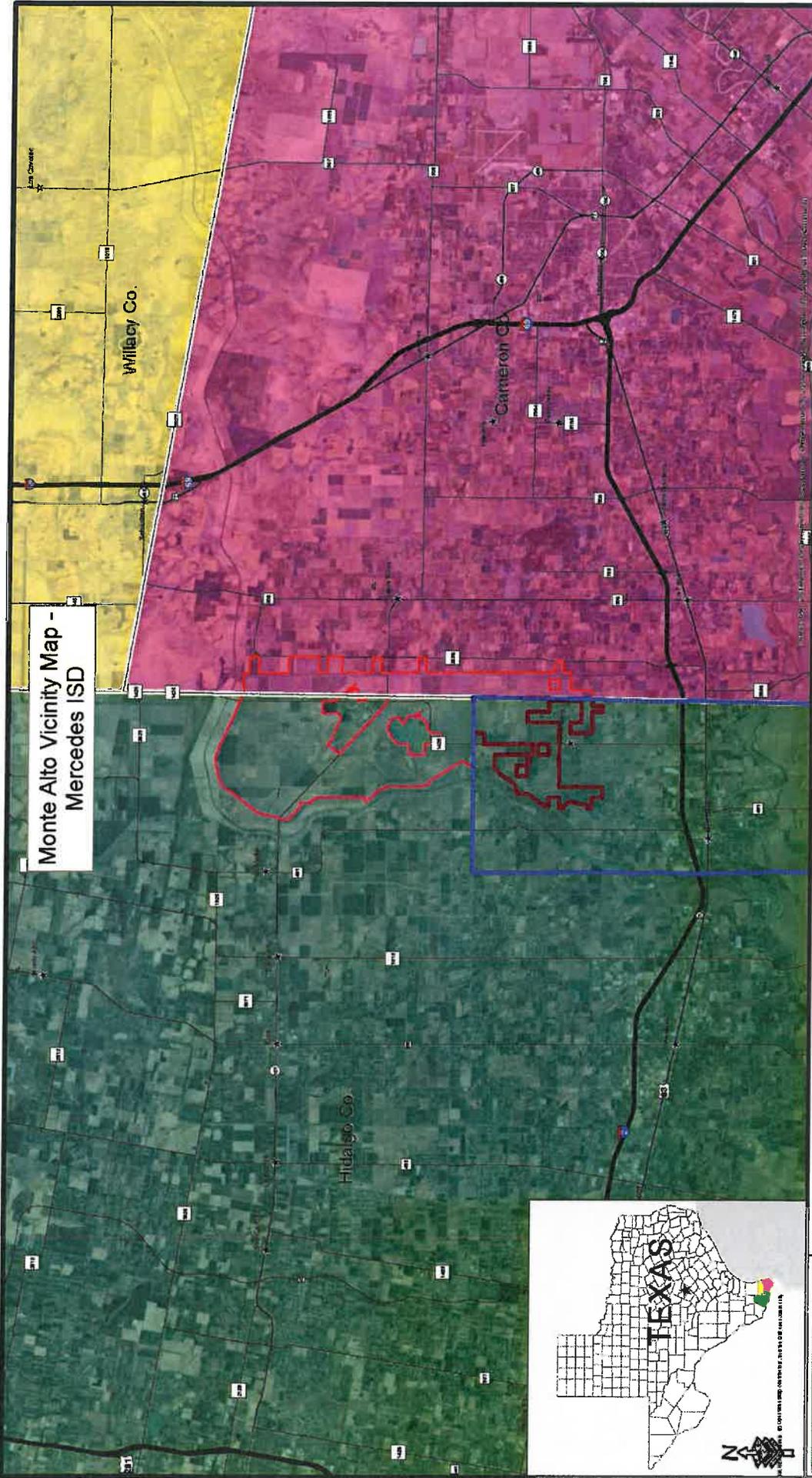
- a. Project vicinity***
- b. Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period***
- c. Qualified property including location of new buildings or new improvements***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

Attachment 11a

a. Project vicinity

Please see attached map below.

Monte Alto Vicinity Map -
Mercedes ISD



Project Location: Hidalgo & Cameron County, Texas

Scale: 0 0.25 0.50 1.00 Feet

North Arrow

Disclaimer: This map should not be used for legal purposes. It is intended for general reference only.

Prepared by: B&B

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

Legend

- City and County Boundary
- Mercedes ISD Boundary
- Hidalgo Co.
- Cameron Co.
- Willacy Co.
- And Farm Body



www.terra-gen.com

September 16, 2019

Re: Confidentiality of Maps Submitted with Monte Alto Windpower, LLC Chapter 313 Appraised Value Limitation Application with Mercedes ISD

To Whom It May Concern:

As an attachment to the Monte Alto Windpower, LLC Chapter 313 Appraised Value Limitation Application submitted to Mercedes ISD on September 16, 2019 ("Application"), we designated certain maps, the Qualified Investment and Qualified Property maps (Attachments 11b & 11c), attached thereto ("Maps") as "Confidential". We submit this letter to comply with the requirements by which both Mercedes ISD and the Comptroller's office can withhold confidential or proprietary information from public release while the Application is pending. This letter is submitted to identify the documents for which confidentiality is sought and provide the specific reasons, stating why the material is believed to be confidential.

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

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

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

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

Sincerely,

Milton Howard

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

Attachment 11b

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

CONFIDENTIAL- FOR SEPARATE FILING

Attachment 11c

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

CONFIDENTIAL- FOR SEPARATE FILING

Attachment 11d

d. Existing property

Not Applicable.

Attachment 11e

e. Land location within vicinity map

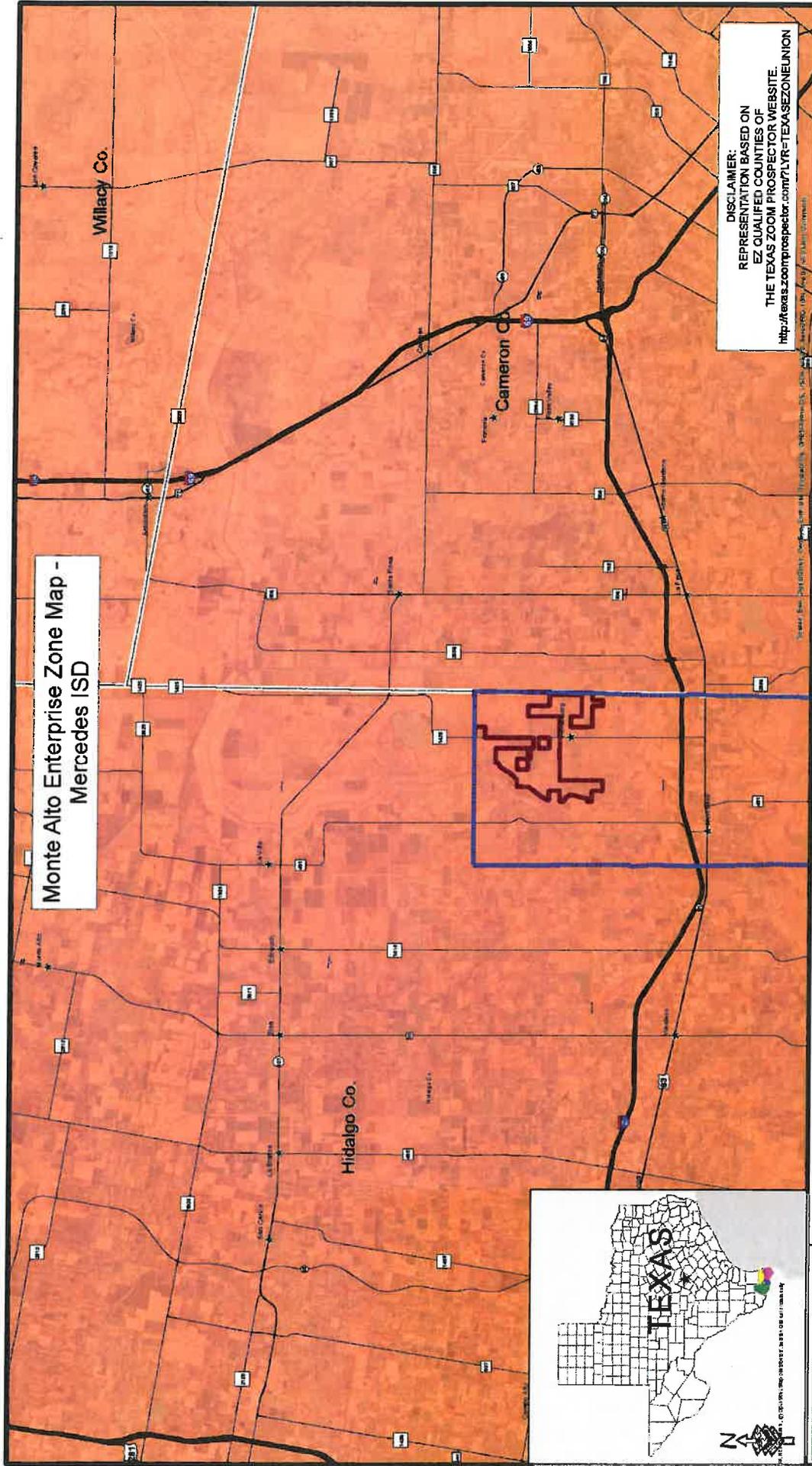
Not Applicable.

Attachment 11f

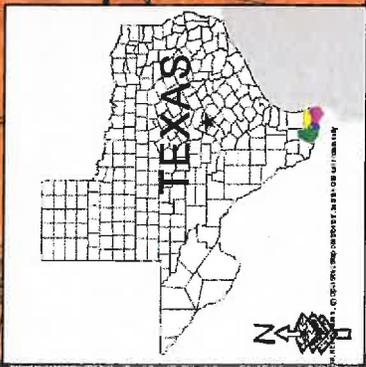
- f. Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

Please see attached map below.

Monte Alto Enterprise Zone Map -
Mercedes ISD



DISCLAIMER:
REPRESENTATION BASED ON
EZ QUALIFIED COUNTIES OF
THE TEXAS ZOOM PROSPECTOR WEBSITE.
<http://texaszoomprospector.com/> LYR-TEXASEZONEUNION





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

Legend

- ★ City
- ▭ Project Boundary
- ▭ Mercedes ISD Boundary
- ▭ Wind Farm Study
- ▭ Qualified Counties

Project Location: Hidalgo & Cameron County, Texas

Scale: 0 500 1000 Feet

Disclaimer: This map should not be used for legal purposes. It is intended for general reference use only.

Prepared by: T&E

DATE: 1/20/2018

Attachment 12

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

Please see attached waiver request below.



www.terra-gen.com

September 16, 2019

Carolyn Mendiola, Superintendent
Mercedes Independent School District
206 W. Sixth Street
Mercedes, TX 78570

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

Dear Superintendent Mendiola,

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

House Bill 1470 altered the jobs requirement by adding Section 313-025 (f-I) to permit a school district's board of trustees to make a finding that the job requirement could be waived if the job requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application. Monte Alto Windpower, LLC, requests that Mercedes ISD's Board of Trustees make such a finding and waive the job creation requirement for the permanent jobs. Based on the industry standard, the size and scope of this project will require approximately one (1) permanent job.

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

Sincerely,

Milton Howard

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

Attachment 13

Calculation of Wage Requirements – Hidalgo County

Supporting data for Section 14(7)(a)

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

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2019	1 st Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$662.00
2018	2 nd Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$645.00
2018	3 rd Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$661.00
2018	4 th Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$681.00
Average weekly wage for previous four quarters								\$662.25

*Source: Quarterly Employment and Wages (QCEW) data for Hidalgo County,
<https://texaslmi.com/LMIbyCategory/QCEW>*

Supporting Data for Section 14(7)(b)

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

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2019	1 st Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$813.00
2018	2 nd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$762.00
2018	3 rd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$782.00
2018	4 th Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$803.00
Average weekly wage for previous four quarters								\$790.00
110% of Average Weekly Wages								\$869.00

*Source: Quarterly Employment and Wages (QCEW) data for Hidalgo County,
<https://texaslmi.com/LMIbyCategory/QCEW>*

Supporting Data for Section 14(7)(c)

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

Average Hourly Wages	\$17.21
Average Annual Wages	\$35,804.00
Average Weekly Wages @40hrs/week	\$688.54
110% of Average Weekly Wages	\$757.39

*Source: 2018 Manufacturing Average Wages by Council of Government Region Wages for All Occupations. Project location region: 21. Lower Rio Grande Valley Development Council.
<https://texaslmi.com/Downloads/COGWages.pdf>*

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2019	01	Hidalgo	Total All	10	Total, All Industries	0	\$ 662.00
2018	02	Hidalgo	Total All	10	Total, All Industries	0	\$ 645.00
2018	03	Hidalgo	Total All	10	Total, All Industries	0	\$ 661.00
2018	04	Hidalgo	Total All	10	Total, All Industries	0	\$ 681.00

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2019	01	Hidalgo	Private	31-33	Manufacturing	2	\$ 813.00
2018	02	Hidalgo	Private	31-33	Manufacturing	2	\$ 762.00
2018	03	Hidalgo	Private	31-33	Manufacturing	2	\$ 782.00
2018	04	Hidalgo	Private	31-33	Manufacturing	2	\$ 803.00

**2018 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	COG Number	Wages	
		Hourly	Annual
Texas		\$27.04	\$56,240
<u>Alamo Area Council of Governments</u>	18	\$22.80	\$47,428
<u>Ark-Tex Council of Governments</u>	5	\$18.73	\$38,962
<u>Brazos Valley Council of Governments</u>	13	\$18.16	\$37,783
<u>Capital Area Council of Governments</u>	12	\$32.36	\$67,318
<u>Central Texas Council of Governments</u>	23	\$19.60	\$40,771
<u>Coastal Bend Council of Governments</u>	20	\$28.52	\$59,318
<u>Concho Valley Council of Governments</u>	10	\$21.09	\$43,874
<u>Deep East Texas Council of Governments</u>	14	\$18.28	\$38,021
<u>East Texas Council of Governments</u>	6	\$21.45	\$44,616
<u>Golden Crescent Regional Planning Commission</u>	17	\$28.56	\$59,412
<u>Heart of Texas Council of Governments</u>	11	\$22.71	\$47,245
<u>Houston-Galveston Area Council</u>	16	\$29.76	\$61,909
<u>Lower Rio Grande Valley Development Council</u>	21	\$17.21	\$35,804
<u>Middle Rio Grande Development Council</u>	24	\$20.48	\$42,604
<u>NORTEX Regional Planning Commission</u>	3	\$25.14	\$52,284
<u>North Central Texas Council of Governments</u>	4	\$27.93	\$58,094
<u>Panhandle Regional Planning Commission</u>	1	\$24.19	\$50,314
<u>Permian Basin Regional Planning Commission</u>	9	\$25.90	\$53,882
<u>Rio Grande Council of Governments</u>	8	\$18.51	\$38,493
<u>South East Texas Regional Planning Commission</u>	15	\$36.26	\$75,430
<u>South Plains Association of Governments</u>	2	\$20.04	\$41,691
<u>South Texas Development Council</u>	19	\$17.83	\$37,088
<u>Texoma Council of Governments</u>	22	\$21.73	\$45,198
<u>West Central Texas Council of Governments</u>	7	\$21.84	\$45,431

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.

Data published: July 2019

Data published annually, next update will be July 31, 2020

Annual wage figure assumes a 40-hour work week.

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

Wage data is produced from Texas Occupational Employment Statistics (OES) data, and is not to be compared to BLS estimates.

Data intended only for use in implementing Chapter 313, Tax Code.

Attachment 14

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

Please see attached schedules below.

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

Date: 10/9/2019
 Applicant Name: Monte Alto Windpower, LLC
 ISD Name: Mercedes ISD

Form 50-2
 Revised 04

PROPERTY INVESTMENT AMOUNTS							Column E
(Estimated investment in each year. Do not put cumulative totals.)							
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [NOTE]	Column E Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district			Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application							
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period	Pre Year 1	2020	0.00	0.00	0.00	0.00	0.00
Complete tax years of qualifying time period	Q1P1	2021	30,825,980.00	0.00	0.00	0.00	30,825,980
	Q1P2	2022	8,000,000.00	0.00	0.00	0.00	8,000,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]			\$ 38,825,980.00	0.00	0.00	0.00	\$ 38,825,980
Total Qualified Investment (sum of green cells)			\$ 38,825,980.00	Enter amounts from TOTAL row above in Schedule A2			

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

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

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

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 31.02(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

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

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

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

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

Date: 10/9/2019
 Applicant Name: Monie Ato Windpower, LLC
 USD Name: Mercodes, ISD

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other investment made during this year that will not become Qualified Property (SEE NOTE)	Column D Other investment made during this year that will become Qualified Property (SEE NOTE)	Column E Total Investment (A+B+C+D)		
TOTALS FROM SCHEDULE A1			\$ 38,825,960.00	\$ -	\$ -	\$ -	\$ 38,825,960		
Each year prior to start of value limitation period**			\$ 30,825,960.00	\$ -	\$ -	\$ -	\$ 30,825,960		
Value limitation period**			\$ 8,000,000.00	\$ -	\$ -	\$ -	\$ 8,000,000		
1	2021-2022	2021							
2	2022-2023	2022							
1	2023-2024	2023							
2	2024-2025	2024							
3	2025-2026	2025							
4	2026-2027	2026							
5	2027-2028	2027							
6	2028-2029	2028							
7	2029-2030	2029							
8	2030-2031	2030							
9	2031-2032	2031							
10	2032-2033	2032							
Total investment made through limitation			\$ 38,825,960.00	\$ -	\$ -	\$ -	\$ 38,825,960		
11	2033-2034	2033							
12	2034-2035	2034							
13	2035-2036	2035							
14	2036-2037	2036							
15	2037-2038	2037							
16	2038-2039	2038							
17	2039-2040	2039							
18	2040-2041	2040							
19	2041-2042	2041							
20	2042-2043	2042							
21	2043-2044	2043							
22	2044-2045	2044							
23	2045-2046	2045							
24	2046-2047	2046							
25	2047-2048	2047							

Continue to maintain viable presence

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

* All investments made through the qualifying time period are captured and totaled on Schedule A1 (blue box) and incorporated into this schedule in the first row.
 ** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "Year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.
 *** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.
 For All Columns: List amount invested each year, not cumulative totals. Only include investments in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
 Column A: Only tangible personal property that is specifically described in the application can become qualified property.
 Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.
 Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.02(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property or improves existing property or otherwise existing property or otherwise existing property or otherwise existing property.
 Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

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

10/9/2019

Date
Applicant Name
ISD Name

Monte Alto Windpower, LLC
Mercedes ISD

Form 50-296
Revised May 20

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year)	Qualified Property			Estimated Taxable Value			
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&C after all reductions	
Qualified Investment Period	1	2021-2022	2021	N/A	N/A	\$ -	\$ -	\$ -	\$ -
	2	2022-2023	2022	N/A	N/A	\$ -	\$ -	\$ -	\$ -
Value Limitation Period	1	2023-2024	2023	N/A	N/A	\$ 38,825,960.00	\$ 38,825,960.00	\$ 38,825,960.00	\$ 20,000,000.00
	2	2024-2025	2024	N/A	N/A	\$ 36,884,662.00	\$ 36,884,662.00	\$ 36,884,662.00	\$ 20,000,000.00
	3	2025-2026	2025	N/A	N/A	\$ 35,040,428.90	\$ 35,040,428.90	\$ 35,040,428.90	\$ 20,000,000.00
	4	2026-2027	2026	N/A	N/A	\$ 33,288,407.46	\$ 33,288,407.46	\$ 33,288,407.46	\$ 20,000,000.00
	5	2027-2028	2027	N/A	N/A	\$ 31,623,987.08	\$ 31,623,987.08	\$ 31,623,987.08	\$ 20,000,000.00
	6	2028-2029	2028	N/A	N/A	\$ 30,042,787.73	\$ 30,042,787.73	\$ 30,042,787.73	\$ 20,000,000.00
	7	2029-2030	2029	N/A	N/A	\$ 28,540,648.34	\$ 28,540,648.34	\$ 28,540,648.34	\$ 20,000,000.00
	8	2030-2031	2030	N/A	N/A	\$ 27,113,615.92	\$ 27,113,615.92	\$ 27,113,615.92	\$ 20,000,000.00
	9	2031-2032	2031	N/A	N/A	\$ 25,757,935.13	\$ 25,757,935.13	\$ 25,757,935.13	\$ 20,000,000.00
	10	2032-2033	2032	N/A	N/A	\$ 24,470,038.37	\$ 24,470,038.37	\$ 24,470,038.37	\$ 20,000,000.00
Continue to maintain viable presence	11	2033-2034	2033	N/A	N/A	\$ 23,246,536.45	\$ 23,246,536.45	\$ 23,246,536.45	\$ 23,246,536.45
	12	2034-2035	2034	N/A	N/A	\$ 22,084,209.63	\$ 22,084,209.63	\$ 22,084,209.63	\$ 22,084,209.63
	13	2035-2036	2035	N/A	N/A	\$ 20,979,999.15	\$ 20,979,999.15	\$ 20,979,999.15	\$ 20,979,999.15
	14	2036-2037	2036	N/A	N/A	\$ 19,930,999.19	\$ 19,930,999.19	\$ 19,930,999.19	\$ 19,930,999.19
	15	2037-2038	2037	N/A	N/A	\$ 18,934,449.23	\$ 18,934,449.23	\$ 18,934,449.23	\$ 18,934,449.23
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2038-2039	2038	N/A	N/A	\$ 17,987,726.77	\$ 17,987,726.77	\$ 17,987,726.77	\$ 17,987,726.77
	17	2039-2040	2039	N/A	N/A	\$ 17,088,340.43	\$ 17,088,340.43	\$ 17,088,340.43	\$ 17,088,340.43
	18	2040-2041	2040	N/A	N/A	\$ 16,233,923.41	\$ 16,233,923.41	\$ 16,233,923.41	\$ 16,233,923.41
	19	2041-2042	2041	N/A	N/A	\$ 15,422,227.24	\$ 15,422,227.24	\$ 15,422,227.24	\$ 15,422,227.24
	20	2042-2043	2042	N/A	N/A	\$ 14,651,115.88	\$ 14,651,115.88	\$ 14,651,115.88	\$ 14,651,115.88
	21	2043-2044	2043	N/A	N/A	\$ 13,918,560.08	\$ 13,918,560.08	\$ 13,918,560.08	\$ 13,918,560.08
	22	2044-2045	2044	N/A	N/A	\$ 13,222,632.08	\$ 13,222,632.08	\$ 13,222,632.08	\$ 13,222,632.08
	23	2045-2046	2045	N/A	N/A	\$ 12,561,500.48	\$ 12,561,500.48	\$ 12,561,500.48	\$ 12,561,500.48
	24	2046-2047	2046	N/A	N/A	\$ 11,933,425.45	\$ 11,933,425.45	\$ 11,933,425.45	\$ 11,933,425.45
	25	2047-2048	2047	N/A	N/A	\$ 11,336,754.18	\$ 11,336,754.18	\$ 11,336,754.18	\$ 11,336,754.18

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

Date
 Applicant Name
 ISD Name

10/9/2019
 Monte Alto Windpower, LLC
 Mercedes ISD

Schedule C: Employment Information

	Construction			Non-Qualifying Jobs		Qualifying Jobs	
	Column A	Column B	Column C	Column D	Column E		
	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage, new qualifying jobs		
Qualified Investment Period	Year	Tax Year (Actual tax year) YYYY	School Year (YYYY-YYYY)				
	1	2021	2021-2022	0	\$ 39,384.		
	2	2022	2022-2023	0	\$ 39,384.		
	1	2023	2023-2024	0	\$ 39,384.		
	2	2024	2024-2025	0	\$ 39,384.		
	3	2025	2025-2026	0	\$ 39,384.		
	4	2026	2026-2027	0	\$ 39,384.		
	5	2027	2027-2028	0	\$ 39,384.		
	6	2028	2028-2029	0	\$ 39,384.		
	7	2029	2029-2030	0	\$ 39,384.		
	8	2030	2030-2031	0	\$ 39,384.		
	9	2031	2031-2032	0	\$ 39,384.		
	10	2032	2032-2033	0	\$ 39,384.		
Years Following Value Limitation Period	11 through 25	2033-2047	2033-2048	0	\$ 39,384.		

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

C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25) Yes No

If yes, answer the following two questions:

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? Yes No

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? Yes No

Schedule D: Other Incentives (Estimated)

Date: 10/9/2019
 Applicant Name: Monte Alto Windpower, LLC
 ISD Name: Mercedes ISD

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County: City: Other:					
	County: Hidalgo County	2023	10 Years	\$ 225,190.57	80%	\$ 45,038.11
Tax Code Chapter 312	City: Other: South Texas College Other: Other:	2023	10 Years	\$ 69,110.21	80%	\$ 13,822.04
Local Government Code Chapters 380/381	County: City: Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 294,300.78	90%	\$ 58,860.16

Additional information on incentives for this project:

Attachment 15

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

Not Applicable.

Attachment 16

Description of Reinvestment or Enterprise Zone, including:

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

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

Attachment 16a

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

Hidalgo County is a designated enterprise zone county. A map provided by the Texas Economic Development Corporation depicting the designated enterprise zones can be found by following the link provided "<http://texas.zoomprospector.com/?LYR=TEXASEZONEUNION>". See attached map of Hidalgo County Enterprise Zones.



Enter Address or City

Share Report

Map Layers

Labor Force

Demographic Data

Consumer Expenditures

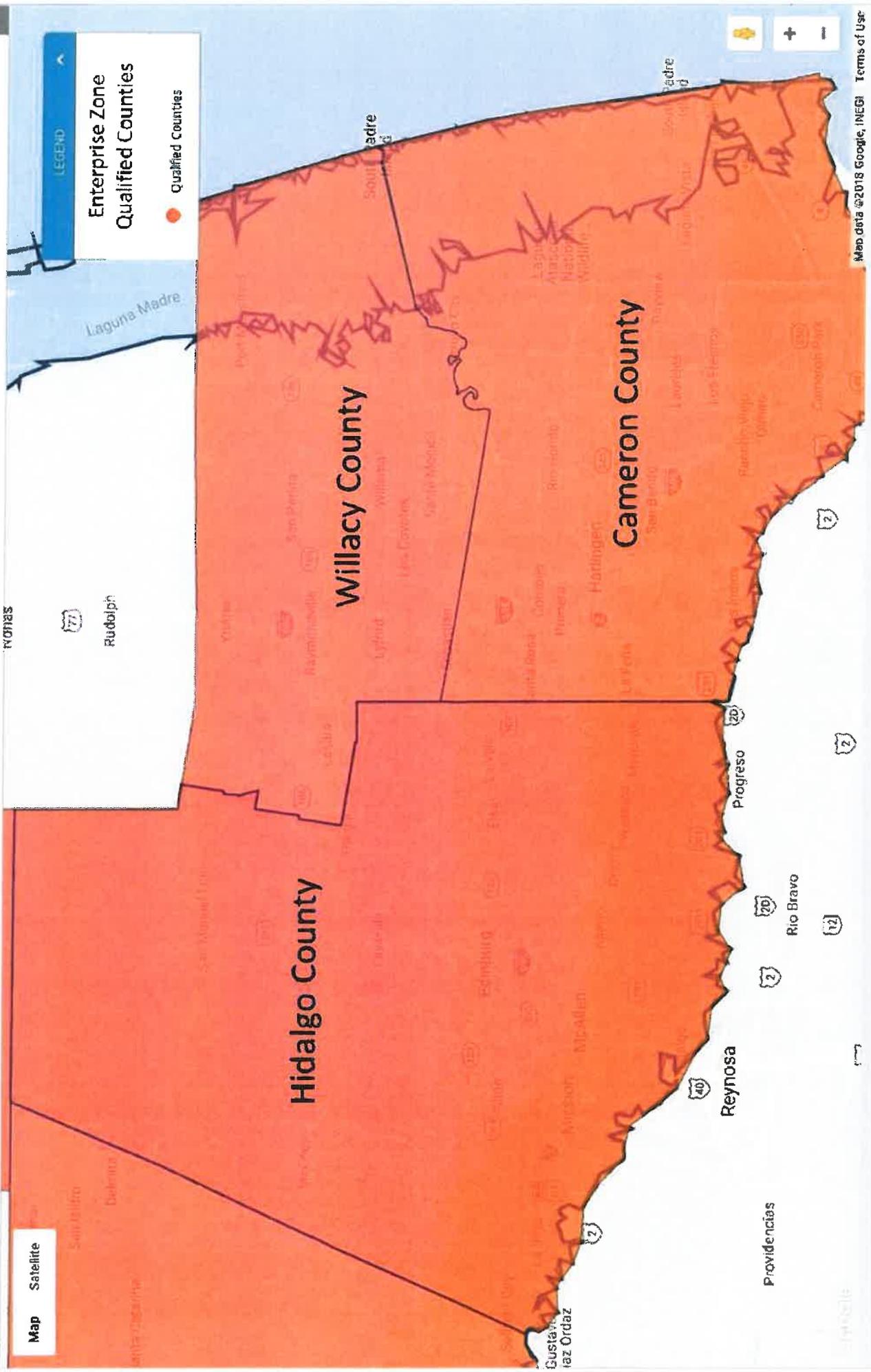
Map Satellite

Map Satellite

LEGEND

Enterprise Zone
Qualified Counties

Qualified Counties



Attachment 16b

b. Legal description of investment zone

Please see attached.

Legal Description

CAPISALLO N 20 -LOT 10 BLK 44
CAPISALLO S30AC LOT 7 BLK 45
CAPISALLO AN IRR TR N470'- W330' EXC E63'- W330'- S103'- N293' & EXC E2'- W267'-
S177'- N470' LOT 13 BLK 23 3.17AC GR 2.74AC NET
CAPISALLO S627.98'-N1016.67' EXC N81.31'-W265' LOT 13 BLK 23 17.38 AC NET
CAPISALLO N497.64' EXC W265'-N470' BEING AN IRR TR &S2.13AC LOT 13 BLK23
9.78AC GR 9.76AC NET
CAPISALLO LOT 13 BLK 23 S303.27' 9.19AC GR 8.03AC NET
CAPISALLO E733'-S1254' EXC E233'-S449' LOT 2 BLK 46 18.70AC
CAPISALLO S1254'-W587' EXC 0.77AC LOT 2 BLK 46 16.13AC
CAPISALLO UND 4/9 INT IN N2.0AC OF LOT 2 BLK 46 0.89 AC
CAPISALLO UND 1/9 INT IN 2.00AC OF LOT 2 BLK 46 0.22 AC
CAPISALLO UND 4/9 INT IN N2.0AC LOT 2 BLK 46 0.89AC
CAPISALLO W30AC LOT 15 BLK 46 29.54AC NET
CAPISALLO 40AC EXC 1.0 AC BLK 45 39.0 AC NET
CAPISALLO 10.5AC-NE 20.5AC LOT 6 BLK 44 10.5AC
CAPISALLO 17.92 AC -LOT 6 BLK 44
CAPISALLO SE 10AC-NE 22.08- LT 6 BLK 44 (8.85 AC NET)
CAPISALLO AN IRR TR N285.33'-W594.79' LOT 4 BLK 44 2.78 AC GR 2.05 AC NET
CAPISALLO S11.98AC-SW26.57AC LOT 4 BLK 44 11.28AC NET
CAPISALLO N11.98AC-S23.96AC-SW26.57AC LOT 4 BLK 44 10.95AC NET
CAPISALLO 40 AC ALL LOT 3 BLK 44 NE 13.32 AC LOT 4 BLK 44 53.32 AC NET
CAPISALLO W 10 AC -S 20 AC LOT 14 BLK 45
CAPISALLO N 20 AC -LOT 14 BLK 45
CAPISALLO E 10 AC -S 20 AC LOT 14 BLK 45
CAPISALLO LOT 1 BLK 63
CAPISALLO 40AC EXC 2AC LOT 3 BLK 45 38AC NET
CAPISALLO LOT 6 BLK 45 EXC E445'-N247' AN IRR TR 40.0 AC GR 37-96 AC NET
CAPISALLO AN IRR TR E445' - N247' 2.04 AC NET LT 6 BLK 45
CAPISALLO W680' LOT 15 BLK 24 EXC 1.50AC H/S & EXC E300'-W680'-S215' 17.63AC GR
17.30AC NET
CAPISALLO E300-W680'-S215' LOT 15 BLK 24 1.48AC GR 1.34AC NET
CAPISALLO E10AC-N14.63AC LOT 8 BLK 62 10.00AC
CAPISALLO SE 26.10 AC LOT 10 BLK 62
CAPISALLO S25.37AC EXC NW 0.67AC LOT 8 BLK 62 24.31AC NET
CAPISALLO 40ACS LOT 9 BLK 62 39.39AC NET
CAPISALLO 40 AC -LOT 16 BLK 62
CAPISALLO 40.0AC OF LOT 13 BLK 24 36.43AC NET
CAPISALLO 40.0AC OF LOT 4 BLK 25 37.91AC NET
CAPISALLO LOT 12 BLK 25 N10.00AC
CAPISALLO S 20 AC LOT 4 BLK 45
CAPISALLO 40 AC LOT 15 BLK 45
CAPISALLO 40 AC LOT 12 BLK 45
CAPISALLO LOT 16 BLK 45 40.00 ACS NET
CAPISALLO BLK 46 LOT 10 N 20.00 ACS NET CAPISALLO
CAPISALLO 40 AC LOT 5 BLK 45

CAPISALLO S 20 AC GR-LOT 8 BLK 45 19.39 AC NET
CAPISALLO 1AC-SE 10AC LOT 9 BLK 45 1AC NET
CAPISALLO 40 AC -LOT 10 BLK 45
CAPISALLO LOT 10 BLK 46 20.00 ACS NET
CAPISALLO 40 AC -LOT 7 BLK 44
CAPISALLO N 10 AC LOT 7 BLK 45
CAPISALLO N 20 AC -LOT 8 BLK 45
CAPISALLO 2AC-40AC LOT 3 BLK 45 2AC NET
CAPISALLO E 20 AC GR-LOT 14 BLK 46 18.94AC NET
CAPISALLO 40AC LOT 11 BLK 45 39.39AC NET
CAPISALLO 40 AC -LOT 13 BLK 45
CAPISALLO 40 AC -LOT 5 BLK 44
CAPISALLO 40.0AC OF LOT 8 BLK 23 39.39AC NET
CAPISALLO N20.0AC OF LOT 7 BLK 23 19.77AC NET
CAPISALLO 40.0AC OF LOT 9 BLK 24 38.84AC NET
CAPISALLO S165'-N495' LOT 10 BLK 24 5.0AC GR 4.94AC NET
TRIPLE 'M' LOT 1 BLK 1
CAPISALLO 40AC EXC S 290.4' LOT 16 BLK 24 31.20AC NET
CAPISALLO W150'-E300'-S290.4' LOT 15 BLK 24 1AC GR 0.90AC NET
CAPISALLO E580'-S550.06' EXC E450'-S290.4' LOT 15 BLK 24 4.32AC GR 4.23AC NET
CAPISALLO 40.0AC OF LOT 6 BLK 25 39.55AC NET
CAPISALLO 40.0AC OF LOT 2 BLK 23 36.56AC NET
CAPISALLO 40.0AC OF LOT 8 BLK 24 37.02AC NET
CAPISALLO 40.0AC OF LOT 2 BLK 24 38.66AC NET
CAPISALLO S165'-N330' LOT 10 BLK 24 5.00 AC GR 4.94 AC NET
CAPISALLO S20.0AC OF LOT 10 BLK 24 19.75AC NET
CAPISALLO W136.3'-E722.6'-S290.4' LOT 16 BLK 24 0.91AC NET
CAPISALLO W150'-E450'-S290.4' LOT 16 BLK 24 1.00AC NET
CAPISALLO E150'-S290' LOT 15 BLK 24 1AC GR 0.90AC NET
CAPISALLO 40.0AC OF LOT 7 BLK 25 39.55AC NET
CAPISALLO E660' LOT 16 BLK 25 20.00 AC GR 19.62 AC NET
CAPISALLO LOT 11 BLK 25 40.00AC GR 37.60AC NET
CAPISALLO 40 AC LOT 7 BLK 46
CAPISALLO 40 AC LOT 9 BLK 46
CAPISALLO E 20 AC -LOT 16 BLK 46
CAPISALLO W 20 AC GR-LOT 16 BLK 46 19.55AC NET
CAPISALLO 40.0AC OF LOT 11 BLK 23 35.61AC NET
CAPISALLO ALL LOT 12 BLK 23 31.80AC NET
CAPISALLO S145'-E233' LOT 2 BLK 46 0.77AC NET
CAPISALLO E 10 AC -LOT 15 BLK 46
CAPISALLO 40.0AC OF LOT 3 BLK 24 37.62AC NET
CAPISALLO 38.25AC OF LOT 12 BLK 24 37.30AC NET
CAPISALLO 40.0AC OF LOT 6 BLK 23 38.53AC NET
CAPISALLO 40.0AC OF LOT 5 BLK 23 38.79AC NET
CAPISALLO LOT 14 BLK 23 34.32 AC NET
CAPISALLO 40 AC LOT 8 BLK 46
CAPISALLO N20.0AC OF LOT 6 BLK 24 18.80AC NET

CAPISALLO W 20 AC -LOT 2 BLK 44
CAPISALLO S20.0AC OF LOT 7 BLK 23 19.78AC NET
TRIPLE 'M' LOT 2 BLK 1
TRIPLE 'M' LOT 3 BLK 1
CAPISALLO S 290.4'-W 300' LT 16 BK 24 2AC NET
CAPISALLO E150'-W450'-S290.4' LOT 16 BLK 24 1AC NET
CAPISALLO E150'-W600'-S290.4' LOT 16 BLK 24 1.00AC 1AC NET
CAPISALLO LOT 2 BLK 25 37.90 AC NET
CAPISALLO 1.50AC-LOT 15 BLK 24
CAPISALLO 40.0AC OF LOT 14 BLK 24 36.05AC NET
CAPISALLO 40.0AC OF LOT 3 BLK 25 38.66AC NET
CAPISALLO W60'-E640'-S550' & E640'-N770' LOT 15 BLK 24 12.07AC GR 12.03AC NET
CAPISALLO S165'-N660' LOT 10 BLK 24 5.00AC
CAPISALLO N5AC LOT 10 BLK 24 5AC GR 4.04AC NET
CAPISALLO 40.0AC OF LOT 8 BLK 25 39.39AC NET
CAPISALLO E660'- LOT 9 BLK 25 20 AC GR 17.73 AC NET
CAPISALLO W150'-E450'-S290.4' LOT 15 BLK 24 1AC GR 0.90AC NET
CAPISALLO 40.0AC OF LOT 10 BLK 25 35.75AC NET
CAPISALLO LOT 15 BLK 25 36.40 AC NET
CAPISALLO 1AC-40AC TR LOT 4 BLK 23
CAPISALLO 40.0AC OF LOT 3 BLK 23 36.70AC NET
CAPISALLO 39.0AC-40.0AC OF LOT 4 BLK 23 37.27AC NET
CAPISALLO N304'-S449'-E233' LOT 2 BLK 46 1.63AC NET
CAPISALLO 40.0AC OF LOT 4 BLK 24 37.93AC NET
CAPISALLO N20.0AC OF LOT 5 BLK 24 19.0AC NET
CAPISALLO 40.0AC OF LOT 11 BLK 24 37.64AC NET
CAPISALLO W280'-S270' LOT 12 BLK 24 1.74AC GR 1.49AC NET
CAPISALLO -N30AC LOT 12 BK 44 30.00AC NET
CAPISALLO S330'-N165' LOT 12 BLK 44 5AC
CAPISALLO W242'-N871'-LOT 1 BLK 46 4.84AC GR 4.67AC NET
CAPISALLO SE 2.63AC LOT 7 BLK 62
CAPISALLO 40.0AC OF LOT 1 BLK 23 36.56AC NET
CAPISALLO S660' LOT 5 & S660' LOT 6 BLK 24 40 AC GR 37.80 AC NET
CAPISALLO S224.50'-W210' LOT 7 BLK 24 1.0AC GR 0.73AC NET
CAPISALLO 39.0AC OF LOT 7 BLK 24 35.85AC NET
CAPISALLO E660' EXC E153'-W162'-N284.70' LOT 2 BLK 44 19.00AC GR 18.55AC NET
CAPISALLO 1AC-E20AC LOT 2 BLK 44 1AC NET
CAPISALLO 40.0 AC EXC 1.0 AC LOT 5 BLK 25 39AC GR 33.20AC NET
CAPISALLO 40.0AC OF LOT 1 BLK 24 37.31AC NET
CAPISALLO LOT 1 BLK 25 40AC GR 37.70AC NET
CAPISALLO 40 AC -LOT 1 BLK 46 EXC W242'-N871' 35.16AC
CAPISALLO 40 AC LOT 1 BLK 45
CAPISALLO 29.96 AC LOT 10 BLK 63
CAPISALLO 39.98 AC LOT 9 BLK 63
CAPISALLO 37.06 AC LOT 16 BLK 63
CAPISALLO 38.66 AC -LOT 8 BLK 63
CAPISALLO 18.30 AC -LT 7 BLK 63

CAPISALLO 30.51 AC LOT 2 BLK 63 30.00AC NET
CAPISALLO AN IRR TR S885'-E437.8' LOT 14 BLK 62 3.43 AC NET
CAPISALLO NE 4.23AC LOT 3 BLK 63 4.20AC NET
ANGELICA LOT 1
ANGELICA LOT 2
CAPISALLO S 20 AC -LOT 11 BLK 44
CAPISALLO N20AC EXC NE IRR TR 0.15AC 19.85AC NET
CAPISALLO 38.10 AC -LOT 15 BLK 62
CAPISALLO N 20 AC -LOT 4 BLK 45
CAPISALLO W20AC EXC AN IRR TR E345.65'- W660'- S162.42' LOT 14 BLK 46 18.23 AC
CAPISALLO AN IRR TR E345.65' - W660'- S162.42' LOT 14 BLK 46 1.32 AC
CAPISALLO E464' LOT 6 BLK 46 14.06AC GR 13.45AC NET
CAPISALLO N140'-E379.43' & S775'-E379.43' EXC N142.64'-E198.50' LOT 3 BLK 46
7.32AC GR 6.97AC NET
CAPISALLO E198.50'-S142.64'-N687.64' LOT 3 BLK 46 0.65AC GR 0.58AC NET
CAPISALLO S 405'-N 545'-E 379.43' LOT 3 BLK 46 1.65 AC NET
CAPISALLO LOTS 11 & 12 BLK 46 EAST OF FLOODWAY 29.59AC GR 28.98AC NET
CAPISALLO W202'-E226'-N273' LOT 2 BLK 45 1.27 AC GR 1.18 AC NET
CAPISALLO LOT 2 BLK 45 EXC W202'-E226'-N273' 38.73 AC GR 37.62 AC NET
CAPISALLO E440' LOT 14 BLK 25 13.33AC GR 12.68AC NET
CAPISALLO S21.97'-LT 9 AN IRR TR S399.05' LT 10 AN IRR TR N273.54' LT 15 & N106.5'
LT 16 BLK 23 13.36 AC GR 13.09 AC NET
CAPISALLO 40.0AC EXC 1.0AC & EXC AN IRR TR N273.54' LOT 15 BLK 23 34.98 AC GR
33.64 AC NET
CAPISALLO S1213.50' LOT 16 BLK 23 36.80 AC GR 35.37 AC NET
CAPISALLO N 1298' LOT 9 BLK 23 39.34 AC GR 38.74 AC NET
CAPISALLO 40.0AC OF LOT 10 BLK 23 EXC AN IRR TR S399.05' 35.79 AC GR 35.34 AC NET
CAPISALLO 2.21 AC LOT 13 BLK 6
CAPISALLO W7.60AC-L0T 4 BLK 6 7.60AC NET
CAPISALLO LOT 5 BK 6 6.90AC
CAPISALLO LOT 5.45 AC OF 12 BLK 6 ACREAGE 5.45
CAPISALLO LOT 11.87 AC OF 4 BLK 8 ACREAGE 11.87
CAPISALLO LOT 11.21 AC OF 5 BLK 8 ACREAGE NET 11.21
CAPISALLO LOT 12 BLK 8 10.57 AC ACREAGE 10.57 NET
CAPISALLO LOT 13 BLK 8 9.93 AC NET AC 9.93
CAPISALLO LOT 9.39 AC OF 4 BLK 7 ACREAGE 9.39
CAPISALLO LOT 8.64 AC OF 5 BLK 7 ACREAGE 8.64
CAPISALLO 8.01AC OF LOT 12 BLK 7 7.40AC NET
CAPISALLO LOT 7.37 AC OF 13 BLK 7 ACREAGE 7.37
CAPISALLO LOT 13 AN IRR TR E1236.81'-LOT 13 BLK 46 19.83AC GR 18.98AC NET
CAPISALLO W660' LOT 9 & W660' LOT 16 BLK 25 40.00 AC GR 39.62 AC NET
CAPISALLO N50'-S240.4'-W136.3'E586.3' LOT 16 BLK 24 0.156AC
CAPISALLO W136.3'-E586.3'-N50'-S190' LOT 16 BLK 24 .156 AC
CAPISALLO N50'-S290'-W136.3'-E586.3' & S140'-W136.3'-E586.3' LOT 16 BLK 24
CAPISALLO E440'-W880' LOT 14 BLK 25 13.33 NET
CAPISALLO W440' LOT 14 BLK 25 13.33 NET
CAPISALLO E24.92AC LOT 1 BLK 62 EXC N2.63AC-S7.44AC-W15AC 22.28AC NET

CAPISALLO E 1.35AC BEING AN IRR TRACT - W507.47'-E836.87'-N225.95'- S639.2'- LOT 1
BLK 62 1.35AC NET
CAPISALLO W 1.28AC BEING AN IRR TRACT- W507.47'-E836.87'-N225.95'- S639.2'-LOT 1
BLK 62 1.28AC NET

Attachment 16c

c. Order, resolution or ordinance establishing the reinvestment zone

Not Applicable.

Attachment 16d

d. Guidelines and criteria for creating the zone

Not Applicable.

Attachment 17

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

Please see attached.



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

October 22, 2019

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

RE: *Amendment 001 to the Mercedes Independent School District from Monte Alto Windpower, LLC*

To the Local Government Assistance & Economic Analysis Division:

Enclosed please find Amendment 001 of the Monte Alto Windpower LLC Application to Mercedes ISD. The following changes have been made:

Section 9, Page 5/Schedule C

- The timeline lists 1st Quarter 2022 for the Commencement of construction. Schedule C shows the first year of construction in 2021. The two do not match.
- If the timeline is correct please adjust and submit a revised Schedule C. If Schedule C is correct please submit a revised Section 9.

Schedule C has been revised to match Section 9, Page 5

Section 10

- There are only two taxing jurisdictions listed. My understanding is South Texas ISD is a special purpose district that covers Hidalgo and Cameron Counties. Is it possible South Texas ISD has jurisdiction for a portion of the project and yet it is not listed. Are there any other taxing jurisdictions to include on the list – any other special districts – emergency services district, drainage district, etc.?

Section 10 has been updated with additional taxing jurisdictions – EMS Dist. #2, Drainage Dist. 31, South Texas ISD.

Section 14, Page 7 and Tab 13

- Please be aware TRACER's QCEW release date for 2nd Quarter 2019 wage data is this month. As such you will need to update Section 14 and Tab 13.

Section 14 and Tab 13 have been updated to include Q2 2019 wages.

www.moakcasey.com

Phone 512-485-7878

901 S. Mopac Expwy ★ Bldg. III Suite 310 ★ Austin, TX 78746

Fax 512-485-7888



Tab 4

- Since the application is the Monte Alto Windpower, LLC project within the Mercedes ISD boundaries please include several sentences describing the project. Please submit a revised Tab 4
- In the third paragraph it states, "Monte Alto is requesting an appraised value limitation from Mercedes ISD for a proposed wind energy project located in Hidalgo and Cameron Counties." Mercedes ISD is located in Hidalgo County. Please fix in the revised Tab 4.

Tab 4 has been updated with project description for Mercedes ISD and reference to Cameron County has been removed.

Tabs 7 & 8

- The description in Tab 7 does not indicate how many acres the wind farm but does in Tab 8. Please include the number of acres in a revised Tab 7.
- Will the project include any met towers. If yes please include the response in revised Tabs 7 and 8.
- The last paragraph of Tab 8 mentions " All of the infrastructure will remain within the project boundary and within the Hidalgo and Cameron County Enterprise Zones." Mercedes ISD is within Hidalgo County. Please remove Cameron County from the description and submit a revised Tab 8.

Tab 7 now includes the number of acres. Tab 8 has had reference to Cameron County removed.

Tab 11

- Both of the public maps illustrate the problem with all the maps including those in confidential materials. First, the vicinity map on the Cameron County side has wind farm boundaries that are not part of any recognizable wind farm. Please erase for all maps submitted since the project that is subject of this application is the portion within Mercedes ISD.
- Second, the project boundary for Monte Alto wind project within Mercedes ISD must be contiguous. If you look at the two maps below I have circled in a teal color what looks to be two squares off to themselves. That is not contiguous. Please submit maps with a contiguous project boundary.
- Third – in the vicinity map and the enterprise zone map the project boundary disappears – in one map I noted in pink (Vicinity Map) and the other in yellow (Enterprise Zone Map). Please be sure to include the project boundary back in or make it more visible in the revised maps.

The maps have been updated.

Tab 16

- Please note the link provided in the tab did not work.

Tab 16 now contains a new link that has been verified to work.



Confidential Materials

- The letter provided for Tab 11 cites Government Code, Section 552.113 as the reason for confidentiality. Please explain why this section of the Government Code relates.
- The applicant requested portions of Tab 11 be kept confidential. Hard copies must be segregated from the rest of the application. In this case portions of Tab 11 marked "Confidential" were integrated with the rest of application. Please be aware for next time.

The Maps include commercially valuable geological or geophysical information regarding the exploration or development of natural resources and is protected from disclosure under section 552.113(d) of the Texas Government Code.

Signature Page

- Please include a new signature page. On an application amendment, we do not need an original copy.

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

Sincerely,

A handwritten signature in blue ink that reads "Daniel T. Casey". The signature is written in a cursive style with a large, looping 'C' at the end.

Daniel T. Casey
School District Consultant

cc: Mr. Rolando Garza, Chief Appraiser, Hidalgo County Appraisal District
Mr. Milton Howard, Vice President of Renewable Development, Terra-Gen, LLC
Mr. Damon Huplosky, Managing Director, Terra-Gen, LLC
Mr. Robert Pena, Jr., Texas Energy Consultants, LLC
Ms. Carolyn Mendiola, Superintendent, Mercedes ISD
Mr. Tony Torres, Flores and Torres LLP

Attachment 1

Please see executed application attached.

SECTION 9: Projected Timeline

- 1. Application approval by school board QTR 2 2020
- 2. Commencement of construction QTR 1 2022
- 3. Beginning of qualifying time period January 1, 2021
- 4. First year of limitation January 1, 2023
- 5. Begin hiring new employees QTR 3 2022
- 6. Commencement of commercial operations QTR 4 2022
- 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? Yes No
Note: Improvements made before that time may not be considered qualified property.
- 8. When do you anticipate the new buildings or improvements will be placed in service? QTR 4 2022

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Hidalgo County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Hidalgo County CAD
- 3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes No
- 4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: Hidalgo, 0.5800, 100% City: _____
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: EMS Dist. #2, 0.036, 100% Water District: Drainage Dist. #1, 0.1051, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): South Texas College, 0.17800, 100% Other (describe): South Texas ISD, 0.0492, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
- 5. Is the project located entirely within the ISD listed in Section 1? Yes No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
- 6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
- 3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
- 4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
- 5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? Yes No

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 - First Quarter
 - Second Quarter
 - Third Quarter
 - Fourth Quarter of 2019 (year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0

Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 1
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 665.50
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 881.93
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 757.39
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 39,384.28
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 39,384.28
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

Attachment 4

Detailed description of the project.

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

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

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

Monte Alto Windpower, LLC was recently created for the purpose of interconnecting Monte Alto into the ERCOT market and there are no existing 312 or 313 agreements in place for this project. Monte Alto is requesting an appraised value limitation from Mercedes ISD for a proposed wind energy project using wind turbines and transmission located in Hidalgo County . Monte Alto *will NOT* be requesting an appraised value of limitation for the portion of the project located within the La Feria ISD school district boundary. The wind farm and its associated infrastructure will be constructed within the jurisdiction of La Villa ISD, Mercedes ISD, Santa Rosa ISD, and La Feria ISD and located within Hidalgo & Cameron Counties, Texas. A map showing the location of the wind farm is included as Attachment 11a.

The wind farm will have an estimated capacity of 201 megawatts (“MW”). To construct the wind farm, Monte Alto expects: 88 wind turbines comprised of 82 wind turbines with a nameplate capacity of 2.2 Megawatts (“MW”) and 6 wind turbines with a nameplate capacity of 3.45 MW of which:

- 47 wind turbines being within the La Villa ISD boundaries,
- 15 wind turbines within the Mercedes ISD boundaries,
- 22 wind turbines within the Santa Rosa ISD boundaries, and
- 4 wind turbines within the La Feria ISD boundaries.

Specific to Mercedes ISD, the wind farm will have an estimated 41 MW which is comprised of 15 wind turbines with a nameplate capacity of 2.2MW. The wind farm project within Mercedes ISD is a critical and invaluable portion of the project as a whole. Should the Limitation of Appraised Value Agreement for Mercedes ISD not be granted, then it is likely that Monte Alto Windpower would not be viable and would be forced to redeploy it’s assets and capital to other states competing for similar wind projects.

In addition to the wind turbine generating units, there will be the supporting electrical collection system and roads to be constructed and improved as necessary to permit the interconnection and transmission of electricity generated by the wind turbines constructed within the Project’s boundary.

Construction of the wind farm is expected to take approximately 12 months to complete, contingent upon favorable economics for the project.

While the wind regime for Monte Alto is very good, there are many favorable locations for wind projects that could be developed across the United States Monte Alto has modeled its economics with an expectation that having a Limitation of Appraised Value Agreements with La Villa ISD, Mercedes ISD, and Santa Rosa ISD as a key and invaluable portion of the project.

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

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

Wind Capacity by State



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

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

Terra-Gen, the developer of Monte Alto Windpower, LLC, is a national developer of wind projects, and has operations across the US and states within the contiguous United States. As construction is one of the most significant costs in creating wind farm, the physical improvements of the Monte Alto, once completed, cannot be feasibly moved to another location. The wind turbines and

supporting infrastructure are long-lived assets engineered and designed specifically for this project location. The cost of installing the improvements on the site is substantial and the cost to remove, redesign, and relocate the improvements to a different location would be prohibitive.

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

Terra-Gen prefers to develop and build the proposed Monte Alto Windpower Project as described throughout this Application, but should it not be granted the limitation, then it is likely that Monte Alto Windpower would not be economically viable compared to other projects in development across the U.S.

As of April 2019, Monte Alto has no physical assets on site. Monte Alto has invested additional capital in an Interconnection Study with ERCOT, avian studies, environmental studies, federal aviation studies, and in leasing land for the project.

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

Attachment 7

Description of Qualified Investment

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

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

The property for which the Applicant is requesting an appraised value limitation shall include, the following: up to 15 wind turbines: 8 with a nameplate capacity of 2.2 MW, and 7 with a nameplate capacity of 3.45 MW with a combined total generating capacity of approximately 41 MW; up to 15 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 15 electric power transformers; underground conductor cables used to transport electricity from each turbine tower to an electrical substation. The Applicant has obtained grants of leases and easements covering approximately 3,850 acres within Mercedes ISD boundaries.

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

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

Not Applicable. The proposed Operations and Maintenance building and electrical substation facility to be constructed will not be located within the Mercedes ISD boundaries.

Attachment 8

Description of Qualified Property

Monte Alto Windpower, LLC plans to construct an estimated 41 MW within Mercedes ISD boundaries. Additional improvements of Qualified Property located within Mercedes ISD boundary include:

- 15 Wind Turbines- 8 with a nameplate capacity of 2.2 MW & 7 with a nameplate capacity of 3.45 MW;
- 15 Wind Turbine Foundations;
- Several thousand feet of Transmission Collection System cable & Junction Boxes;
- Overhead Transmission and Interconnection infrastructure;
- All weather Road work sloped for drainage;

Monte Alto anticipates placing 15 wind turbines comprised of 8 wind turbines with a nameplate capacity of 2.2 MW and 7 with a name plate capacity of 3.45 MW. Although final turbine selection and location of the infrastructure may change, all of the equipment outlined above is expected to be located within Mercedes ISD boundaries. Current plans are to install turbines in one phase. Monte Alto has obtained grants of leases and easements covering approximately 3,850 acres within Mercedes ISD boundaries.

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

Attachment 11

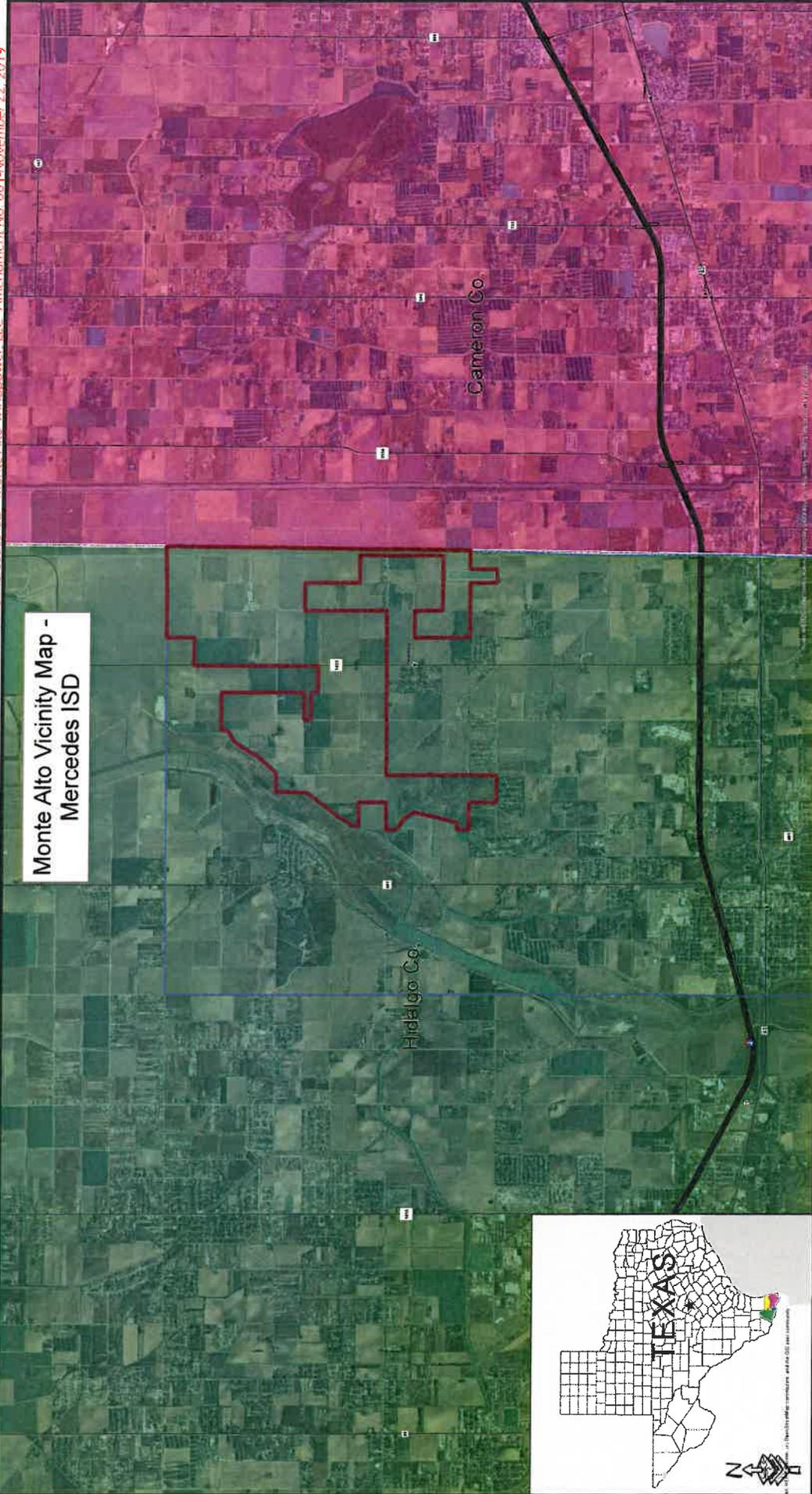
Maps that clearly show:

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

Attachment 11a

a. Project vicinity

Please see attached map below.



Monte Alto Vicinity Map -
Mercedes ISD

Hidalgo Co.

Cameron Co.



- Legend**
- * City Boundary
 - Project Boundary
 - Mercedes ISD BNDRY
 - Cameron Co.
 - Hidalgo Co.

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

Project Location: Hidalgo & Cameron County, Texas



Disclaimer - This map should not be used for legal purposes. It is intended for general reference use only.

Project No. 001 Date: 11/16/2019

September 16, 2019

Re: Confidentiality of Maps Submitted with Monte Alto Windpower, LLC Chapter 313 Appraised Value limitation Application with Mercedes ISD

To Whom It May Concern:

As an attachment to the Monte Alto Windpower, LLC Chapter 313 Appraised Value Limitation Application submitted to Mercedes ISD on September 16, 2019 ("Application"), we designated certain maps, the Qualified Investment and Qualified Property maps (Attachments 11b & 11c), attached thereto ("Maps") as "Confidential". We submit this letter to comply with the requirements by which both Mercedes ISD and the Comptroller's office can withhold confidential or proprietary information from public release while the Application is pending. This letter is submitted to identify the documents for which confidentiality is sought and provide the specific reasons, stating why the material is believed to be confidential.

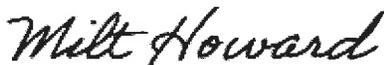
The Maps reflect the proposed specific site plan and the location of tangible personal property to be located on real property covered by the Application- all of which continue to be refined. In addition, and at this time, disclosure of the Maps could be potentially valuable to our competitors and any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

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

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

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

Sincerely,



Milton Howard

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

Attachment 11b

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

CONFIDENTIAL- FOR SEPARATE FILING

Attachment 11c

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

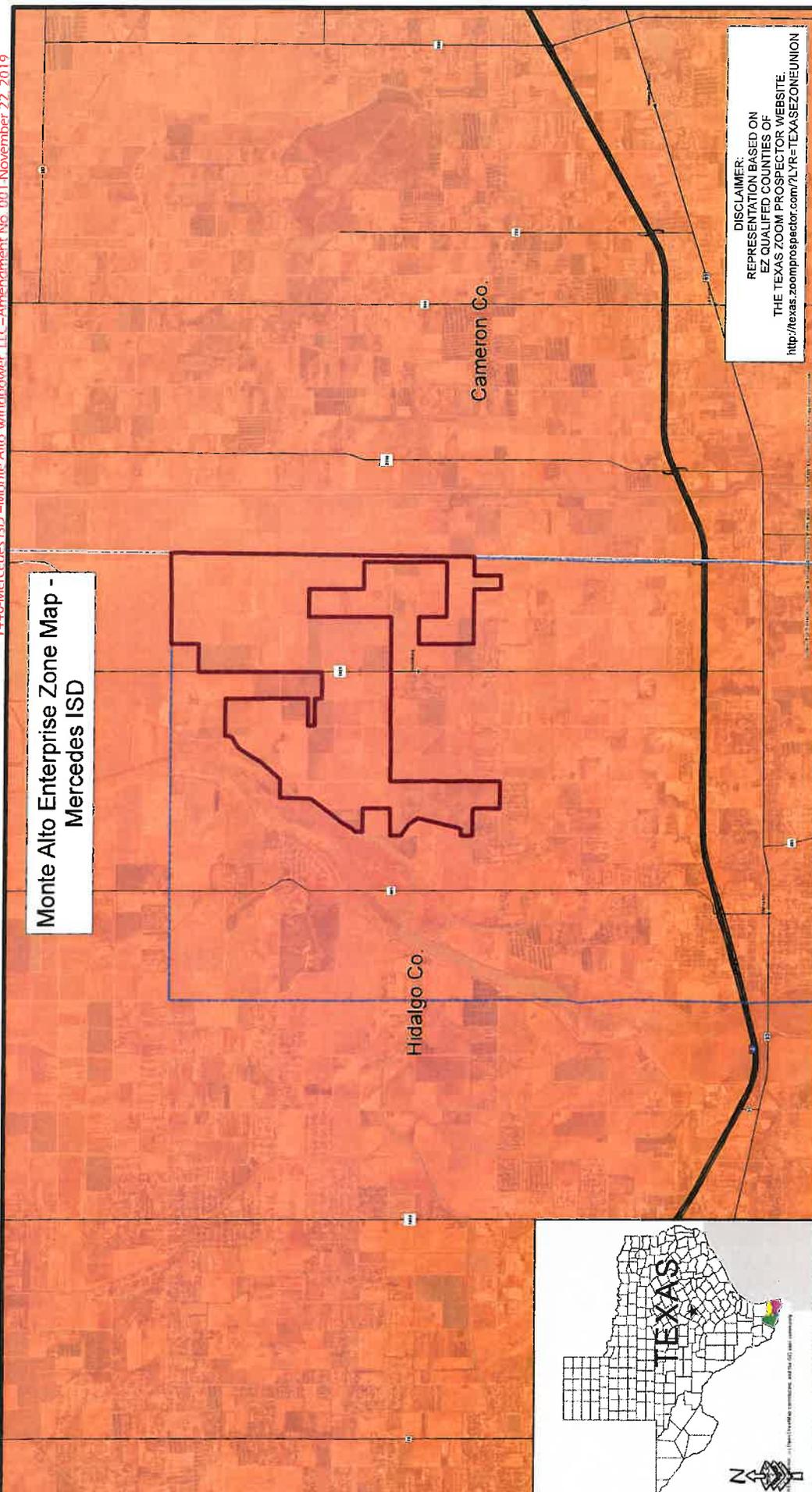
CONFIDENTIAL- FOR SEPARATE FILING

Attachment 11f

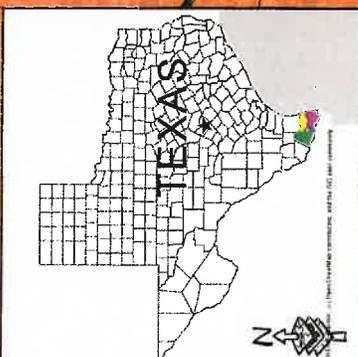
- d. Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

Please see attached map below.

Monte Alto Enterprise Zone Map - Mercedes ISD



DISCLAIMER:
 REPRESENTATION BASED ON
 EZ QUALIFIED COUNTIES OF
 THE TEXAS ZOOM PROSPECTOR WEBSITE
<http://texas.zoomprospector.com/2LYR-TEXASZONEUNION>



Legend

- City
- Project Boundary
- Mercedes ISD BNDRY
- QUALIFIED COUNTIES

Project Location: Hidalgo & Cameron County, Texas

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

DATE: 11/16/2019

Scale: 1" = 1000'

North Arrow

Disclaimer: This map should not be used for legal purposes. It is provided for informational use only.

Attachment 13

Calculation of Wage Requirements – Hidalgo County

Supporting data for Section 14(7)(a)

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

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2019	1 st Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$663.00
2019	2 nd Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$657.00
2018	3 rd Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$661.00
2018	4 th Qtr	Hidalgo County	Total All	0	0	10	Total, All Industries	\$681.00
Average weekly wage for previous four quarters								\$665.50

Source: Quarterly Employment and Wages (QCEW) data for Hidalgo County, <https://texaslmi.com/LMIbyCategory/QCEW>

Supporting Data for Section 14(7)(b)

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

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2019	1 st Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$810.00
2019	2 nd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$812.00
2018	3 rd Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$782.00
2018	4 th Qtr	Hidalgo County	Private	31	2	31-33	Manufacturing	\$803.00
Average weekly wage for previous four quarters								\$801.75
110% of Average Weekly Wages								\$881.93

Source: Quarterly Employment and Wages (QCEW) data for Hidalgo County, <https://texaslmi.com/LMIbyCategory/QCEW>

Supporting Data for Section 14(7)(c)

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

Average Hourly Wages	\$17.21
Average Annual Wages	\$35,804.00
Average Weekly Wages @40hrs/week	\$688.54
110% of Average Weekly Wages	\$757.39

Source: 2018 Manufacturing Average Wages by Council of Government Region Wages for All Occupations. Project location region: 21. Lower Rio Grande Valley Development Council. <https://texaslmi.com/Downloads/COGWages.pdf>

1440-Mercedes ISD –Monte Alto Windpower, LLC–Amendment No. 001-November 22, 2019

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage	
2018	03	Hidalgo	Total All	10	Total, All Industries	0	\$	661.00
2018	04	Hidalgo	Total All	10	Total, All Industries	0	\$	681.00
2019	01	Hidalgo	Total All	10	Total, All Industries	0	\$	663.00
2019	02	Hidalgo	Total All	10	Total, All Industries	0	\$	657.00

1440-Mercedes ISD –Monte Alto Windpower, LLC–Amendment No. 001-November 22, 2019

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2018	03	Hidalgo	Private	31-33	Manufacturing	2	\$ 782.00
2018	04	Hidalgo	Private	31-33	Manufacturing	2	\$ 803.00
2019	01	Hidalgo	Private	31-33	Manufacturing	2	\$ 810.00
2019	02	Hidalgo	Private	31-33	Manufacturing	2	\$ 812.00

Attachment 14

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

Please see attached schedules below.

Schedule C: Employment Information

Date: 11/12/2019
Applicant Name: Monte Alto Windpower, LLC
ISD Name: Mercedes ISD

	Construction			Non-Qualifying Jobs		Qualifying Jobs		
	Column A	Column B	Column C	Column D	Column E	Column D	Column E	
	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs			
Tax Year (Actual tax year) YYYY	School Year (YYYY-YYYY)	Year	Column C	Column D	Column E	Column D	Column E	
2021	2021-2022	1	N/A	N/A	\$ -	N/A	\$ -	
2022	2022-2023	2	150 FTEs	0	\$ 26,461.00	1	\$ 39,384.29	
2023	2023-2024	1		0		1	\$ 39,384.29	
2024	2024-2025	2		0		1	\$ 39,384.29	
2025	2025-2026	3		0		1	\$ 39,384.29	
2026	2026-2027	4		0		1	\$ 39,384.29	
2027	2027-2028	5		0		1	\$ 39,384.29	
2028	2028-2029	6		0		1	\$ 39,384.29	
2029	2029-2030	7		0		1	\$ 39,384.29	
2030	2030-2031	8		0		1	\$ 39,384.29	
2031	2031-2032	9		0		1	\$ 39,384.29	
2032	2032-2033	10		0		1	\$ 39,384.29	
2033-2047	2033-2048	11 through 25		0		1	\$ 39,384.29	

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

C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25) Yes No

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? Yes No

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? Yes No

Attachment 16

Description of Reinvestment or Enterprise Zone, including:

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

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

Attachment 16a

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

Hidalgo County is a designated enterprise zone county. A map provided by the Texas Economic Development Corporation depicting the designated enterprise zones can be found by following the link provided "<https://www.zoomprospector.com/edos/texas-governors-office-of-economic-development-tourism/324>". See attached map of Hidalgo County Enterprise Zones.

Attachment 17

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

Please see attached.

SECTION 16 Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here

Carolyn Mendiola

Print Name (Authorized School District Representative)

Superintendent

Title

sign here

[Handwritten Signature]

Signature (Authorized School District Representative)

11-18-19

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here

Milton Howard

Print Name (Authorized Company Representative (Applicant))

Vice President of Renewable Development

Title

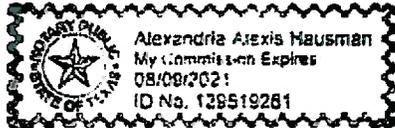
sign here

[Handwritten Signature]

Signature (Authorized Company Representative (Applicant))

11-12-19

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

12th day of November 2019

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

My Commission expires: 08/09/2021

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

Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of : 06/01/2020 15:14:38

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

MONTE ALTO WINDPOWER, LLC	
Texas Taxpayer Number	32063809241
Mailing Address	437 MADISON AVE FL 22 C/O TGPH II, LLC NEW YORK, NY 10022-7036
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	05/19/2017
Texas SOS File Number	0802727184
Registered Agent Name	COGENCY GLOBAL INC
Registered Office Street Address	1601 ELM ST, STE 4360 DALLAS, TX 75201

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

February 27, 2020

Carolyn Mendiola
Superintendent
Mercedes Independent School District
206 W. Sixth Street
Mercedes, Texas 78570

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Mercedes Independent School District and Monte Alto Windpower, LLC, Application 1440

Dear Superintendent Mendiola:

On December 2, 2019, the Comptroller issued written notice that Monte Alto Windpower, LLC (applicant) submitted a completed application (Application 1440) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on September 16, 2019, to the Mercedes Independent School District (school district) by the applicant.

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

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

Determination required by 313.025(h)

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

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

- Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
- Sec. 313.024(d-2) Not applicable to Application 1440.

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, 2020.

Note that any building or improvement existing as of the application review start date of December 2, 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 or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

A handwritten signature in blue ink that reads "Lisa Craven". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A - Economic Impact Analysis

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

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

Applicant	Monte Alto Windpower, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Wind
School District	Mercedes ISD
2018-2019 Average Daily Attendance	4,834
County	Hidalgo
Proposed Total Investment in District	\$38,825,960
Proposed Qualified Investment	\$38,825,960
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	1*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$757.39
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$757.39
Minimum annual wage committed to by applicant for qualified jobs	\$39,384.28
Minimum weekly wage required for non-qualifying jobs	\$665.50
Minimum annual wage required for non-qualifying jobs	\$34,606.00
Investment per Qualifying Job	\$38,825,960
Estimated M&O levy without any limit (15 years)	\$4,452,714
Estimated M&O levy with Limitation (15 years)	\$3,260,502
Estimated gross M&O tax benefit (15 years)	\$1,192,211

* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

Table 2 is the estimated statewide economic impact of Monte Alto Windpower, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2022	151	141	292	\$4,008,534	\$15,161,673	\$19,170,207
2023	1	21	22.4129	\$39,384	\$3,130,551	\$3,169,935
2024	1	10	11	\$39,384	\$2,035,406	\$2,074,791
2025	1	1	2	\$39,384	\$1,127,056	\$1,166,440
2026	1	(4)	-3	\$39,384	\$522,919	\$562,303
2027	1	(5)	-4	\$39,384	\$166,987	\$206,371
2028	1	(5)	-4	\$39,384	-\$4,848	\$34,536
2029	1	(5)	-4	\$39,384	-\$45,078	-\$5,694
2030	1	(3)	-2	\$39,384	\$1,584	\$40,968
2031	1	(2)	-1	\$39,384	\$90,896	\$130,280
2032	1	(0)	1	\$39,384	\$199,183	\$238,568
2033	1	1	2	\$39,384	\$300,087	\$339,471
2034	1	2	3	\$39,384	\$397,616	\$437,000
2035	1	2	3	\$39,384	\$481,342	\$520,726
2036	1	3	4	\$39,384	\$546,440	\$585,824
2037	1	3	4	\$39,384	\$597,135	\$636,519

Source: CPA REMI, Monte Alto Windpower, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Mercedes ISD I&S Tax Levy	Mercedes ISD M&O Tax Levy	Mercedes ISD M&O and I&S Tax Levies	Hidalgo County Tax Levy	South Texas College Tax Levy	Emergency Services District #2 Tax Levy	South Texas ISD Tax Levy	Hidalgo County Drainage District #1 Tax Levy	Estimated Total Property Taxes
				0.21000	1.0684		0.57500	0.17330	0.03600	0.04920	0.10510	
2023	\$38,825,960	\$38,825,960		\$81,535	\$414,817	\$496,351	\$223,249	\$67,285	\$13,977	\$19,102	\$40,806	\$786,886
2024	\$36,884,662	\$36,884,662		\$77,458	\$394,076	\$471,534	\$212,087	\$63,921	\$13,278	\$18,147	\$38,766	\$747,541
2025	\$35,040,429	\$35,040,429		\$73,585	\$374,372	\$447,957	\$201,482	\$60,725	\$12,615	\$17,240	\$36,827	\$710,164
2026	\$33,288,407	\$33,288,407		\$69,906	\$355,653	\$425,559	\$191,408	\$57,689	\$11,984	\$16,378	\$34,986	\$674,656
2027	\$31,623,987	\$31,623,987		\$66,410	\$337,871	\$404,281	\$181,838	\$54,804	\$11,385	\$15,559	\$33,237	\$640,923
2028	\$30,042,788	\$30,042,788		\$63,090	\$320,977	\$384,067	\$172,746	\$52,064	\$10,815	\$14,781	\$31,575	\$608,877
2029	\$28,540,648	\$28,540,648		\$59,935	\$304,928	\$364,864	\$164,109	\$49,461	\$10,275	\$14,042	\$29,996	\$578,433
2030	\$27,113,616	\$27,113,616		\$56,939	\$289,682	\$346,620	\$155,903	\$46,988	\$9,761	\$13,340	\$28,496	\$549,512
2031	\$25,757,935	\$25,757,935		\$54,092	\$275,198	\$329,289	\$148,108	\$44,639	\$9,273	\$12,673	\$27,072	\$522,036
2032	\$24,470,038	\$24,470,038		\$51,387	\$261,438	\$312,825	\$140,703	\$42,407	\$8,809	\$12,039	\$25,718	\$495,934
2033	\$23,246,536	\$23,246,536		\$48,818	\$248,366	\$297,184	\$133,668	\$40,286	\$8,369	\$11,437	\$24,432	\$471,138
2034	\$22,084,210	\$22,084,210		\$46,377	\$235,948	\$282,325	\$126,984	\$38,272	\$7,950	\$10,865	\$23,211	\$447,581
2035	\$20,979,999	\$20,979,999		\$44,058	\$224,150	\$268,208	\$120,635	\$36,358	\$7,553	\$10,322	\$22,050	\$425,202
2036	\$19,930,999	\$19,930,999		\$41,855	\$212,943	\$254,798	\$114,603	\$34,540	\$7,175	\$9,806	\$20,947	\$403,942
2037	\$18,934,449	\$18,934,449		\$39,762	\$202,296	\$242,058	\$108,873	\$32,813	\$6,816	\$9,316	\$19,900	\$383,744
			Total	\$875,206	\$4,452,714	\$5,327,919	\$2,396,397	\$722,253	\$150,035	\$205,048	\$438,020	\$8,446,569

Source: CPA, Monte Alto Windpower, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Hidalgo County, South Texas College, Emergency Services District #2, South Texas ISD and Hidalgo County Drainage District #1, with all property tax incentives sought using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatements with the county and college.

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	Mercedes ISD I&S Tax Levy	Mercedes ISD M&O Tax Levy	Mercedes ISD M&O and I&S Tax Levies	Hidalgo County Tax Levy	South Texas College Tax Levy	Emergency Services District #2 Tax Levy	South Texas ISD Tax Levy	Hidalgo County Drainage District #1 Tax Levy	Estimated Total Property Taxes	
				0.21000	1.0684		0.57500	0.17330	0.03600	0.04920	0.10510		
2023	\$38,825,960	\$20,000,000		\$81,535	\$213,680	\$295,215	\$0	\$0	\$13,977	\$19,102	\$40,806	\$295,215	
2024	\$36,884,662	\$20,000,000		\$77,458	\$213,680	\$291,138	\$0	\$0	\$13,278	\$18,147	\$38,766	\$291,138	
2025	\$35,040,429	\$20,000,000		\$73,585	\$213,680	\$287,265	\$0	\$0	\$12,615	\$17,240	\$36,827	\$287,265	
2026	\$33,288,407	\$20,000,000		\$69,906	\$213,680	\$283,586	\$0	\$0	\$11,984	\$16,378	\$34,986	\$283,586	
2027	\$31,623,987	\$20,000,000		\$66,410	\$213,680	\$280,090	\$0	\$0	\$11,385	\$15,559	\$33,237	\$280,090	
2028	\$30,042,788	\$20,000,000		\$63,090	\$213,680	\$276,770	\$0	\$0	\$10,815	\$14,781	\$31,575	\$276,770	
2029	\$28,540,648	\$20,000,000		\$59,935	\$213,680	\$273,615	\$0	\$0	\$10,275	\$14,042	\$29,996	\$273,615	
2030	\$27,113,616	\$20,000,000		\$56,939	\$213,680	\$270,619	\$0	\$0	\$9,761	\$13,340	\$28,496	\$270,619	
2031	\$25,757,935	\$20,000,000		\$54,092	\$213,680	\$267,772	\$0	\$0	\$9,273	\$12,673	\$27,072	\$267,772	
2032	\$24,470,038	\$20,000,000		\$51,387	\$213,680	\$265,067	\$0	\$0	\$8,809	\$12,039	\$25,718	\$265,067	
2033	\$23,246,536	\$23,246,536		\$48,818	\$248,366	\$297,184	\$133,668	\$40,286	\$8,369	\$11,437	\$24,432	\$471,138	
2034	\$22,084,210	\$22,084,210		\$46,377	\$235,948	\$282,325	\$126,984	\$38,272	\$7,950	\$10,865	\$23,211	\$447,581	
2035	\$20,979,999	\$20,979,999		\$44,058	\$224,150	\$268,208	\$120,635	\$36,358	\$7,553	\$10,322	\$22,050	\$425,202	
2036	\$19,930,999	\$19,930,999		\$41,855	\$212,943	\$254,798	\$114,603	\$34,540	\$7,175	\$9,806	\$20,947	\$403,942	
2037	\$18,934,449	\$18,934,449		\$39,762	\$202,296	\$242,058	\$108,873	\$32,813	\$6,816	\$9,316	\$19,900	\$383,744	
				Total	\$875,206	\$3,260,502	\$4,135,708	\$604,763	\$182,270	\$150,035	\$205,048	\$438,020	\$4,922,742
				Diff	\$0	\$1,192,211	\$1,192,211	\$1,791,634	\$539,983	\$0	\$0	\$0	\$3,523,828

Assumes School Value Limitation and Tax Abatements with the County and College

Source: CPA, Monte Alto Windpower, LLC

*Tax Rate per \$100 Valuation

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

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

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
	2022	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2023	\$213,680	\$213,680	\$201,137	\$201,137
	2024	\$213,680	\$427,360	\$180,396	\$381,532
	2025	\$213,680	\$641,040	\$160,692	\$542,224
	2026	\$213,680	\$854,720	\$141,973	\$684,198
	2027	\$213,680	\$1,068,400	\$124,191	\$808,388
	2028	\$213,680	\$1,282,080	\$107,297	\$915,685
	2029	\$213,680	\$1,495,760	\$91,248	\$1,006,934
	2030	\$213,680	\$1,709,440	\$76,002	\$1,082,936
	2031	\$213,680	\$1,923,120	\$61,518	\$1,144,453
	2032	\$213,680	\$2,136,800	\$47,758	\$1,192,211
Maintain Viable Presence (5 Years)	2033	\$248,366	\$2,385,166	\$0	\$1,192,211
	2034	\$235,948	\$2,621,114	\$0	\$1,192,211
	2035	\$224,150	\$2,845,264	\$0	\$1,192,211
	2036	\$212,943	\$3,058,207	\$0	\$1,192,211
	2037	\$202,296	\$3,260,502	\$0	\$1,192,211
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	\$192,181	\$3,452,683	\$0	\$1,192,211
	2039	\$182,572	\$3,635,255	\$0	\$1,192,211
	2040	\$173,443	\$3,808,698	\$0	\$1,192,211
	2041	\$164,771	\$3,973,469	\$0	\$1,192,211
	2042	\$156,533	\$4,130,002	\$0	\$1,192,211
	2043	\$148,706	\$4,278,708	\$0	\$1,192,211
	2044	\$141,271	\$4,419,978	\$0	\$1,192,211
	2045	\$134,207	\$4,554,186	\$0	\$1,192,211
	2046	\$127,497	\$4,681,682	\$0	\$1,192,211
	2047	\$121,122	\$4,802,804	\$0	\$1,192,211

\$4,802,804

is greater than

\$1,192,211

Analysis Summary

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

Yes

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, Monte Alto Windpower, LLC

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

Attachment C – Limitation as a Determining Factor

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

Methodology

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

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

Determination

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

- Per Monte Alto Windpower, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. "Yes. Terra-Gen management team is uniquely qualified to develop and construct wind and other renewable energy projects in the United States. In North America, Terra-Gen currently operates over 2,000 MW of renewable energy projects. Based on this experience the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the State of Texas as WITHIN the State of Texas. Other locations being evaluated include, but are not limited to: California, Oklahoma, Louisiana, Colorado, Wyoming and Nevada."
 - B. "For these reasons, Terra-Gen studies and evaluates various competing sites throughout the market areas across the U.S. where wind development is attractive. Without a Value Limitation program, Terra-Gen would seek to move to alternative sites outside of the State of Texas."
 - C. "Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is economically competitive with other wind projects with similar incentives. Without the requested value limitation, the Monte Alto Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the total projected capital costs of approximately \$228.388M, of which \$38.83M will be within Mercedes ISD boundary, needed to purchase wind turbines and other infrastructure, and to fund the construction of the facility."
- Per Monte Alto Windpower, LLC in Tab 4 of their Application for a Limitation on Appraised Value:
 - A. "Specific to Mercedes ISD, the wind farm will have an estimated 41 MW which is comprised of 15 wind turbines with a nameplate capacity of 2.2MW. The wind farm project within Mercedes ISD is a critical and invaluable portion of the project as a whole. Should the Limitation of Appraised Value Agreement for Mercedes ISD not be granted, then it is likely that Monte Alto Windpower

would not be viable and would be forced to redeploy [its] assets and capital to other states competing for similar wind projects.”

- Supplemental Information provided by the applicant indicated the following:
 - A. Is this project known by any specific names not otherwise mentioned in this application? *No.*
 - B. 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. *Formerly known as West Willacy Windpower, LLC.*
 - C. Has this project applied to ERCOT at this time? If so, please provide the project's GINR number and when was it assigned. Does the project have a different GINR number assigned to it since this portion of project is in Hidalgo County? *19INR0022 Assigned July 6, 2017*

Supporting Information

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

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

Supporting Information

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (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 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

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

Attachment 5

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

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

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

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

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

- Grants of leases and easements covering approximately 3,850 acres,
- Avian Study and contract,
- Bat Acoustic Study and contract,
- Threatened & Endangered Species Studies and contract,
- Enterprise Zone with Hidalgo County Commissioners Court,
- Interconnection Application with ERCOT, and
- Federal Aviation Studies

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

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

California
Oklahoma
Louisiana
Colorado
Wyoming
Nevada

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

Monte Alto is currently in a period of assessment to determine whether the identified site represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the Project for a planned 204 MW, of which 41MW will be located within Mercedes ISD, could be redeployed to other renewable energy development projects in other power markets in the United States.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is economically competitive with other wind projects with similar incentives. Without the requested value limitation, the Monte Alto Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the total projected capital costs of approximately \$228.388M, of which \$38.83M will be within Mercedes ISD boundary, needed to purchase wind turbines and other infrastructure, and to fund the construction of the facility.

10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?

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

Supporting Information

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

Attachment 4

Detailed description of the project.

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

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

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

Monte Alto Windpower, LLC was recently created for the purpose of interconnecting Monte Alto into the ERCOT market and there are no existing 312 or 313 agreements in place for this project. Monte Alto is requesting an appraised value limitation from Mercedes ISD for a proposed wind energy project using wind turbines and transmission located in Hidalgo County . Monte Alto *will NOT* be requesting an appraised value of limitation for the portion of the project located within the La Feria ISD school district boundary. The wind farm and its associated infrastructure will be constructed within the jurisdiction of La Villa ISD, Mercedes ISD, Santa Rosa ISD, and La Feria ISD and located within Hidalgo & Cameron Counties, Texas. A map showing the location of the wind farm is included as Attachment 11a.

The wind farm will have an estimated capacity of 201 megawatts (“MW”). To construct the wind farm, Monte Alto expects: 88 wind turbines comprised of 82 wind turbines with a nameplate capacity of 2.2 Megawatts (“MW”) and 6 wind turbines with a nameplate capacity of 3.45 MW of which:

- 47 wind turbines being within the La Villa ISD boundaries,
- 15 wind turbines within the Mercedes ISD boundaries,
- 22 wind turbines within the Santa Rosa ISD boundaries, and
- 4 wind turbines within the La Feria ISD boundaries.

Specific to Mercedes ISD, the wind farm will have an estimated 41 MW which is comprised of 15 wind turbines with a nameplate capacity of 2.2MW. The wind farm project within Mercedes ISD is a critical and invaluable portion of the project as a whole. Should the Limitation of Appraised Value Agreement for Mercedes ISD not be granted, then it is likely that Monte Alto Windpower would not be viable and would be forced to redeploy it’s assets and capital to other states competing for similar wind projects.

Attachment D

Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED MONTE ALTO
WINDPOWER, LLC PROJECT IN THE MERCEDES
INDEPENDENT SCHOOL DISTRICT
(PROJECT # 1440)**

PREPARED BY



DECEMBER 5, 2019

Executive Summary

Monte Alto Windpower, LLC (Company) has requested that the Mercedes Independent School District (MISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to MISD on September 16, 2019 the Company plans to invest \$38.8 million to construct a renewable energy electric generation facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

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

Under the provisions of Chapter 313, MISD may offer a minimum value limitation of \$20 million. This value limitation, under the proposed application, will begin in the 2023-24 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report. This analysis incorporates to the fullest extent possible the changes approved in House Bill 3 as approved in 2019, the most significant school finance revisions in more than 30 years. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to MISD	\$425,109
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$751,980

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. The Completeness Letter for this project was issued on December 2, 2019.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of

the project and provide its certificate for a limitation on appraised value. After the certificate is received, the district has until the 150th day from the receipt of the Completeness Letter to adopt an agreement, although extensions may be requested by the Company and granted by the District.

After the Comptroller's certificate is received, Flores & Torres, LLP will contact the school district to discuss the value limitation agreement and begin negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees.

Prior to final board meeting, Flores & Torres, LLP will provide the district with the necessary agenda language and any additional action items. The school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. In some instances, the school board may also be required to adopt a job waiver or create a reinvestment zone during this meeting.

How the 313 Agreement Interacts with Texas School Finance

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

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of two components: Tier I (based on ADA, special student populations and M&O taxes at the compressed tax rate) and Tier II (based on weighted ADA for each penny of tax effort above a specified level). Recapture costs are primarily a Tier I issue, although Tier II also can involve recapture costs for some school districts.

The basic allotment is now set at \$6,160 per weighted ADA (WADA) and is the basis for Tier I calculations. In the case of Tier II, the first eight cents of additional tax effort can be used to generate state aid of up to \$98.56 per WADA for what are known as "golden" pennies. Tax effort for golden pennies is not subject to recapture. Up to an additional nine cents may be levied to generate \$49.28 per WADA for what are known as "copper" pennies (generating half the revenue per WADA of the golden pennies).

Changes in the recapture calculation are an important part of HB 3, for those districts subject to recapture under the new law. Rather than being tied to property wealth exceeding an equalized wealth level per WADA, recapture is now defined as the amount of revenue collected in excess of a district's Tier I allotment, or for Tier II the amount of collections in excess of the entitlement provided for tax effort generating copper-penny level state aid. (Golden pennies are not subject to recapture.) The changes in the recapture methodology may affect the results of revenue protection payments relative to what was calculated when the equalized wealth level was used to determine the amount of recapture owed the state by school districts subject to recapture. It does not appear to be an issue for MISD, based on the calculations shown below.

Another significant school funding change is establishing current-year property values to determine state funding and recapture under the Foundation School Program. The traditional

approach for the last 30 years has been to rely upon prior-year state property values as determined annually under the Comptroller's State Property Value Study (Section 403 of the Government Code). The change in House Bill 3 calls for using current-year property values as determined by the Comptroller's Property Value Study, without an explanation as to how the property value study is to be completed on a real-time basis.

While school district funding will now be determined based on current-year property values, House Bill 3 included language that addressed the property values to be used in determining calculating revenue protection payments under Chapter 313 agreements. This information is contained in Section 48.256(d), Education Code, as shown below:

- d) This subsection applies to a school district in which the board of trustees entered into a written agreement with a property owner under Section 313.027, Tax Code, for the implementation of a limitation on appraised value under Subchapter B or C, Chapter 313, Tax Code. For purposes of determining "DPV" under Subsection (a) for a school district to which this subsection applies, the commissioner shall exclude a portion of the market value of property not otherwise fully taxable by the district under Subchapter B or C, Chapter 313, Tax Code, before the expiration of the subchapter. The comptroller shall provide information to the agency necessary for this subsection. **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 [emphasis added].**

Given the directive regarding the use of preceding-tax-year values to calculate revenue protection payments required under Chapter 313 agreements, the amounts collected are expected to be consistent with the patterns shown since these calculations were first calculated under the standard Chapter 313 agreement language, dating back to 2004. The most significant impact is typically in the first limitation year, although major value increases in project values in later limitation years may also trigger a revenue protection payment. The additional factor that may generate a variance with the traditional pattern of revenue protection amounts is the new methodology in the calculation of recapture, as noted previously.

The calculations shown below are based on the Section 48.256(d), Education Code directive to use preceding-tax-year property values to determine the revenue protection payment, if any, owed to the school district under the terms of the Chapter 313 Agreement between the Applicant and the School District. These calculations are to be made for each of the 10 limitation years under the terms of the Agreement. Chapter 313 will be subject to legislative renewal in 2021 and any changes made may impact these calculations moving forward.

(For more detailed information on the school finance funding system, please review the Texas Education Agency's (TEA) website. [The current information is expected to be updated as the details of House Bill 3 implementation are determined by TEA.](#)

The implementation of recent legislative action on school funding in House Bill 3 could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

Underlying School District Data Assumptions

The agreement between the school district and the applicant calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. The Basic Allotment is now set to \$6,160, the Tier II golden penny yield is set to \$98.56 per WADA for up to eight cents, while the copper penny yield is \$49.28 per WADA for up to nine cents of local tax effort. These are maintained for future years at this time.

Static school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system. Any previously approved Chapter 313 projects are also factored into the M&O tax bases used.

ADA:	4,789
Local M&O Tax Base	\$550.5 million
2019-20 M&O Tax Rate:	\$1.0684 per \$100 of Taxable Value
2020-21 Projected M&O Tax Rate:	\$1.0548 per \$100 of Taxable Value
I&S Tax Rate:	\$0.2100 per \$100 of Taxable Value

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

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

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	Sec. 48.256(d) District Revenue Protection District Property Value with Project	Sec. 48.256(d) District Revenue Protection District Property Value with Limitation	DPV Value with Project per WADA	DPV Value with Limitation per WADA
QTP0	2020-21	4,789.28	6,738.84	\$1.0548	\$0.2100	\$538,845,094	\$538,845,094	\$79,961	\$79,961
QTP1	2021-22	4,789.28	6,738.84	\$1.0548	\$0.2100	\$538,845,094	\$538,845,094	\$79,961	\$79,961
QTP2	2022-23	4,789.28	6,738.84	\$1.0548	\$0.2100	\$538,845,094	\$538,845,094	\$79,961	\$79,961
VL1	2023-24	4,789.28	6,738.84	\$1.0548	\$0.2100	\$538,845,094	\$538,845,094	\$79,961	\$79,961
VL2	2024-25	4,789.28	6,738.84	\$1.0548	\$0.2100	\$577,671,054	\$558,845,094	\$85,723	\$82,929
VL3	2025-26	4,789.28	6,738.84	\$1.0548	\$0.2100	\$575,729,756	\$558,845,094	\$85,435	\$82,929
VL4	2026-27	4,789.28	6,738.84	\$1.0548	\$0.2100	\$573,885,523	\$558,845,094	\$85,161	\$82,929
VL5	2027-28	4,789.28	6,738.84	\$1.0548	\$0.2100	\$572,133,501	\$558,845,094	\$84,901	\$82,929
VL6	2028-29	4,789.28	6,738.84	\$1.0548	\$0.2100	\$570,469,081	\$558,845,094	\$84,654	\$82,929
VL7	2029-30	4,789.28	6,738.84	\$1.0548	\$0.2100	\$568,887,882	\$558,845,094	\$84,419	\$82,929
VL8	2030-31	4,789.28	6,738.84	\$1.0548	\$0.2100	\$567,385,742	\$558,845,094	\$84,196	\$82,929
VL9	2031-32	4,789.28	6,738.84	\$1.0548	\$0.2100	\$565,958,710	\$558,845,094	\$83,985	\$82,929
VL10	2032-33	4,789.28	6,738.84	\$1.0548	\$0.2100	\$564,603,029	\$558,845,094	\$83,783	\$82,929
VP1	2033-34	4,789.28	6,738.84	\$1.0548	\$0.2100	\$563,315,132	\$558,845,094	\$83,592	\$82,929
VP2	2034-35	4,789.28	6,738.84	\$1.0548	\$0.2100	\$562,091,630	\$562,091,630	\$83,411	\$83,411
VP3	2035-36	4,789.28	6,738.84	\$1.0548	\$0.2100	\$560,929,304	\$560,929,304	\$83,238	\$83,238
VP4	2036-37	4,789.28	6,738.84	\$1.0548	\$0.2100	\$559,825,093	\$559,825,093	\$83,074	\$83,074
VP5	2037-38	4,789.28	6,738.84	\$1.0548	\$0.2100	\$558,776,093	\$558,776,093	\$82,919	\$82,919

*Basic Allotment: \$6,160; Golden Penny Yield: \$98.56; Copper Penny Yield: \$49.28

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

M&O Impact of the Monte Alto Wind Project on MISD

A model is established to make a calculation of the “Baseline Revenue Model” (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the “Value Limitation Revenue Model” (Table 3) by adding the project’s limited value of \$20 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$425,109 over the course of the Agreement, with all the loss reflected in the first limitation year (2023-24).

Table 2- “Baseline Revenue Model” --Project Value Added to DPV with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP0	2020-21	\$5,063,655	\$37,616,172	\$0	\$764,385	\$6,668,088	\$0	\$0	\$50,112,300
QTP1	2021-22	\$5,063,655	\$37,616,172	\$0	\$764,385	\$6,668,088	\$0	\$0	\$50,112,300
QTP2	2022-23	\$5,063,655	\$37,616,172	\$0	\$764,385	\$6,668,088	\$0	\$0	\$50,112,300
VL1	2023-24	\$5,415,828	\$37,616,172	\$0	\$817,548	\$7,132,803	\$0	\$0	\$50,982,351
VL2	2024-25	\$5,398,036	\$37,260,333	\$0	\$814,862	\$6,580,547	\$0	\$0	\$50,053,778
VL3	2025-26	\$5,381,134	\$37,278,124	\$0	\$812,311	\$6,583,287	\$0	\$0	\$50,054,856
VL4	2026-27	\$5,365,077	\$37,295,027	\$0	\$809,887	\$6,585,888	\$0	\$0	\$50,055,879
VL5	2027-28	\$5,349,822	\$37,311,084	\$0	\$807,583	\$6,588,361	\$0	\$0	\$50,056,850
VL6	2028-29	\$5,335,331	\$37,326,338	\$0	\$805,396	\$6,590,709	\$0	\$0	\$50,057,774
VL7	2029-30	\$5,321,563	\$37,340,830	\$0	\$803,318	\$6,601,765	\$0	\$0	\$50,067,476
VL8	2030-31	\$5,308,485	\$37,354,597	\$0	\$801,344	\$6,603,887	\$0	\$0	\$50,068,313
VL9	2031-32	\$5,296,060	\$37,367,676	\$0	\$799,469	\$6,605,904	\$0	\$0	\$50,069,109
VL10	2032-33	\$5,284,256	\$37,380,101	\$0	\$797,686	\$6,607,819	\$0	\$0	\$50,069,862
VP1	2033-34	\$5,272,448	\$37,391,904	\$0	\$795,903	\$6,609,639	\$0	\$0	\$50,069,894
VP2	2034-35	\$5,262,008	\$37,403,118	\$0	\$794,328	\$6,611,367	\$0	\$0	\$50,070,821
VP3	2035-36	\$5,252,091	\$37,413,770	\$0	\$792,830	\$6,613,010	\$0	\$0	\$50,071,701
VP4	2036-37	\$5,242,669	\$37,423,890	\$0	\$791,408	\$6,614,570	\$0	\$0	\$50,072,537
VP5	2037-38	\$5,233,718	\$37,433,505	\$0	\$790,058	\$6,622,135	\$0	\$0	\$50,079,416

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

M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$1.2 million over the life of the agreement. The MISD revenue losses are expected to total approximately \$425,109. The total potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$751,980, prior to any negotiations with Monte Alto Wind on supplemental payments. (See Table 5.)

It should be noted that a key element in the revenue-loss calculation appears to be linked to the retention of prior-year property values in the calculation of the revenue protection amount for the 2022-23 school year. Under the standard agreement, these calculations are based on whatever school finance and property tax laws are in effect each year. With a legislative session occurring in 2021, there could be changes made to current school finance law. While the District will still be protected against revenue losses, these calculations may be reduced below what we are projecting under what is now current law.

Table 3- "Value Limitation Revenue Model" --Project Value Added to DPV with Value Limitation in Effect

Year of Agreement	School Year	M&O Taxes @ Compressed Rate		Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP0	2020-21	\$5,063,655	\$37,616,172	\$0	\$764,385	\$6,668,088	\$0	\$0	\$50,112,300
QTP1	2021-22	\$5,063,655	\$37,616,172	\$0	\$764,385	\$6,668,088	\$0	\$0	\$50,112,300
QTP2	2022-23	\$5,063,655	\$37,616,172	\$0	\$764,385	\$6,668,088	\$0	\$0	\$50,112,300
VL1	2023-24	\$5,243,289	\$37,616,172	\$0	\$791,502	\$6,906,279	\$0	\$0	\$50,557,242
VL2	2024-25	\$5,243,289	\$37,432,872	\$0	\$791,502	\$6,630,883	\$0	\$0	\$50,098,546
VL3	2025-26	\$5,243,289	\$37,432,872	\$0	\$791,502	\$6,630,883	\$0	\$0	\$50,098,546
VL4	2026-27	\$5,243,289	\$37,432,872	\$0	\$791,502	\$6,630,883	\$0	\$0	\$50,098,546
VL5	2027-28	\$5,243,289	\$37,432,872	\$0	\$791,502	\$6,630,883	\$0	\$0	\$50,098,546
VL6	2028-29	\$5,243,289	\$37,432,872	\$0	\$791,502	\$6,630,883	\$0	\$0	\$50,098,546
VL7	2029-30	\$5,243,289	\$37,432,872	\$0	\$791,502	\$6,630,883	\$0	\$0	\$50,098,546
VL8	2030-31	\$5,243,289	\$37,432,872	\$0	\$791,502	\$6,630,883	\$0	\$0	\$50,098,546
VL9	2031-32	\$5,243,289	\$37,432,872	\$0	\$791,502	\$6,630,883	\$0	\$0	\$50,098,546
VL10	2032-33	\$5,243,289	\$37,432,872	\$0	\$791,502	\$6,630,883	\$0	\$0	\$50,098,546
VP1	2033-34	\$5,272,448	\$37,432,872	\$0	\$795,903	\$6,672,347	\$0	\$0	\$50,173,570
VP2	2034-35	\$5,262,008	\$37,403,118	\$0	\$794,328	\$6,611,367	\$0	\$0	\$50,070,821
VP3	2035-36	\$5,252,091	\$37,413,770	\$0	\$792,830	\$6,613,010	\$0	\$0	\$50,071,701
VP4	2036-37	\$5,242,669	\$37,423,890	\$0	\$791,408	\$6,614,570	\$0	\$0	\$50,072,537
VP5	2037-38	\$5,233,718	\$37,433,505	\$0	\$790,058	\$6,622,135	\$0	\$0	\$50,079,416

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

Table 4 - Value Limitation Revenue Model Less Baseline Revenue Model with No Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate		Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP0	2020-21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2021-22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2	2022-23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VL1	2023-24	-\$172,539	\$0	\$0	-\$26,046	-\$226,524	\$0	\$0	-\$425,109
VL2	2024-25	-\$154,747	\$172,539	\$0	-\$23,360	\$50,336	\$0	\$0	\$44,768
VL3	2025-26	-\$137,845	\$154,748	\$0	-\$20,809	\$47,596	\$0	\$0	\$43,690
VL4	2026-27	-\$121,788	\$137,845	\$0	-\$18,385	\$44,995	\$0	\$0	\$42,667
VL5	2027-28	-\$106,533	\$121,788	\$0	-\$16,081	\$42,522	\$0	\$0	\$41,696
VL6	2028-29	-\$92,042	\$106,534	\$0	-\$13,894	\$40,174	\$0	\$0	\$40,772
VL7	2029-30	-\$78,274	\$92,042	\$0	-\$11,816	\$29,118	\$0	\$0	\$31,070
VL8	2030-31	-\$65,196	\$78,275	\$0	-\$9,842	\$26,996	\$0	\$0	\$30,233
VL9	2031-32	-\$52,771	\$65,196	\$0	-\$7,967	\$24,979	\$0	\$0	\$29,437
VL10	2032-33	-\$40,967	\$52,771	\$0	-\$6,184	\$23,064	\$0	\$0	\$28,684
VP1	2033-34	\$0	\$40,968	\$0	\$0	\$62,708	\$0	\$0	\$103,676
VP2	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2035-36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2036-37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2037-38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Table 5 - Estimated Financial Impact of the Monte Alto Wind Project Property Value Limitation Request Submitted to MISD at \$1.05485 M&O Tax Rate

Year of Agreement	School Year	Project Taxable Value for M&O If No Limitation	Project Taxable Value for M&O with Limitation	Assumed M&O Tax Rate	Tax Savings to Company	School District Revenue Protection	Estimated Net Tax Benefits
QTP0	2020-21	\$0	\$0	\$1.05485	\$0	\$0	\$0
QTP1	2021-22	\$0	\$0	\$1.05485	\$0	\$0	\$0
QTP2	2022-23	\$0	\$0	\$1.05485	\$0	\$0	\$0
VL1	2023-24	\$38,825,960	\$20,000,000	\$1.05485	\$198,585	-\$425,109	-\$226,524
VL2	2024-25	\$36,884,662	\$20,000,000	\$1.05485	\$178,108	\$0	\$178,108
VL3	2025-26	\$35,040,429	\$20,000,000	\$1.05485	\$158,654	\$0	\$158,654
VL4	2026-27	\$33,288,407	\$20,000,000	\$1.05485	\$140,173	\$0	\$140,173
VL5	2027-28	\$31,623,987	\$20,000,000	\$1.05485	\$122,615	\$0	\$122,615
VL6	2028-29	\$30,042,788	\$20,000,000	\$1.05485	\$105,936	\$0	\$105,936
VL7	2029-30	\$28,540,648	\$20,000,000	\$1.05485	\$90,091	\$0	\$90,091
VL8	2030-31	\$27,113,616	\$20,000,000	\$1.05485	\$75,038	\$0	\$75,038
VL9	2031-32	\$25,757,935	\$20,000,000	\$1.05485	\$60,737	\$0	\$60,737
VL10	2032-33	\$24,470,038	\$20,000,000	\$1.05485	\$47,152	\$0	\$47,152
VP1	2033-34	\$23,246,536	\$23,246,536	\$1.05485	\$0	\$0	\$0
VP2	2034-35	\$22,084,210	\$22,084,210	\$1.05485	\$0	\$0	\$0
VP3	2035-36	\$20,979,999	\$20,979,999	\$1.05485	\$0	\$0	\$0
VP4	2036-37	\$19,930,999	\$19,930,999	\$1.05485	\$0	\$0	\$0
VP5	2037-38	\$18,934,449	\$18,934,449	\$1.05485	\$0	\$0	\$0
\$1,177,089						-\$425,109	\$751,980

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

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

- Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations, which could be significant under HB 3.
- Legislative changes addressing property value appraisals and exemptions.
- Year-to-year appraisals of project values and district taxable values.
- Changes in school district tax rates and student enrollment.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with MISD currently levying a \$0.21 per \$100 I&S rate. While the full value of the Monte Alto Windpower project is subject to I&S taxes, MISD receives state funding under the Instructional Facilities Allotment (IFA) and Existing Debt Allotment (EDA) programs. An initial analysis suggests that at the current investment level for the project, the increase in local I&S taxes will largely offset state aid under the IFA and EDA programs.

Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis. The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond.

Attachment E

Taxable Value of Property

108-907/Mercedes ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Estimate	2018 Value Assigned
A. SINGLE-FAMILY RESIDENCES	286,744,719	N/A	286,744,719	286,744,719
B. MULTIFAMILY RESIDENCES	16,075,597	N/A	16,075,597	16,075,597
C1. VACANT LOTS	30,100,521	N/A	30,100,521	30,100,521
C2. COLONIA LOTS	11,760	N/A	11,760	11,760
D1. QUALIFIED AG LAND	7,781,879	N/A	7,781,879	7,781,879
D2. REAL PROP:FARM & RANCH	765,533	N/A	765,533	765,533
E. REAL PROP NONQUAL ACREAGE	25,268,977	N/A	25,268,977	25,268,977
F1. COMMERCIAL REAL	167,340,729	N/A	167,340,729	167,340,729
F2. INDUSTRIAL REAL	3,000,795	N/A	3,000,795	3,000,795
G. OIL,GAS,MINERALS	48,470	N/A	48,470	48,470
J. UTILITIES	27,767,726	N/A	27,767,726	27,767,726
L1. COMMERCIAL PERSONAL	68,590,391	N/A	68,590,391	68,590,391
L2. INDUSTRIAL PERSONAL	5,699,028	N/A	5,699,028	5,699,028
M. MOBILE HOMES	2,208,769	N/A	2,208,769	2,208,769
N. INTANGIBLE PERSONAL PROP	0	N/A	0	0
O. RESIDENTIAL INVENTORY	2,716,796	N/A	2,716,796	2,716,796
S. SPECIAL INVENTORY	213,844	N/A	213,844	213,844
Subtotal	644,335,534	0	644,335,534	644,335,534
Less Total Deductions	105,490,440	0	105,490,440	105,490,440
Total Taxable Value	538,845,094	0	538,845,094	538,845,094

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M & O Purposes

T1	T2	T3	T4
567,832,497	538,845,094	567,832,497	538,845,094

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
28,987,403	0

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

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

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

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

Value Taxable For I & S Purposes

T7	T8	T9	T10
567,832,497	538,845,094	567,832,497	538,845,094

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

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

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

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

THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

108-907-02/Mercedes ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Estimate	2018 Value Assigned
A. SINGLE-FAMILY RESIDENCES	286,744,719	N/A	286,744,719	286,744,719
B. MULTIFAMILY RESIDENCES	16,075,597	N/A	16,075,597	16,075,597
C1. VACANT LOTS	30,100,521	N/A	30,100,521	30,100,521
C2. COLONIA LOTS	11,760	N/A	11,760	11,760
D1. QUALIFIED AG LAND	7,781,879	N/A	7,781,879	7,781,879
D2. REAL PROP:FARM & RANCH	765,533	N/A	765,533	765,533
E. REAL PROP NONQUAL ACREAGE	25,268,977	N/A	25,268,977	25,268,977
F1. COMMERCIAL REAL	167,340,729	N/A	167,340,729	167,340,729
F2. INDUSTRIAL REAL	3,000,795	N/A	3,000,795	3,000,795
G. OIL,GAS,MINERALS	48,470	N/A	48,470	48,470
J. UTILITIES	27,767,726	N/A	27,767,726	27,767,726
L1. COMMERCIAL PERSONAL	68,590,391	N/A	68,590,391	68,590,391
L2. INDUSTRIAL PERSONAL	5,699,028	N/A	5,699,028	5,699,028
M. MOBILE HOMES	2,208,769	N/A	2,208,769	2,208,769
N. INTANGIBLE PERSONAL PROP	0	N/A	0	0
O. RESIDENTIAL INVENTORY	2,716,796	N/A	2,716,796	2,716,796
S. SPECIAL INVENTORY	213,844	N/A	213,844	213,844
Subtotal	644,335,534		644,335,534	644,335,534
Less Total Deductions	105,490,440		105,490,440	105,490,440

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Estimate	2018 Value Assigned
Total Taxable Value	538,845,094		538,845,094	538,845,094

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M & O Purposes

T1	T2	T3	T4
567,832,497	538,845,094	567,832,497	538,845,094

Loss To the Additional \$10,000 Homestead Exemption	50 % of the loss to the Local Optional Percentage Homestead Exemption
28,987,403	0

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

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

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

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

Value Taxable For I & S Purposes

T7	T8	T9	T10
567,832,497	538,845,094	567,832,497	538,845,094

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

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

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

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

Attachment F

TEA's Facilities Value

Attachment G

Participation Agreement

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

by and between

MERCEDES INDEPENDENT SCHOOL DISTRICT

and

MONTE ALTO WINDPOWER, LLC

(Texas Taxpayer ID # 32063809241)

Comptroller Application #1440

Dated

June 22, 2020

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

STATE OF TEXAS §

COUNTY OF HIDALGO §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this “Agreement,” is executed and delivered by and between the **MERCEDES INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the “District,” a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **MONTE ALTO WINDPOWER, LLC**, Texas Taxpayer Identification Number 32063809241 hereinafter referred to as the “Applicant.” The Applicant and the District are hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, on September 16, 2019, the Superintendent of Schools of the Mercedes Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on September 16, 2019, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

WHEREAS, the Application was delivered to the Texas Comptroller’s Office for review pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, the District and the Texas Comptroller’s Office have determined that the Application is complete and December 2, 2019, is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Hidalgo County Appraisal District established in Hidalgo County, Texas (the Hidalgo County Appraisal District”), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on February 27, 2020, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the District's Board of Trustees, by motion dated April 20, 2020 extended the statutory deadline by which the District must consider the Application until December 30, 2020, 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 June 22, 2020, 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 June 22, 2020, 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 June 22, 2020, 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 June 1, 2020, 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 June 22, 2020, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and

Operations Taxes, and authorized the Board President and Secretary, or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized the Board Vice President to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I **DEFINITIONS**

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

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

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

“Applicant” means Monte Alto Windpower, LLC (*Texas Taxpayer ID #32063809241*), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on September 16, 2019. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

“Application Approval Date” means the date that the Application is approved by the Board of Trustees of the District and as further identified in Section 2.3.B of this Agreement.

“Application Review Start Date” means the later date of either the date on which the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the Applicant has submitted a completed Application and as further identified in Section 2.3.A of this Agreement.

“Appraised Value” shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

“Appraisal District” means the Hidalgo County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Mercedes 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 Hidalgo County, Texas.

“District” or “School District” means the Mercedes 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 acts of God, war, fires, explosions, hurricanes, floods, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each Party must inform the other in writing with proof of receipt within 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 for 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 by the District’s Average Daily Attendance, as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, for the prior school year (rounded to the nearest whole number) 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 2020, which is the Tax Year that includes the date on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i.

“Applicable School Finance Law” means Chapters 41, 42, 48, and 49 of the TEXAS EDUCATION CODE, the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State for each and every year of this Agreement, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term includes any and all amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant’s ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement. For each year of this Agreement, the “Applicable School Finance Law” shall be interpreted to include all provisions made applicable for any calculations made for the specific year for which calculations are being made.

“Maintenance and Operations Revenue” or “M&O Revenue” means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace the District’s M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE.

“New M&O Revenue” means the total State and local Maintenance and Operations Revenue that District would have actually received for such school year if calculated using prior year taxable values.

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

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

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

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

Section 2.2. PURPOSE. In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant’s Qualified Property listed and

assessed by the County Appraiser for the District's maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

- A. The Application Review Start Date for this Agreement is December 2, 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 June 22, 2020.
- C. The Qualifying Time Period for this Agreement:
 - i. Starts on the Application Approval Date; and
 - ii. Ends on December 31, 2022; 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, 2023, the first complete Tax Year that begins after the end of Qualifying Time Period.
 - ii. Ends on December 31, 2032; 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, 2037.
- 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. \$20,000,000 based on Section 313.054 of the TEXAS TAX CODE

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 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 \$10,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$665.50 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 a renewable energy electricity generating project.

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

Section 4.1. INTENT OF THE PARTIES. Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue resulting, at least in part, because or on account of entering into this Agreement and application of the Tax Limitation set out in Section 2.4 to Applicant's Qualified Property. 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. Subject to the limitations contained in this Agreement, it is the intent of the parties that the risk of any negative financial consequences to District in making the decision to enter into this agreement will be borne solely by Applicant and not by District. Applicant recognizes and acknowledges the calculations relating to the District's loss of Maintenance and Operation Revenue under this Agreement will be affected by changes to the timing of construction of the Project and any change to the Qualified Property. As such, Applicant acknowledges that it will bear any and all losses of Maintenance and Operation Revenue suffered by the District as a result of this Agreement, including without limitation any increase in the M&O Amount calculated under section 4.2 to be paid to the District for losses in Maintenance and Operations Revenue resulting from any change in the timing of construction and/or change to the Qualified Property.

The Parties hereto expressly understand and agree that, for all tax years to which this Agreement may apply, the calculation of negative financial consequences will be defined for each applicable year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may well periodically change in accordance with changes made from time to time in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement; ii) are based upon current 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 AMOUNT OF LOSS OF REVENUES BY THE DISTRICT.

A. Calculation of the Revenue Protection Amount.

Subject to the provisions of Section 7.1, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement (the "Revenue Protection Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

The Revenue Protection Amount owed by the Applicant to District means the Original M&O Revenue minus the New M&O Revenue (as such terms are defined in Section 1.2);

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

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by a qualified and experienced independent third party (the "Third Party") approved each year by the District. To the extent not inconsistent with a statutory change to Applicable School Finance Law, all calculations made by the Third Party under this Agreement shall be made using a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

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

*Texas Economic Development Act Agreement
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utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.5. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 4.2, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.6, 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 4.6. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. 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 which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Fifteen Thousand Dollars (\$15,000.00).

Section 4.7. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records and other information in accordance with Section 4.5 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the final determination of certification containing the calculations and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

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

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

Section 4.9. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to District within thirty (30) dates of receipt of written notice, up to the limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a sole and direct result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

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

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS. Applicant shall pay to the District the Supplemental Payments set forth on the following schedule on the payment due dates shown on the following schedule.

Tax Year	Payment Due Date	Amount of Supplemental Payment
2023	January 31, 2024	\$48,925
2024	January 31, 2025	\$48,925
2025	January 31, 2026	\$48,925
2026	January 31, 2027	\$48,925
2027	January 31, 2028	\$48,925
2028	January 31, 2029	\$48,925
2029	January 31, 2030	\$48,925
2030	January 31, 2031	\$48,925
2031	January 31, 2032	\$48,925
2032	January 31, 2033	\$48,925

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

Notwithstanding the foregoing:

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

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

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

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District’s Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District’s 2018-2019 Average Daily Attendance of 4,834, rounded to the nearest whole number.

Section 6.3 PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

- A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.3, above.
- B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6, above.
- C. The payment of all amounts due under this Article shall be made shall be paid on the dates set forth in the table in Section 6.1 above.

Section 6.4. DISTRICT’S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the District’s Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant’s payment obligations under Article VI of this agreement be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District’s Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District’s Board of Trustees at any time.

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

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate, 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;

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 thirty (30) 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 thirty (30) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Hidalgo County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator’s fees and expenses and the Applicant shall bear one-half of such mediator’s fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys’ fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Hidalgo County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

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

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

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.1 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 thirty (30) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

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

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

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

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

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT.

Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$10,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS.

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

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

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

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

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

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

ARTICLE X.
MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if

(i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile or email transmission, with notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

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

Carolyn Mendiola
Superintendent of Schools
Mercedes Independent School District
206 W. Sixth Street
Mercedes, Texas 78570
Phone: (956) 514-2022
Email: Carolyn.medniola@misdtx.net

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

Milton Howard
Vice President of Renewable Development
Terra-Gen, LLC
11455 El Camino Real, Suite 160
San Diego, CA 92130
Phone: (858) 764-3754
Facsimile: (858) 767-3750
Email: mhoward@terra-gen.com

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

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

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

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

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

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

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

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

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

- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;
- ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

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

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

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits,

obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

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

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

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

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

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

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

Section 10.8. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this

Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.9. INTERPRETATION.

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

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

C. The provisions of the Act and the Comptroller’s Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:

- i. The Act;
- ii. The Comptroller’s Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
- iii. This Agreement and its Attachments including the Application as incorporated by reference.

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

Section 10.11. PUBLICATION OF DOCUMENTS. The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller’s Internet website;

B. The District shall provide on its website a link to the location of those documents posted on the Comptroller’s website;

C. This Section does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

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

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

Section 10.14. CONFLICTS OF INTEREST.

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

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

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

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

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

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or

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

B. Delivery is deemed complete as follows:

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

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 22nd day of June, 2020.

MONTE ALTO WINDPOWER, LLC

MERCEDES INDEPENDENT SCHOOL DISTRICT

By: 
 Name: Matthew R. Howard
 Title: UP, Development

By: 

PRESIDENT, BOARD OF TRUSTEES

ATTEST:

By: 

SECRETARY, BOARD OF TRUSTEES

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

Hidalgo County is a designated Enterprise Zone. A map provided by the Texas Economic Development Corporation depicting the designated enterprise zone is attached as the last page of this Exhibit 1. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the Enterprise Zone and the Mercedes Independent School District.

CAPISALLO N 20 -LOT 10 BLK 44
 CAPISALLO S30AC LOT 7 BLK 45
 CAPISALLO AN IRR TR N470'- W330' EXC E63'- W330'- S103'- N293' & EXC E2'- W267'-
 S177'- N470' LOT 13 BLK 23 3.17AC GR 2.74AC NET
 CAPISALLO S627.98'-N1016.67' EXC N81.31'-W265' LOT 13 BLK 23 17.38 AC NET
 CAPISALLO N497.64' EXC W265'-N470' BEING AN IRR TR &S2.13AC LOT 13 BLK23
 9.78AC GR 9.76AC NET
 CAPISALLO LOT 13 BLK 23 S303.27' 9.19AC GR 8.03AC NET
 CAPISALLO E733'-S1254' EXC E233'-S449' LOT 2 BLK 46 18.70AC
 CAPISALLO S1254'-W587' EXC 0.77AC LOT 2 BLK 46 16.13AC
 CAPISALLO UND 4/9 INT IN N2.0AC OF LOT 2 BLK 46 0.89 AC
 CAPISALLO UND 1/9 INT IN 2.00AC OF LOT 2 BLK 46 0.22 AC
 CAPISALLO UND 4/9 INT IN N2.0AC LOT 2 BLK 46 0.89AC
 CAPISALLO W30AC LOT 15 BLK 46 29.54AC NET
 CAPISALLO 40AC EXC 1.0 AC BLK 45 39.0 AC NET
 CAPISALLO 10.5AC-NE 20.5AC LOT 6 BLK 44 10.5AC
 CAPISALLO 17.92 AC -LOT 6 BLK 44
 CAPISALLO SE 10AC-NE 22.08- LT 6 BLK 44 (8.85 AC NET)
 CAPISALLO AN IRR TR N285.33'-W594.79' LOT 4 BLK 44 2.78 AC GR 2.05 AC NET
 CAPISALLO S11.98AC-SW26.57AC LOT 4 BLK 44 11.28AC NET
 CAPISALLO N11.98AC-S23.96AC-SW26.57AC LOT 4 BLK 44 10.95AC NET
 CAPISALLO 40 AC ALL LOT 3 BLK 44 NE 13.32 AC LOT 4 BLK 44 53.32 AC NET
 CAPISALLO W 10 AC -S 20 AC LOT 14 BLK 45
 CAPISALLO N 20 AC -LOT 14 BLK 45
 CAPISALLO E 10 AC -S 20 AC LOT 14 BLK 45
 CAPISALLO LOT 1 BLK 63
 CAPISALLO 40AC EXC 2AC LOT 3 BLK 45 38AC NET
 CAPISALLO LOT 6 BLK 45 EXC E445'-N247' AN IRR TR 40.0 AC GR 37-96 AC NET
 CAPISALLO AN IRR TR E445' - N247' 2.04 AC NET LT 6 BLK 45
 CAPISALLO W680' LOT 15 BLK 24 EXC 1.50AC H/S & EXC E300'-W680'-S215' 17.63AC GR
 17.30AC NET
 CAPISALLO E300-W680'-S215' LOT 15 BLK 24 1.48AC GR 1.34AC NET
 CAPISALLO E10AC-N14.63AC LOT 8 BLK 62 10.00AC
 CAPISALLO SE 26.10 AC LOT 10 BLK 62
 CAPISALLO S25.37AC EXC NW 0.67AC LOT 8 BLK 62 24.31AC NET
 CAPISALLO 40ACS LOT 9 BLK 62 39.39AC NET
 CAPISALLO 40 AC -LOT 16 BLK 62
 CAPISALLO 40.0AC OF LOT 13 BLK 24 36.43AC NET
 CAPISALLO 40.0AC OF LOT 4 BLK 25 37.91AC NET
 CAPISALLO LOT 12 BLK 25 N10.00AC
 CAPISALLO S 20 AC LOT 4 BLK 45
 CAPISALLO 40 AC LOT 15 BLK 45
 CAPISALLO 40 AC LOT 12 BLK 45
 CAPISALLO LOT 16 BLK 45 40.00 ACS NET
 CAPISALLO BLK 46 LOT 10 N 20.00 ACS NET CAPISALLO
 CAPISALLO 40 AC LOT 5 BLK 45

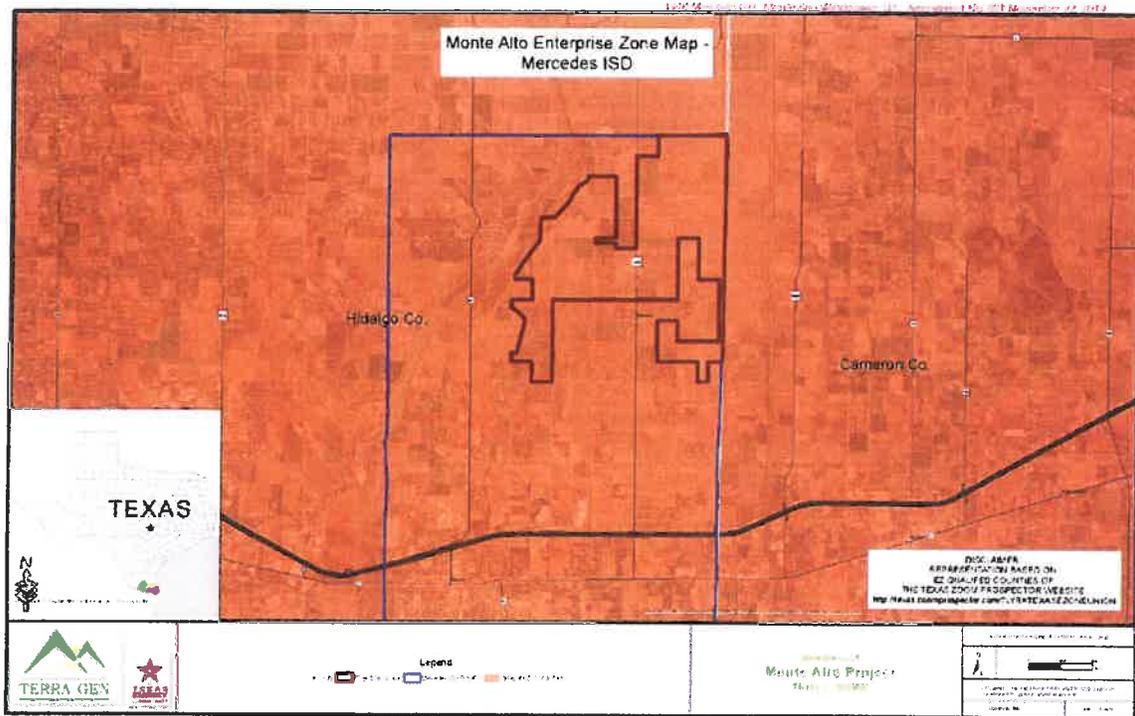
CAPISALLO S 20 AC GR-LOT 8 BLK 45 19.39 AC NET
CAPISALLO 1AC-SE 10AC LOT 9 BLK 45 1AC NET
CAPISALLO 40 AC -LOT 10 BLK 45
CAPISALLO LOT 10 BLK 46 20.00 ACS NET
CAPISALLO 40 AC -LOT 7 BLK 44
CAPISALLO N 10 AC LOT 7 BLK 45
CAPISALLO N 20 AC -LOT 8 BLK 45
CAPISALLO 2AC-40AC LOT 3 BLK 45 2AC NET
CAPISALLO E 20 AC GR-LOT 14 BLK 46 18.94AC NET
CAPISALLO 40AC LOT 11 BLK 45 39.39AC NET
CAPISALLO 40 AC -LOT 13 BLK 45
CAPISALLO 40 AC -LOT 5 BLK 44
CAPISALLO 40.0AC OF LOT 8 BLK 23 39.39AC NET
CAPISALLO N20.0AC OF LOT 7 BLK 23 19.77AC NET
CAPISALLO 40.0AC OF LOT 9 BLK 24 38.84AC NET
CAPISALLO S165'-N495' LOT 10 BLK 24 5.0AC GR 4.94AC NET
TRIPLE 'M' LOT 1 BLK 1
CAPISALLO 40AC EXC 5 290.4' LOT 16 BLK 24 31.20AC NET
CAPISALLO W150'-E300'-S290.4' LOT 15 BLK 24 1AC GR 0.90AC NET
CAPISALLO E580'-S550.06' EXC E450'-S290.4' LOT 15 BLK 24 4.32AC GR 4.23AC NET
CAPISALLO 40.0AC OF LOT 6 BLK 25 39.55AC NET
CAPISALLO 40.0AC OF LOT 2 BLK 23 36.56AC NET
CAPISALLO 40.0AC OF LOT 8 BLK 24 37.02AC NET
CAPISALLO 40.0AC OF LOT 2 BLK 24 38.66AC NET
CAPISALLO S165'-N330' LOT 10 BLK 24 5.00 AC GR 4.94 AC NET
CAPISALLO S20.0AC OF LOT 10 BLK 24 19.75AC NET
CAPISALLO W136.3'-E722.6'-S290.4' LOT 16 BLK 24 0.91AC NET
CAPISALLO W150'-E450'-S290.4' LOT 16 BLK 24 1.00AC NET
CAPISALLO E150'-S290' LOT 15 BLK 24 1AC GR 0.90AC NET
CAPISALLO 40.0AC OF LOT 7 BLK 25 39.55AC NET
CAPISALLO E660' LOT 16 BLK 25 20.00 AC GR 19.62 AC NET
CAPISALLO LOT 11 BLK 25 40.00AC GR 37.60AC NET
CAPISALLO 40 AC LOT 7 BLK 46
CAPISALLO 40 AC LOT 9 BLK 46
CAPISALLO E 20 AC -LOT 16 BLK 46
CAPISALLO W 20 AC GR-LOT 16 BLK 46 19.55AC NET
CAPISALLO 40.0AC OF LOT 11 BLK 23 35.61AC NET
CAPISALLO ALL LOT 12 BLK 23 31.80AC NET
CAPISALLO S145'-E233' LOT 2 BLK 46 0.77AC NET
CAPISALLO E 10 AC -LOT 15 BLK 46
CAPISALLO 40.0AC OF LOT 3 BLK 24 37.62AC NET
CAPISALLO 38.25AC OF LOT 12 BLK 24 37.30AC NET
CAPISALLO 40.0AC OF LOT 6 BLK 23 38.53AC NET
CAPISALLO 40.0AC OF LOT 5 BLK 23 38.79AC NET
CAPISALLO LOT 14 BLK 23 34.32 AC NET
CAPISALLO 40 AC LOT 8 BLK 46
CAPISALLO N20.0AC OF LOT 6 BLK 24 18.80AC NET

Page 2 of 5

CAPISSALLO W 20 AC -LOT 2 BLK 44
 CAPISSALLO S20.0AC OF LOT 7 BLK 23 19.78AC NET
 TRIPLE 'M' LOT 2 BLK 1
 TRIPLE 'M' LOT 3 BLK 1
 CAPISSALLO S 290.4'-W 300' LT 16 BK 24 2AC NET
 CAPISSALLO E150'-W450'-S290.4' LOT 16 BLK 24 1AC NET
 CAPISSALLO E150'-W600'-S290.4' LOT 16 BLK 24 1.00AC 1AC NET
 CAPISSALLO LOT 2 BLK 25 37.90 AC NET
 CAPISSALLO 1.50AC-LOT 15 BLK 24
 CAPISSALLO 40.0AC OF LOT 14 BLK 24 36.05AC NET
 CAPISSALLO 40.0AC OF LOT 3 BLK 25 38.66AC NET
 CAPISSALLO W60'-E640'-S550' & E640'-N770' LOT 15 BLK 24 12.07AC GR 12.03AC NET
 CAPISSALLO S165'-N660' LOT 10 BLK 24 5.00AC
 CAPISSALLO N5AC LOT 10 BLK 24 5AC GR 4.04AC NET
 CAPISSALLO 40.0AC OF LOT 8 BLK 25 39.39AC NET
 CAPISSALLO E660'- LOT 9 BLK 25 20 AC GR 17.73 AC NET
 CAPISSALLO W150'-E450'-S290.4' LOT 15 BLK 24 1AC GR 0.90AC NET
 CAPISSALLO 40.0AC OF LOT 10 BLK 25 35.75AC NET
 CAPISSALLO LOT 15 BLK 25 36.40 AC NET
 CAPISSALLO 1AC-40AC TR LOT 4 BLK 23
 CAPISSALLO 40.0AC OF LOT 3 BLK 23 36.70AC NET
 CAPISSALLO 39.0AC-40.0AC OF LOT 4 BLK 23 37.27AC NET
 CAPISSALLO N304'-S449'-E233' LOT 2 BLK 46 1.63AC NET
 CAPISSALLO 40.0AC OF LOT 4 BLK 24 37.93AC NET
 CAPISSALLO N20.0AC OF LOT 5 BLK 24 19.0AC NET
 CAPISSALLO 40.0AC OF LOT 11 BLK 24 37.64AC NET
 CAPISSALLO W280'-S270' LOT 12 BLK 24 1.74AC GR 1.49AC NET
 CAPISSALLO -N30AC LOT 12 BK 44 30.00AC NET
 CAPISSALLO S330'-N165' LOT 12 BLK 44 5AC
 CAPISSALLO W242'-N871'-LOT 1 BLK 46 4.84AC GR 4.67AC NET
 CAPISSALLO SE 2.63AC LOT 7 BLK 62
 CAPISSALLO 40.0AC OF LOT 1 BLK 23 36.56AC NET
 CAPISSALLO S660' LOT 5 & S660' LOT 6 BLK 24 40 AC GR 37.80 AC NET
 CAPISSALLO S224.50'-W210' LOT 7 BLK 24 1.0AC GR 0.73AC NET
 CAPISSALLO 39.0AC OF LOT 7 BLK 24 35.85AC NET
 CAPISSALLO E660' EXC E153'-W162'-N284.70' LOT 2 BLK 44 19.00AC GR 18.55AC NET
 CAPISSALLO 1AC-E20AC LOT 2 BLK 44 1AC NET
 CAPISSALLO 40.0 AC EXC 1.0 AC LOT 5 BLK 25 39AC GR 33.20AC NET
 CAPISSALLO 40.0AC OF LOT 1 BLK 24 37.31AC NET
 CAPISSALLO LOT 1 BLK 25 40AC GR 37.70AC NET
 CAPISSALLO 40 AC -LOT 1 BLK 46 EXC W242'-N871' 35.16AC
 CAPISSALLO 40 AC LOT 1 BLK 45
 CAPISSALLO 29.96 AC LOT 10 BLK 63
 CAPISSALLO 39.98 AC LOT 9 BLK 63
 CAPISSALLO 37.06 AC LOT 16 BLK 63
 CAPISSALLO 38.66 AC -LOT 8 BLK 63
 CAPISSALLO 18.30 AC -LT 7 BLK 63

CAPISALLO 30.51 AC LOT 2 BLK 63 30.00AC NET
 CAPISALLO AN IRR TR S885'-E437.8' LOT 14 BLK 62 3.43 AC NET
 CAPISALLO NE 4.23AC LOT 3 BLK 63 4.20AC NET
 ANGELICA LOT 1
 ANGELICA LOT 2
 CAPISALLO S 20 AC -LOT 11 BLK 44
 CAPISALLO N20AC EXC NE IRR TR 0.15AC 19.85AC NET
 CAPISALLO 38.10 AC -LOT 15 BLK 62
 CAPISALLO N 20 AC -LOT 4 BLK 45
 CAPISALLO W20AC EXC AN IRR TR E345.65'- W660'- S162.42' LOT 14 BLK 46 18.23 AC
 CAPISALLO AN IRR TR E345.65' - W660'- S162.42' LOT 14 BLK 46 1.32 AC
 CAPISALLO E464' LOT 6 BLK 46 14.06AC GR 13.45AC NET
 CAPISALLO N140'-E379.43' & S775'-E379.43' EXC N142.64'-E198.50' LOT 3 BLK 46
 7.32AC GR 6.97AC NET
 CAPISALLO E198.50'-S142.64'-N687.64' LOT 3 BLK 46 0.65AC GR 0.58AC NET
 CAPISALLO S 405'-N 545'-E 379.43' LOT 3 BLK 46 1.65 AC NET
 CAPISALLO LOTS 11 & 12 BLK 46 EAST OF FLOODWAY 29.59AC GR 28.98AC NET
 CAPISALLO W202'-E226'-N273' LOT 2 BLK 45 1.27 AC GR 1.18 AC NET
 CAPISALLO LOT 2 BLK 45 EXC W202'-E226'-N273' 38.73 AC GR 37.62 AC NET
 CAPISALLO E440' LOT 14 BLK 25 13.33AC GR 12.68AC NET
 CAPISALLO S21.97'-LT 9 AN IRR TR S399.05' LT 10 AN IRR TR N273.54' LT 15 & N106.5'
 LT 16 BLK 23 13.36 AC GR 13.09 AC NET
 CAPISALLO 40.0AC EXC 1.0AC & EXC AN IRR TR N273.54' LOT 15 BLK 23 34.98 AC GR
 33.64 AC NET
 CAPISALLO S1213.50' LOT 16 BLK 23 36.80 AC GR 35.37 AC NET
 CAPISALLO N 1298' LOT 9 BLK 23 39.34 AC GR 38.74 AC NET
 CAPISALLO 40.0AC OF LOT 10 BLK 23 EXC AN IRR TR S399.05' 35.79 AC GR 35.34 AC NET
 CAPISALLO 2.21 AC LOT 13 BLK 6
 CAPISALLO W7.60AC-LOT 4 BLK 6 7.60AC NET
 CAPISALLO LOT 5 BK 6 6.90AC
 CAPISALLO LOT 5.45 AC OF 12 BLK 6 ACREAGE 5.45
 CAPISALLO LOT 11.87 AC OF 4 BLK 8 ACREAGE 11.87
 CAPISALLO LOT 11.21 AC OF 5 BLK 8 ACREAGE NET 11.21
 CAPISALLO LOT 12 BLK 8 10.57 AC ACREAGE 10.57 NET
 CAPISALLO LOT 13 BLK 8 9.93 AC NET AC 9.93
 CAPISALLO LOT 9.39 AC OF 4 BLK 7 ACREAGE 9.39
 CAPISALLO LOT 8.64 AC OF 5 BLK 7 ACREAGE 8.64
 CAPISALLO 8.01AC OF LOT 12 BLK 7 7.40AC NET
 CAPISALLO LOT 7.37 AC OF 13 BLK 7 ACREAGE 7.37
 CAPISALLO LOT 13 AN IRR TR E1236.81'-LOT 13 BLK 46 19.83AC GR 18.98AC NET
 CAPISALLO W660' LOT 9 & W660' LOT 16 BLK 25 40.00 AC GR 39.62 AC NET
 CAPISALLO N50'-S240.4'-W136.3'E586.3' LOT 16 BLK 24 0.156AC
 CAPISALLO W136.3'-E586.3'-N50'-S190' LOT 16 BLK 24 .156 AC
 CAPISALLO N50'-S290'-W136.3'-E586.3' & S140'-W136.3'-E586.3' LOT 16 BLK 24
 CAPISALLO E440'-W880' LOT 14 BLK 25 13.33 NET
 CAPISALLO W440' LOT 14 BLK 25 13.33 NET
 CAPISALLO E24.92AC LOT 1 BLK 62 EXC N2.63AC-S7.44AC-W15AC 22.28AC NET

CAPISALLO E 1.35AC BEING AN IRR TRACT - W507.47'-E836.87'-N225.95'- S639.2'- LOT 1
BLK 62 1.35AC NET
CAPISALLO W 1.28AC BEING AN IRR TRACT- W507.47'-E836.87'-N225.95'- S639.2'-LOT 1
BLK 62 1.28AC NET



Agreement for Limitation on Appraised Value
 Between Mercedes ISD and Monte Alto Windpower, LLC
 June 22, 2020

Texas Economic Development Act Agreement
 Comptroller Form 50-826 (Jan 2020)

EXHIBIT 1

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the Enterprise Zone and the Mercedes Independent School District. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the legal description and maps attached to **EXHIBIT 1 AND EXHIBIT 4**.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment shall be all tangible personal property first placed in service after December 2, 2019, that is owned by the Applicant, as more fully described in Tab #7 of the Application and located within the boundaries of the Mercedes Independent School District and the Enterprise Zone depicted by the map attached to **EXHIBIT 4**. This application covers all qualified investment in the reinvestment zone and project boundary within Mercedes ISD necessary for the commercial operations of the proposed wind project.

The property for which the Applicant is requesting an appraised value limitation shall include, the following: up to 15 wind turbines: 8 with a nameplate capacity of 2.2 MW, and 7 with a nameplate capacity of 3.45 MW with a combined total generating capacity of approximately 41 MW; up to 15 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 15 electric power transformers; underground conductor cables used to transport electricity from each turbine tower to an electrical substation. The Applicant has obtained grants of leases and easements covering approximately 3,850 acres within Mercedes ISD boundaries.

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

The proposed Operations and Maintenance building and electrical substation facility to be constructed will not be located within the Mercedes ISD boundaries.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

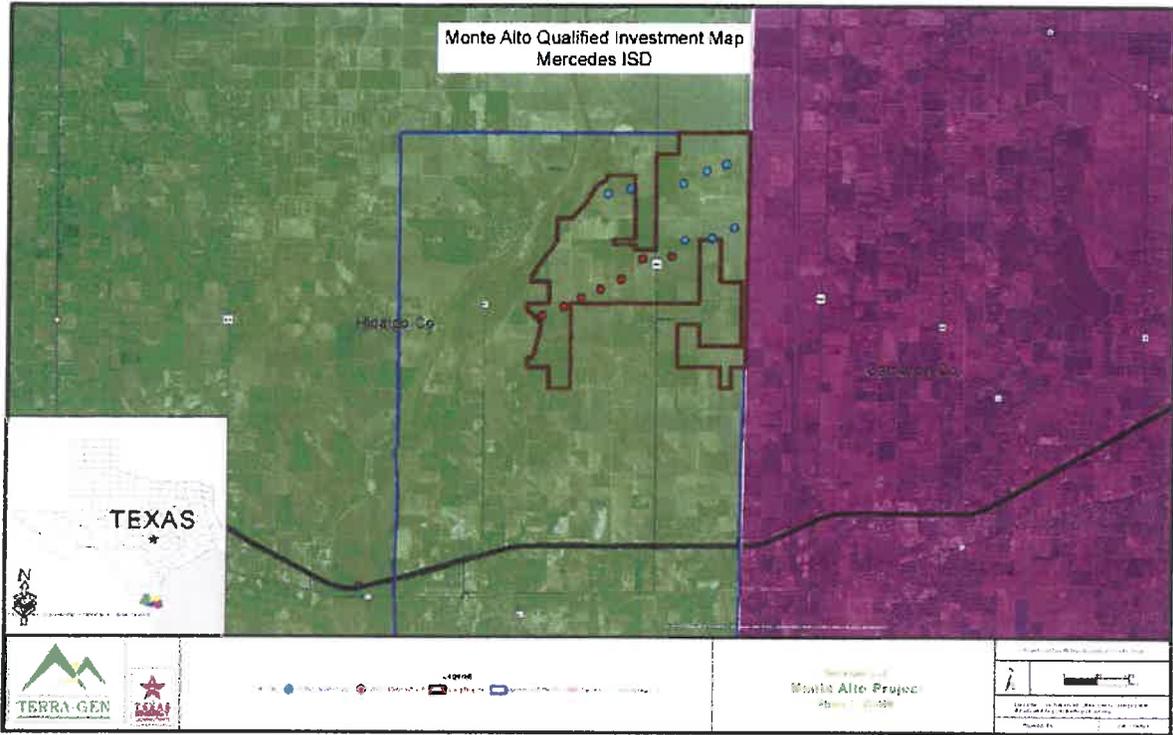
Applicant's Qualified Property shall be all tangible personal property first placed in service after December 2, 2019 (the Application Review Start Date), that is owned by the Applicant, as more fully described in Tab #8 of the Application and located within the boundaries of the Mercedes Independent School District and the Hidalgo County Reinvestment Zone No. 1 depicted by the map attached to this **EXHIBIT 4**. This application covers all qualified property in the reinvestment zone and project boundary within Mercedes ISD necessary for the commercial operations of the proposed wind project.

Monte Alto Windpower, LLC plans to construct a 41 MW wind farm in Hidalgo County consisting of approximately 15 turbines. Additional improvements of Qualified Property located within Mercedes ISD boundary include:

- 15 Wind Turbines- 8 with a nameplate capacity of 2.2 MW & 7 with a nameplate capacity of 3.45 MW;
- 15 Wind Turbine Foundations;
- Several thousand feet of Transmission Collection System cable & Junction Boxes;
- Overhead Transmission and Interconnection infrastructure;
- All weather Road work sloped for drainage;

Monte Alto anticipates placing 15 wind turbines comprised of 8 wind turbines with a nameplate capacity of 2.2 MW and 7 with a name plate capacity of 3.45 MW. Although final turbine selection and location of the infrastructure may change, all of the equipment outlined above is expected to be located within Mercedes ISD boundaries. Current plans are to install turbines in one phase. Monte Alto has obtained grants of leases and easements covering approximately 3,850 acres within Mercedes ISD boundaries.

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



Agreement for Limitation on Appraised Value
 Between Mercedes ISD and Monte Alto Windpower, LLC
 June 22, 2020

*Texas Economic Development Act Agreement
 Comptroller Form 50-826 (May 2015)*

Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

June 22, 2020

President and Members
Board of Trustees
Mercedes Independent School District
206 W. Sixth Street
Mercedes, Texas 78570

Re: Recommendations and Findings of the Firm Concerning the Application of Monte Alto Windpower, LLC (#1440) for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Mercedes Independent School District, with respect to the pending Application of Monte Alto Windpower, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review, we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District over the course of the Agreement.

Because of the foregoing, it is our recommendation that the Board of Trustees approve the Application of Monte Alto Windpower, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in blue ink that reads "Daniel T. Casey".

Daniel T. Casey
Partner

www.moakcasey.com

Phone 512-485-7878

901 S. Mopac Expressway★Bldg. III★Suite 310★Austin, TX 78746

Fax 512-485-7888

Attachment I

Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 1, 2020

Carolyn Mendiola
Superintendent
Mercedes Independent School District
206 W. Sixth Street
Mercedes, Texas 78570

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Mercedes Independent School District and Monte Alto Windpower, LLC, Application 1440

Dear Superintendent Mendiola:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Mercedes Independent School District and Monte Alto Windpower, LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the Agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Michelle Luera with our office. She can be reached by email at michelle.luera@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-6053, or at 512-463-6053.

Sincerely,

DocuSigned by:

Will Counihan

Director
Data Analysis & Transparency Division

cc: Kathy Mathias, Moak, Casey & Associates
Milton Howard, Terra-Gen, LLC
Damon Huplosky, Terra-Gen, LLC
Robert Pena, Jr., Texas Energy Consultants, LLC

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

In its recent audits of Chapter 313 Agreements, The Texas State Auditor's Office has required documentation of inquiries concerning Board Member conflicts of interest at critical junctions in the Chapter 313 approval process. A local public official or a person related to a local public official in the first degree by either affinity or consanguinity has a substantial interest in a business entity or in real property, the local public official, before a vote or decision on any matter involving the business entity or the real property, is required to file an affidavit with an official Board record keeper stating the nature and extent of the interest and shall abstain from further participation in the matter if:

1. In the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
2. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
3. A person has a substantial interest in a business entity if:
The person owns at least:
 - a. Ten percent of the voting stock or shares of the business entity, or
 - b. Either ten percent or \$15,000 of the fair market value of the business entity; or
 - c. Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.
4. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The Board may contract with a business entity in which a Trustee has a substantial interest if the Trustee follows the disclosure and abstention procedure set out above.

Does any Board Member have a conflict of interest as defined above?

If so, has the required Affidavit, set forth at District Policy BBFA (Exhibit) been filed?

Please have the answers to the foregoing 2 questions and a copy of this Procedure included in the minutes of this meeting.