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

September 3, 2020

KEVIN O'HANLON
CERTIFIED, CIVIL APPELATE
CERTIFIED, CIVIL TRIAL

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

RE: Value Limitation Agreement between Seymour Independent School District and Western Trail Wind, LLC (#1489)

To the Local Government Assistance & Economic Analysis Division:

Enclosed please find a final copy each of the materials submitted to, and approved by, the Seymour ISD Board of Trustees on August 24, 2020. The package contains a copy each of the Findings entered by the Board. A fully executed set of originals of these documents will be maintained in the Board's records. Attached to each of the Findings, please find 1) a copy of the Application; 2) a copy of the Comptroller's appraisal of the project; 3) a copy of the economic impact study; 4) a copy of the financial impact study; and, 5) the final participation agreement.

Please do not hesitate to call with any questions.

Sincerely,

William Eggleston
Legal Assistant to Kevin O'Hanlon

FINDINGS OF THE SEYMOUR INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY WESTERN TRAIL WIND, LLC (#1489)

August 24, 2020

FINDINGS OF THE
SEYMOUR INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
WESTERN TRAIL WIND, LLC (#1489)

AUGUST 24, 2020

FINDINGS OF THE SEYMOUR INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY WESTERN TRAIL WIND, LLC (#1489)

STATE OF TEXAS §

COUNTY OF BAYLOR §

On August 24, 2020, a public meeting of the Board of Trustees of the Seymour 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 Western Trail Wind, 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 April 29, 2020, 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 May 29, 2020. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32066890602), 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 Baylor 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 June 19, 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:

> Western Trail Wind, LLC is requesting an appraised value limitation from Seymour Independent School District for a wind powered electric generating facility located partially in Seymour ISD, Baylor County (Project). Western Trail Wind anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 300 megawatts. Turbine type and size have yet to be finalized but will be known before construction commences. Depending on the wind turbine technology that is ultimately selected, Western Trail Wind estimates that 36 wind turbines, and approximately 100 MW, are planned to be installed in Seymour ISD. The Project is anticipated to cover approximately 25,000 acres of privately-owned land, all currently used as farmland or pasture, and such uses can continue as the Project is designed to be compatible with such activities. Construction of the Project is expected to commence in October 2020 and is anticipated to be complete in December of 2021. All proposed improvements subject to this application will be in Seymour ISD. In addition to the wind turbines, the Project may also include the following improvements in Seymour ISD:
>
> • a series of new access roads to the turbines;
>
> • underground electrical collection cables;
>
> • meteorological towers; and
>
> • overhead transmission lines connecting to a substation at the point of interconnection.

Property used for renewable electric energy 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 two (2) new qualifying jobs. The average salary level of qualifying jobs must be at least $51,409 per year. The review of the application by the Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(5)(B) 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 $34,515 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

Board Finding Number 8.

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add $102.7 million to the tax base that would be available for debt service purposes at the peak investment level for the 2022-23 school year. An expansion of the I&S tax base creates the potential of a benefit for the District and its taxpayers in meeting its debt-service obligations for school district bonds.

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 Thirty Million Dollars, which is consistent with the minimum values currently set out by Tax Code, § 313.054(a).**

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller's Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts'

School and Appraisal Districts' Property Value Study 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 $266,538,040. The District is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. The District is classified as a "rural" district due to its demographic characteristics. Given that the value of industrial property is $200 million or more, it is classified as a Category I district which can offer a minimum value limitation of $30 million.

Board Finding Number 13.

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

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

Board Finding Number 14.

> **The Applicant (Taxpayer No. 32066890602) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.**

The Applicant, (Texas Taxpayer No. 32066890602), 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 finance report prepared by 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. 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/154, 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 Website be established to the Comptroller's Office Website 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 herby 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 24th day of August 2020.

SEYMOUR INDEPENDENT SCHOOL DISTRICT

By: _____
Bryan Baldwin
President, Board of Trustees

ATTEST:

By: _____
Royce Woods
Secretary, Board of Trustees

Attachment A

Application

O'HANLON, DEMERATH & CASTILLO
ATTORNEYS AND COUNSELORS AT LAW

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

April 29, 2020

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

RE: Application to the Seymour Independent School District from Western Trail Wind, LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Seymour Independent School District is notifying Western Trail Wind, LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. Please prepare the Economic Impact Report.

The Applicant submitted the Application to the school district on April 27, 2020. The Board voted to accept the application on April 27, 2020. The application has been determined complete as of April 29, 2020. 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.

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

Sincerely,

Kevin O'Hanlon
School District Consultant

Cc: Baylor County Appraisal District
Western Trail Wind, LLC

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS	
TAB	ATTACHMENT
1	Pages of the application including the signature and certification page, signed and dated by Authorized School District Representative and Authorized Company Representative. Sections 1-16
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation (if applicable)
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
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)
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property (if applicable)
11	Maps that clearly show: a) Project boundary and project vicinity, including county and school district boundaries b) Qualified investment including location of tangible personal propertry 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) Any existing property within the project area e) Any facilities owned or operated by the applicant having interconnections to the proposed project f) Location of project, and related nearby projects within vicinity map g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size **Note**: Electronic maps should be high resolution files. Include map legends/markers.
12	Request for Waiver of Job Creation Requirement and supporting information (if applicable)
13	Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation
14	Schedules A1, A2, B, and C completed and signed Economic Impact (if applicable)
15	Economic Impact Analysis, other payments made in the state or other economic information (if applicable)
16	Description of Reinvestment or Enterprise Zone, including: a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone *** To be submitted with application or before date of final application approval by school board**
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

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, as indicated on page 9 of this application, separating each section of the documents in addition to an electronic copy. 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, and has determined that all assertions of confidentiality are appropriate, the Comptroller will publish all submitted non-confidential 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

April 27, 2020
Date Application Received by District

John
First Name

Anderson
Last Name

Superintendent
Title

Seymour Independent School District
School District Name

409 W Idaho
Street Address

409 W Idaho
Mailing Address

Seymour
City

Texas
State

76380
ZIP

(940) 889-3525
Phone Number

Fax Number

Mobile Number (optional)

john.anderson@seymour-isd.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)*

First Name: Mali
Last Name: Hanley
Title: Consultant
Firm Name: O'Hanlon, Demerath & Castillo
Phone Number: (512) 494-9949
Fax Number: (512) 494-9919
Mobile Number (optional):
Email Address: mhanley@808west.com

4. On what date did the district determine this application complete? ..... April 29, 2020

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)*

First Name: Philip
Last Name: Moore
Title: Senior Vice President - Development
Organization: Orsted Onshore North America
Street Address: 401 N Michigan Ave., Ste. 501
Mailing Address: 401 N Michigan Ave., Ste. 501
City: Chicago
State: IL
ZIP: 60611
Phone Number: 512-767-7461
Fax Number: 312-527-0538
Mobile Number (optional):
Business Email Address: pmoore@lincolnclean.com

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? ..... ☑ Yes ☐ No

2a. If yes, please fill out contact information for that person.

First Name: Lucas
Last Name: Buseck
Title: Development Associate
Organization: Orsted Onshore North America
Street Address: 401 N Michigan Ave. Ste. 501
Mailing Address: 401 N Michigan Ave. Ste. 501
City: Chicago
State: IL
ZIP: 60611
Phone Number: 814-881-8309
Fax Number: 312-527-0538
Mobile Number (optional):
Business Email Address: lucbu@orsted.com

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

SECTION 2: Applicant Information *(continued)*

4. Authorized Company Consultant *(If Applicable)*

First Name: David
Last Name: Sewell
Title: Partner
Firm Name: Stahl, Davies, Sewell, Chavarria & Friend, LLP
Phone Number: (512) 346-5558
Fax Number: (512) 346-2712
Business Email Address: dsewell@sbaustinlaw.com

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, include all transaction information below. Include proof of application fee paid to the school district in **Tab 2**. Any confidential banking information provided will not be publicly posted.

Payment Amount: $75,000
Transaction Type: Check
Payor: Orsted Onshore North America, LLC
Payee: Seymour Independent School District
Date transaction was processed: April 28, 2020

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? Western Trail Wind, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32066890602
3. Parent Company Name Orsted Holdings N.A Inc.
4. Parent Company Tax ID 32070588606
5. List the NAICS code 221115
6. Is the applicant a party to any other pending or active Chapter 313 agreements? ☑ Yes ☐ No

6a. If yes, please list application number, name of school district and year of agreement

1435, Harrold Independent School District, 2020; 1424 Vernon Independent School District, 2020

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.

SECTION 5: Applicant Business Structure *(continued)*

2b. List the Texas Franchise Tax Reporting Entity Taxpayer Name

Western Trail Wind, LLC

2c. List the Reporting Entity Taxpayer Number

82-5224897

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

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

***Note**: Applicants requesting eligibility under this category should note that there are additional application and reporting data submission requirements.

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. If the project is an amendment or a reapplication please specify and provide details regarding the original project.
2. Check the project characteristics that apply to the proposed project:
   - ☑ Land has no existing improvements
   - ☐ Land has existing improvements (complete Section 13)
   - ☐ Expansion of existing operation on the land (complete Section 13)
   - ☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement: 9/30/20
2. Estimated commencement of construction: 10/01/20
3. Beginning of qualifying time period (MM/DD/YYYY): 1/1/2021
4. First year of limitation (MM/DD/YYYY): 1/1/2022

4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):

☐ A. January 1 following the application date ☐ B. January 1 following the end of QTP

☑ C. January 1 following the commencement of commercial operations

5. Commencement of commercial operations: Q4 2021

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located: Baylor County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property: Baylor County Appraisal District
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☑ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

M&O (ISD): Seymour ISD, 0.97, 33% (Name, tax rate and percent of project)

I&S (ISD): Seymour ISD, 0.08, 33% (Name, tax rate and percent of project)

County: Baylor County, 0.596, 33% (Name, tax rate and percent of project)

City: Seymour TX (Name, tax rate and percent of project)

Hospital District: Baylor County HD, 0.1827, 33% (Name, tax rate and percent of project)

Water District: Rolling Plains GWCD, 0.02616, 33% (Name, tax rate and percent of project)

Other (describe): (Name, tax rate and percent of project)

Other (describe): (Name, tax rate and percent of project)

SECTION 10: The Property *(continued)*

5. List all state and local incentives as an annual percentage. Include the estimated start and end year of the incentive:

County: Baylor County 312, 49%, 2022-2031
(Incentive type, percentage, start and end year)

City: _____
(Incentive type, percentage, start and end year)

Hospital District: Baylor County HD 312 - TBD
(Incentive type, percentage, start and end year)

Water District: _____
(Incentive type, percentage, start and end yeart)

Other (describe): _____
(Incentive type, percentage, start and end year)

Other (describe): _____
(Incentive type, percentage, start and end year)

6. Is the project located entirely within the ISD listed in Section 1? ☐ Yes ☑ No

   6a. If no, attach in **Tab 6** maps of the entire project (depicting all other relevant school districts) and additional information on the project scope and size. Please note that only the qualified property within the ISD listed in Section 1 is eligible for the limitation from this application. Please verify that all information in **Tabs 7** and **8**, Section 11, 12 and 13, and map project boundaries pertain to only the property within the ISD listed in Section 1.

7. 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

   7a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Texas Tax Code 313.021(1) Qualified Investment

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

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000

2. What is the amount of appraised value limitation for which you are applying? 30,000,000

   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 within the project boundary 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: Texas Tax Code 313.021(2) Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] 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**);
   1c. a map or site plan of the proposed qualified property showing the location of the new buildings or new improvements inside the project area boundaries within a vicinity map that includes school district, county and RZ boundaries (**Tab 11**); and
   1d. Will any of the proposed qualified property be used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area? ☐ Yes ☑ No

   Note: Property used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area cannot be considered qualified property and will not be eligible for a limitation. See TAC §9.1051(16).

SECTION 12: Texas Tax Code 313.021(2) Qualified Property *(continued)*

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 within the project boundary**. 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 within the project boundary 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 within the project boundary 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 within the project boundary (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 number of new qualifying jobs you are committing to create? 2
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) 0
3. 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) and TAC 9.1051(b)(1)? ..... ☑ Yes ☐ No

   3a. If yes, attach evidence of industry standard 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.

4. 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). **Note**: If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.

   a. Non-qualified job wages
   - average weekly wage for all jobs (all industries) in the county is 659.50

   b. Qualifying job wage minimum option §313.021(5)(A)
   -110% of the average weekly wage for manufacturing jobs in the county is 988.63

   c. Qualifying job wage minimum option §313.021(5)(B)
   -110% of the average weekly wage for manufacturing jobs in the region is 1,106.01

5. 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)
6. What is the minimum required annual wage for each qualifying job based on the qualified property? 51,408.50
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 51,409.00
8. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ..... ☑ Yes ☐ No
9. 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

   9a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).

10. 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

    10a. 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, and C in **Tab 14**. **Note**: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (not required)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17.**

NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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

print here John Anderson
Print Name (Authorized School District Representative)

Superintendent
Title

sign here
Signature (Authorized School District Representative)

4-28-20
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 Philip Moore
Print Name (Authorized Company Representative (Applicant))

Sr. Vice President
Title

sign here
Signature (Authorized Company Representative (Applicant))

4/20/20
Date

PAULA DARLINE OSTROOT
Notary Public, State of Texas
Comm. Expires 05-11-2023
Notary ID 3841490

(Notary Seal)

GIVEN under my hand and seal of office this, the

20 day of April 2020

Paula D Ostroot
Notary Public in and for the State of Texas

My Commission expires: 5/11/2023

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.

Tab Item 2

Proof of Payment of Application Fee

(see enclosed)

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)

Tab Item 3

Documentation of Combined Group Membership under Texas Tax Code 171.0001(7)

Documentation from Texas Comptroller's Franchise Tax Division to demonstrate combined group membership:

1. Western Trail Wind, LLC is a Delaware Limited Liability Company formed on April 13th, 2018.

2. Western Trail Wind, LLC is registered in the State of Texas as a foreign limited liability company, File Number 802992176, in the Office of the Secretary of State. Taxpayer number 32066890602.

3. Western Trail Wind, LLC has one member with the ultimate 100% ownership, Orsted Holdings N.A. Inc., which is registered in the State of Texas as a foreign limited liability company, Taxpayer Number 32070588606, in the Office of the Secretary of State.

4. Contact information for Western Trail Wind, LLC is as follows:
    a. Contact: Philip Moore
    b. Phone: (512) 767 – 7461
    c. Email: pmoore@lincolnclean.com

5. Western Trail Wind, LLC will appear as an affiliate on the combined group report filed by Orsted Holdings N.A. Inc. beginning with franchise tax report year 2020.

Tab Item 4

Detailed Description of the Project

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

Western Trail Wind, LLC ("Western Trail Wind") is requesting a Chapter 313 Appraised Value Limitation Agreement from Seymour ISD for a proposed renewable energy project using wind turbines (the "Project")).

Western Trail Wind anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 300 megawatts. Turbine type and size have yet to be finalized but will be known before construction commences. Depending on the wind turbine technology that is ultimately selected, Western Trail Wind estimates that 36 wind turbines, and approximately 100 MW, are planned to be installed in Seymour ISD. The Project is anticipated to cover approximately 25,000 acres of privately-owned land, all currently used as farmland or pasture, and such uses can continue as the Project is designed to be compatible with such activities. Construction of the Project is expected to commence in October 2020 and is anticipated to be complete in December of 2021. All proposed improvements subject to this application will be in Seymour ISD. In addition to the wind turbines, the Project may also include the following improvements in Seymour ISD:

- a series of new access roads to the turbines
- underground electrical collection cables
- meteorological towers
- overhead transmission line connecting to a substation at the Point of Interconnection

Tab Item 5

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

Western Trail Wind, LLC is a Delaware limited liability company. Western Trail Wind has one member with the ultimate 100% ownership, Orsted Holdings N.A. Inc. ("Orsted"). Orsted has successfully developed projects involving over $1 billion in capital investment in some of the largest electricity markets in the United States, including California, Nebraska, New Jersey, and Texas.

The Applicant for this Project has entered into several contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, airspace, etc.) to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate Applicant to construct the Project, and each of these contracts may be terminated by Applicant without incurring any significant liability.

The Applicant for this Project has obtained, applied, or will apply for the following state and local permits:

- Baylor and Wilbarger County Road Use Agreements
- Baylor and Wilbarger County 312 Tax Abatements
- Baylor and Wilbarger County Hospital District 312 Tax Abatements
- Vernon College 312 Tax Abatement

The Project has not been known by any other name during its development. The Project applied to ERCOT on November 7, 2018, and it has been assigned GINR number 20INR0142.

The Applicant is a national wind developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects outside of Texas that are competing for limited investment funds. This appraised value limitation is critical to the ability of the Project to move forward as currently sited.

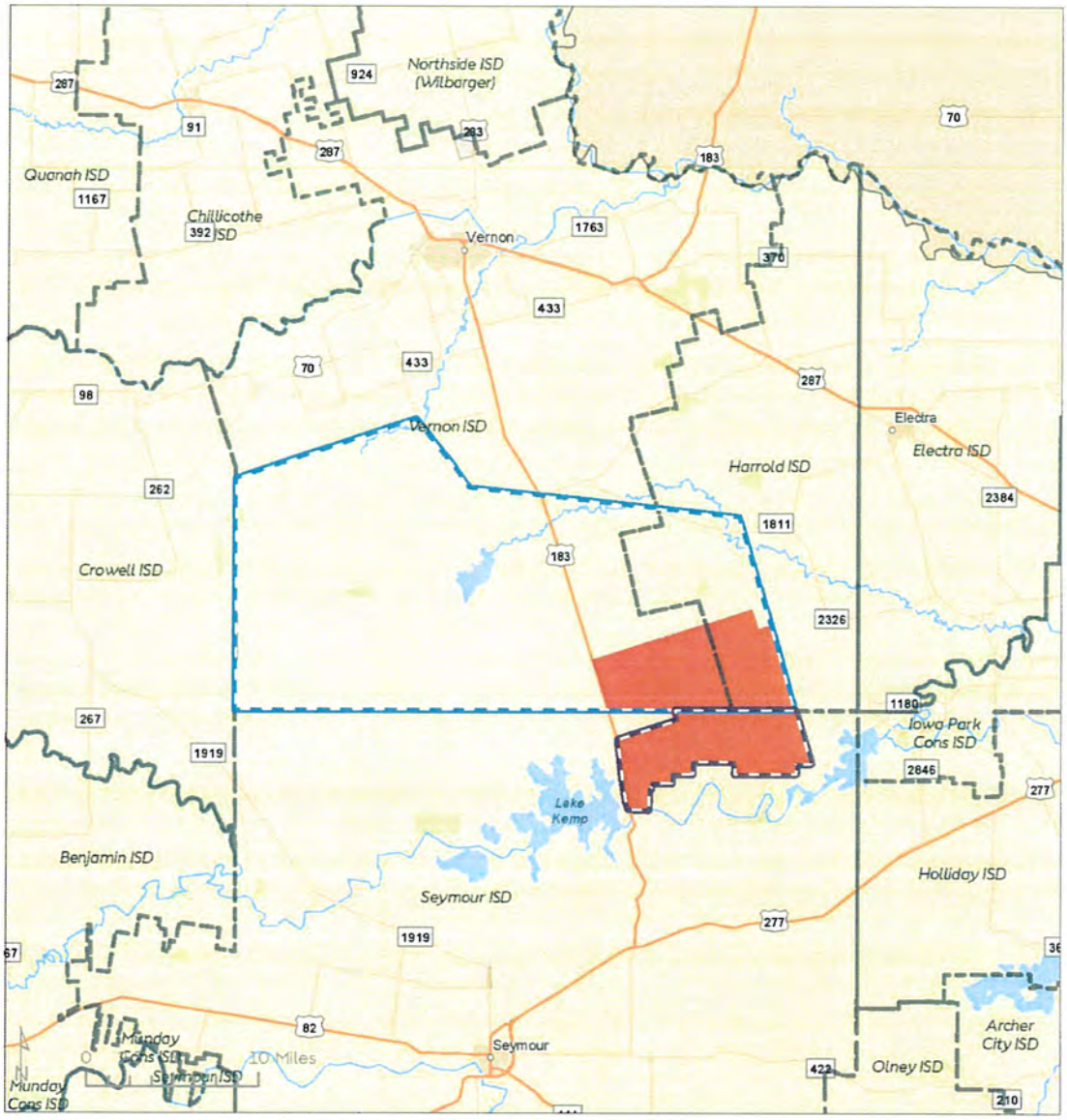
Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.

Tab Item 6

Depending on the wind turbine technology that is ultimately selected, Western Trail Wind estimates that of the approximately 108 wind turbines, 36 wind turbines will be located in Seymour ISD, approximately 36 wind turbines will be located in Vernon ISD, and approximately 36 wind turbines will be located in Harrold ISD. Western Trail Wind has filed for value limitation agreements with Vernon ISD and Harrold ISD.

Of the total project costs, Western Trail Wind estimates that:

33% of the project will be located and taxed within Seymour ISD.
33% of the project will be located and taxed within Vernon ISD.
33% of the project will be located and taxed within Harrold ISD.



Western Trail
Wind Project

Wilbarger, Baylor counties, Texas
April 2020

Legend
- Project Area
- ISD Boundary
- Reinvestment Zone - Wilbarger
- Reinvestment Zone - Baylor

Reinvestment Zones
Texas Independent
School Districts

Ørsted

Tab Item 7

Description of Qualified Investment

Western Trail Wind anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 300 megawatts. Turbine type and size have yet to be finalized but will be known before construction commences. Depending on the wind turbine technology that is ultimately selected, Western Trail Wind estimates that 36 wind turbines, and approximately 100 MW, are planned to be installed in Seymour ISD. The Project is anticipated to cover approximately 25,000 acres of privately-owned land, all currently used as farmland or pasture, and such uses can continue as the Project is designed to be compatible with such activities. Construction of the Project is expected to commence in October 2020 and is anticipated to be complete in December of 2021. All proposed improvements subject to this application will be in Seymour ISD. In addition to the wind turbines, the Project may also include the following improvements in Seymour ISD:

- a series of new access roads to the turbines
- underground electrical collection cables
- meteorological towers
- overhead transmission line connecting to a substation at the Point of Interconnection

The approximate location of each of these improvements is shown on the map in Tab 11.

Tab Item 8

Description of Qualified Property

Western Trail Wind anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 300 megawatts. Turbine type and size have yet to be finalized but will be known before construction commences. Depending on the wind turbine technology that is ultimately selected, Western Trail Wind estimates that 36 wind turbines, and approximately 100 MW, are planned to be installed in Seymour ISD. The Project is anticipated to cover approximately 25,000 acres of privately-owned land, all currently used as farmland or pasture, and such uses can continue as the Project is designed to be compatible with such activities. Construction of the Project is expected to commence in October 2020 and is anticipated to be complete in December of 2021. All proposed improvements subject to this application will be in Seymour ISD. In addition to the wind turbines, the Project may also include the following improvements in Seymour ISD:

- a series of new access roads to the turbines
- underground electrical collection cables
- meteorological towers
- overhead transmission line connecting to a substation at the Point of Interconnection

Tab Item 9

Description of Land

The land will not be part of the qualified property for the Project.

Tab Item 10

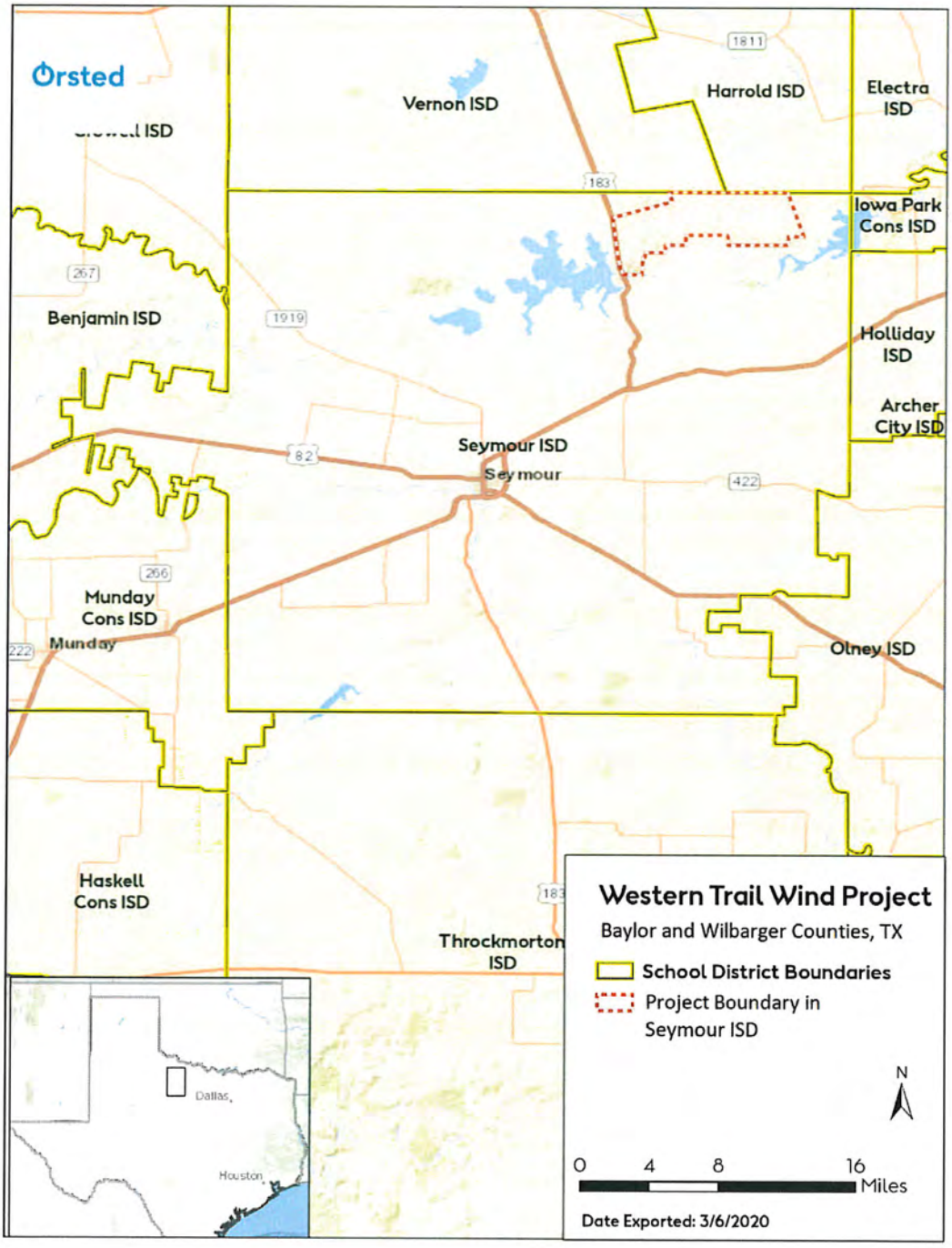
Description of all property not eligible to become qualified property

N/A

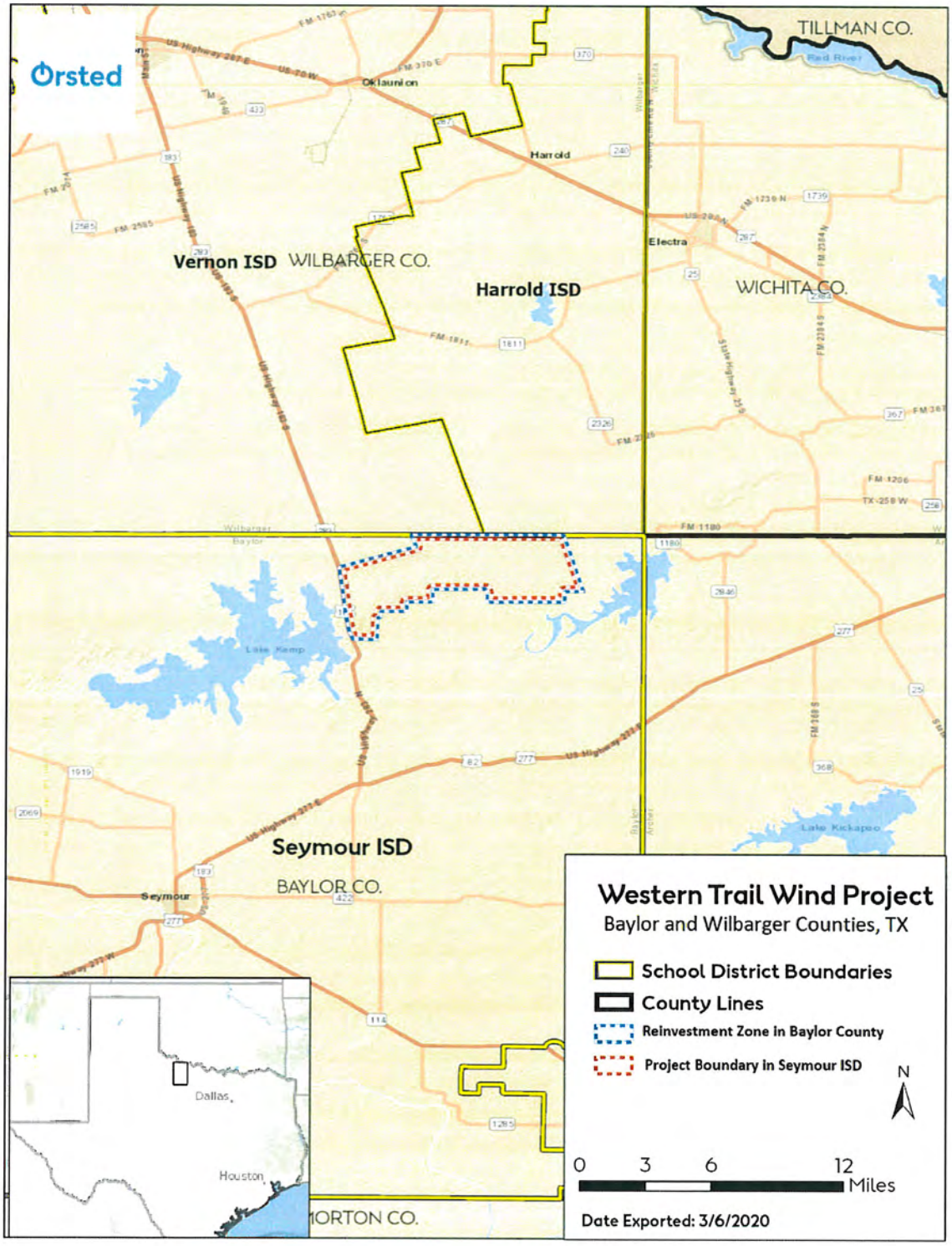
Tab Item 11

Maps

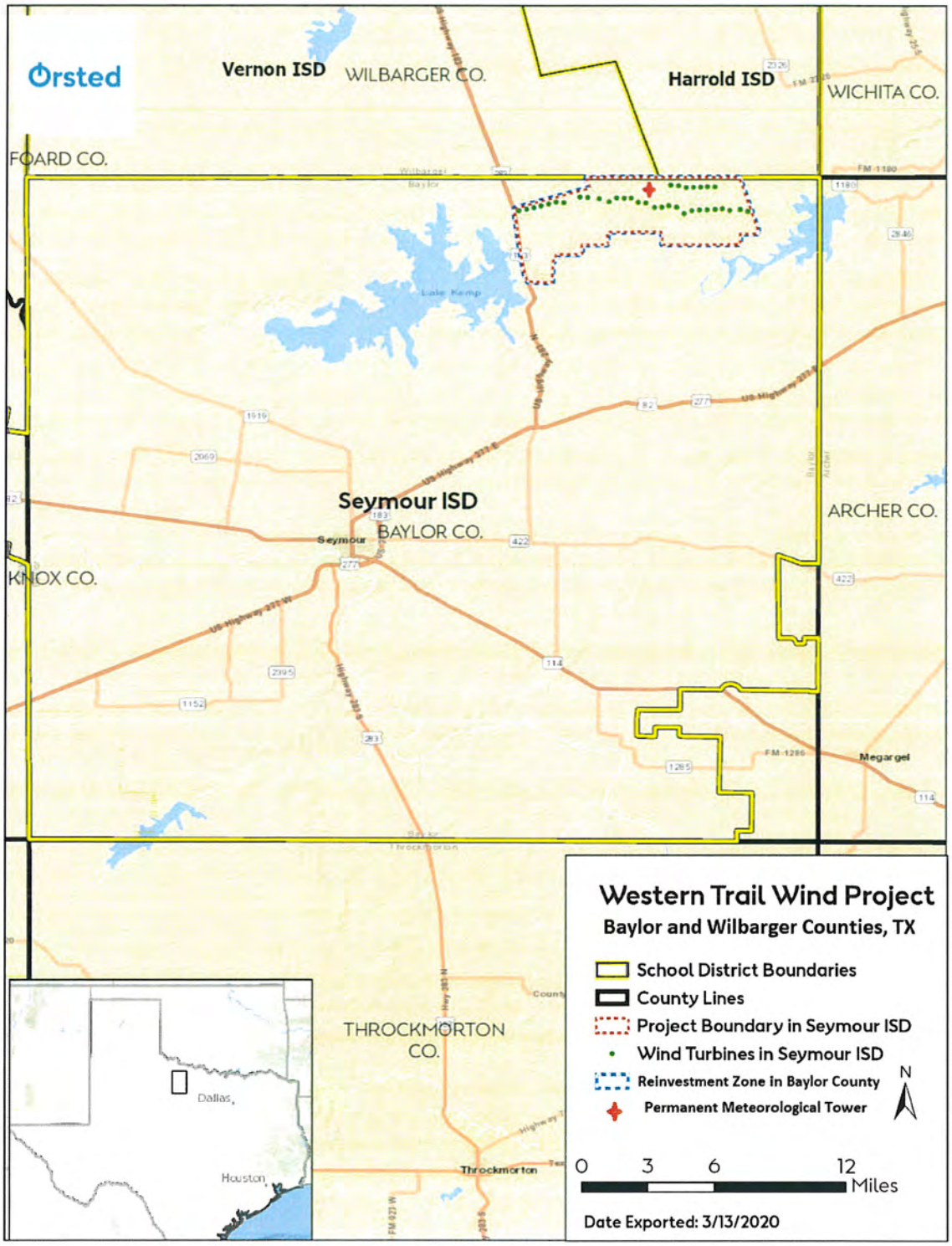
Vicinity Map:



Location of Vernon ISD Boundary, Harrold ISD Boundary, Seymour ISD Boundary, Wilbarger County Boundary, Baylor County Boundary, Reinvestment Zone, and Project Boundary:



Improvements in Seymour ISD:



Tab Item 12
Request for Waiver of Job Creation Requirement

April 27, 2020

Superintendent Anderson
Seymour ISD
409 W Idaho
Seymour, TX 76380

Re: Chapter 313 Job Waiver Request

Dear Superintendent Anderson,

Please consider this letter to be Western Trail Wind, LLC's formal request to waive the minimum new job creation requirement, as provided under Texas Tax Code 313.025(f-l).

The governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property that is described in this application. Wind energy projects create many full-time jobs during the construction phase, but these jobs are temporary by nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Approximately one full time employee is needed per 15 wind turbines installed during the operations of a wind energy project. We expect that seven (7) employees would be needed to operate the Western Trail Wind facility, and we can commit to creating 2 (2) full-time positions to fill those needs for the turbines that could be sited in Seymour ISD. All would be qualifying jobs as described in Section 313.021(3) of the Texas Tax Code.

The applicant requests that the Seymour ISD's Board of Trustees make such a finding and waive the job creation requirement. This waiver request is in line with industry standards for the job requirements for a wind energy facility of this size, as evidenced by limitation agreement applications that have been filed by other wind energy developers, and by documentation related to the development and operation of wind generation facilities.

The project stands to provide significant benefits to the community with respect to increased tax base and the ongoing royalty payments it will make to local landowners.

Kind Regards,

Lucas Buseck
Development Associate

Western Trail Wind, LLC

Tab Item 13

Calculation of three possible wage requirements with TWC documentation

Quarterly Employment and Wages (QCEW)

Average Weekly Wage for All Jobs (All Industries) in Baylor County

Year	Period	Area	Ownership	Ind-Code	Industry	Avg. Weekly Wages
2018	4th Qtr	Baylor	Total All	10	Total, All Industries	$701
2019	1st Qtr	Baylor	Total All	10	Total, All Industries	$632
2019	2nd Qtr	Baylor	Total All	10	Total, All Industries	$639
2019	3rd Qtr	Baylor	Total All	10	Total, All Industries	$666
Average						$659.50

110% of $659.50 = $725.45

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	01	Baylor	Total All	10	Total, All Industries	648
2018	02	Baylor	Total All	10	Total, All Industries	668
2018	03	Baylor	Total All	10	Total, All Industries	685
2018	04	Baylor	Total All	10	Total, All Industries	701
2019	01	Baylor	Total All	10	Total, All Industries	632
2019	02	Baylor	Total All	10	Total, All Industries	639
2019	03	Baylor	Total All	10	Total, All Industries	666

Quarterly Employment and Wages (QCEW)

Average Weekly Wage for Manufacturing Jobs in Baylor County

Year	Period	Area	Ownership	Ind-Code	Industry	Avg. Weekly Wages
2018	4th Qtr	Baylor	Private	31-33	Total, Manufacturing	$955
2019	1st Qtr	Baylor	Private	31-33	Total, Manufacturing	$855
2019	2nd Qtr	Baylor	Private	31-33	Total, Manufacturing	$846
2019	3rd Qtr	Baylor	Private	31-33	Total, Manufacturing	$939
Average						$898.75

110% of $898.75 = $988.63

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	03	Baylor	Private	31-33	Manufacturing	780
2018	04	Baylor	Private	31-33	Manufacturing	955
2019	01	Baylor	Private	31-33	Manufacturing	855
2019	02	Baylor	Private	31-33	Manufacturing	846
2019	03	Baylor	Private	31-33	Manufacturing	939

Quarterly Employment and Wages (QCEW)

Average Weekly Wage for Manufacturing Jobs in Region

Baylor County is included in the NORTEX Regional Planning Commission. The most recently reported (2018) average manufacturing wage for the NORTEX Regional Planning Commission is $52,284.

$52,284 / 52 = $1,005.46

110% of $1,005.46 = $1,106.01

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

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

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

Date

Applicant Name Western Trail Wind, LLC

ISD Name Seymour ISD

Form 50-296A

Revised May 2014

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	Column B New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Column C Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E **Total Investment** (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	2020	2020-2021	2020	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								$0
Complete tax years of qualifying time period	QTP1	2021-2022	2021	$104,761,000				$104,761,000
	QTP2/LP1	2022-2023	2022	$0	$0			$0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				$104,761,000	$0	$0	$0	$104,761,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				$104,761,000				

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

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

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

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

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

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

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

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

Date

Applicant Name Western Trail Wind, LLC

ISD Name Seymour ISD

Form 50-296A

Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Other investment made during this year that will not become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	**Total Investment** (A+B+C+D)
				Enter amounts from TOTAL row in Schedule A1 in the row below				
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		$104,761,000		$0	$0	$104,761,000
Each year prior to start of value limitation period** *Insert as many rows as necessary*	0	2020-2021	2020					
Each year prior to start of value limitation period** *Insert as many rows as necessary*	QTP1	2021-2022	2021	$104,761,000		$0	$0	$104,761,000
	QTP2/LP1	2022-2023	2022	$0	$0	$0	$0	$0
	2	2023-2024	2023	$0	$0	$0	$0	$0
	3	2024-2025	2024	$0	$0	$0	$0	$0
	4	2025-2026	2025	$0	$0	$0	$0	$0
	5	2026-2027	2026	$0	$0	$0	$0	$0
	6	2027-2028	2027	$0	$0	$0	$0	$0
	7	2028-2029	2028	$0	$0	$0	$0	$0
	8	2029-2030	2029	$0	$0	$0	$0	$0
	9	2030-2031	2030	$0	$0	$0	$0	$0
	10	2031-2032	2031	$0	$0	$0	$0	$0
Total Investment made through limitation				$104,761,000	$0	$0	$0	$104,761,000
Continue to maintain viable presence	11	2032-2033	2032			$0		$0
	12	2033-2034	2033			$0		$0
	13	2034-2035	2034			$0		$0
	14	2035-2036	2035			$0		$0
	15	2036-2037	2036			$0		$0
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037			$0		$0
	17	2038-2039	2038			$0		$0
	18	2039-2040	2039			$0		$0
	19	2040-2041	2040			$0		$0
	20	2041-2042	2041			$0		$0
	21	2042-2043	2042			$0		$0
	22	2043-2044	2043			$0		$0
	23	2044-2045	2044			$0		$0
	24	2045-2046	2045			$0		$0
	25	2046-2047	2046			$0		$0

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row.**

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

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

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

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally

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

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

Date

Applicant Name **Western Trail Wind, LLC**

ISD Name Seymour ISD

Form 50-296A

Revised May 2014

				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*	0	2020-2021	2020						
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*	QTP1	2021-2022	2021						
Continue to maintain viable presence	QTP2/LP1	2022-2023	2022	$0	$0	$102,665,780	$102,665,780	$102,665,780	$30,000,000
	2	2023-2024	2023	$0	$0	$96,505,833	$96,505,833	$96,505,833	$30,000,000
	3	2024-2025	2024	$0	$0	$90,715,483	$90,715,483	$90,715,483	$30,000,000
	4	2025-2026	2025	$0	$0	$85,272,554	$85,272,554	$85,272,554	$30,000,000
	5	2026-2027	2026	$0	$0	$80,156,201	$80,156,201	$80,156,201	$30,000,000
	6	2027-2028	2027	$0	$0	$75,346,829	$75,346,829	$75,346,829	$30,000,000
	7	2028-2029	2028	$0	$0	$70,826,019	$70,826,019	$70,826,019	$30,000,000
	8	2029-2030	2029	$0	$0	$66,576,458	$66,576,458	$66,576,458	$30,000,000
	9	2030-2031	2030	$0	$0	$62,581,871	$62,581,871	$62,581,871	$30,000,000
	10	2031-2032	2031	$0	$0	$58,826,958	$58,826,958	$58,826,958	$30,000,000
	11	2032-2033	2032	$0	$0	$55,297,341	$55,297,341	$55,297,341	$55,297,341
	12	2033-2034	2033	$0	$0	$51,979,500	$51,979,500	$51,979,500	$51,979,500
	13	2034-2035	2034	$0	$0	$48,860,730	$48,860,730	$48,860,730	$48,860,730
	14	2035-2036	2035	$0	$0	$45,929,087	$45,929,087	$45,929,087	$45,929,087
	15	2036-2037	2036	$0	$0	$43,173,341	$43,173,341	$43,173,341	$43,173,341
	16	2037-2038	2037	$0	$0	$40,582,941	$40,582,941	$40,582,941	$40,582,941
	17	2038-2039	2038	$0	$0	$38,147,964	$38,147,964	$38,147,964	$38,147,964
	18	2039-2040	2039	$0	$0	$35,859,087	$35,859,087	$35,859,087	$35,859,087
Additional years for 25 year economic impact as required by 313.026(c)(1)	19	2040-2041	2040	$0	$0	$33,707,541	$33,707,541	$33,707,541	$33,707,541
	20	2041-2042	2041	$0	$0	$31,685,089	$31,685,089	$31,685,089	$31,685,089
	21	2042-2043	2042	$0	$0	$29,783,984	$29,783,984	$29,783,984	$29,783,984
	22	2043-2044	2043	$0	$0	$27,996,945	$27,996,945	$27,996,945	$27,996,945
	23	2044-2045	2044	$0	$0	$26,317,128	$26,317,128	$26,317,128	$26,317,128
	24	2045-2046	2045	$0	$0	$24,738,100	$24,738,100	$24,738,100	$24,738,100
	25	2046-2047	2046	$0	$0	$23,253,814	$23,253,814	$23,253,814	$23,253,814

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

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date

Applicant Name: Western Trail Wind, LLC

ISD Name: Seymour ISD

Form 50-296A

Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*	0	2020-2021	2020					
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*	QTP1	2021-2022	2021	150 FTEs	$40,000	0	0	
	QTP2/LP1	2022-2023	2022	N/A	N/A	0	2	$51,409.00
	2	2023-2024	2023	N/A	N/A	0	2	$51,409.00
	3	2024-2025	2024	N/A	N/A	0	2	$51,409.00
	4	2025-2026	2025	N/A	N/A	0	2	$51,409.00
	5	2026-2027	2026	N/A	N/A	0	2	$51,409.00
	6	2027-2028	2027	N/A	N/A	0	2	$51,409.00
	7	2028-2029	2028	N/A	N/A	0	2	$51,409.00
	8	2029-2030	2029	N/A	N/A	0	2	$51,409.00
	9	2030-2031	2030	N/A	N/A	0	2	$51,409.00
	10	2031-2032	2031				2	$51,409.00
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2046	N/A	N/A	0	2	$51,409.00

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 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) — [x] Yes [ ] No

If yes, answer the following two questions:

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

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

Schedule D: Other Incentives (Estimated)

Date

Applicant Name Western Trail Wind, LLC

ISD Name Seymour ISD

Form 50-296A

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	**Taxing Entity (as applicable)**	**Beginning Year of Benefit**	**Duration of Benefit**	**Annual Tax Levy without Incentive**	**Annual Incentive**	**Annual Net Tax Levy**
Tax Code Chapter 311	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Baylor County	2022	10 years	$470,526	PILOT $2,000/MW/year	$240,000
	City:	N/A	N/A	N/A	N/A	N/A
	Other: Baylor County Hospital District	2022	10 years			
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A		N/A	
Texas Enterprise Fund	N/A	N/A	N/A		N/A	
Employee Recruitment	N/A	N/A	N/A		N/A	
Skills Development Fund	N/A	N/A	N/A		N/A	
Training Facility Space and Equipment	N/A	N/A	N/A		N/A	
Infrastructure Incentives	N/A	N/A	N/A		N/A	
Permitting Assistance	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
			TOTAL	$470,526		$240,000

Additional information on incentives for this project:

The annual tax levy without incentive is the average over the 10 year abatement.
Baylor County 312 - In negotiations with the county. Expecting agreement to be PILOT payments of $2,000/MW/year with a minimum payment of $240,000/year.
Baylor County Hospital District 312 - Negotiations to start in May 2020.

Tab Item 15

Economic Impact Analysis

Not applicable.

Tab Item 16

Description of Reinvestment Zone

The Project lies within the reinvestment zone established by order on April 22, 2019 in Wilbarger County and reinvestment zone established by order on April 13, 2020 in Baylor County. Since Seymour ISD is not located within Wilbarger County, documentation for the Baylor County Reinvestment Zone and Baylor County Guidelines and Criteria for Tax Abatement are attached.

ORDER OF THE COMMISSIONERS COURT OF BAYLOR COUNTY
DESIGNATING THE
BAYLOR COUNTY WESTERN TRAIL REINVESTMENT ZONE

April 13, 2020

AN ORDER OF THE COMMISSIONERS COURT OF BAYLOR COUNTY, TEXAS MAKING CERTAIN FINDINGS OF FACT AND DESIGNATING THE BAYLOR COUNTY WESTERN TRAIL REINVESTMENT ZONE.

Recitals:

A. On August 8, 2011 the Commissioners Court of Baylor County, Texas (the "Commissioners Court") adopted an order electing to participate in tax abatement pursuant to the Texas Property Redevelopment and Tax Abatement Act (Chapter 312, Texas Tax Code, referred to herein as the "Act").

B. The Commissioners Court held a public hearing beginning at 9:00 a.m. on April 13, 2020 in the Commissioners Courtroom located at 109 N. Washington Street, Seymour, Texas on the advisability of designating as a reinvestment zone under the Act those tracts of land located in Baylor County, Texas which are described in Exhibit A to this order and which are shown in the maps attached as Exhibits A-1 (Section map) and A-2 (vicinity map), respectively to this order (herein the "Subject Lands").

C. Notice of the April 13, 2020 public hearing was published on March 12, 2020 in the Baylor County Banner, a newspaper of general circulation in the area where the Subject Lands are located, as shown by the publisher's affidavit and clipping from said newspaper which is attached to this order as Exhibit B and said date of publication was not later than the seventh day before the date of the public hearing referred to above.

D. Notice of this public hearing was also delivered in writing to each of the following taxing entities: the Seymour Independent School District, the Baylor County Hospital District and the Rolling Plains Groundwater Conservation District, which are the only taxing units, other than Baylor County, that include the Subject Lands in their boundaries. The notice to each of those taxing units was sent via certified mail, return receipt requested to the presiding officer of each such taxing unit by the letter, a true copy of which is attached as Exhibit C. Copies of the return receipt for each addressee are also attached as Exhibit C.

E. Based upon the information available to it, including information presented to it at the public hearing referred to above and at prior meetings of the Commissioners Court, the Commissioners Court has determined, and hereby finds and concludes:

(1) that the erection of wind powered electric generating facilities on the Subject Lands is feasible and practical and would be a benefit to the Subject Lands and Baylor County, Texas during the course of, and after the expiration of, a tax abatement agreement between Baylor

County and the developer of a wind energy project pursuant to the Act to be located on the Subject Lands.

(2) that the designation of the Subject Lands as a reinvestment zone will attract major investment in the zone that will be a benefit to the Subject Lands and will contribute to the economic development of Baylor County, Texas;

(3) that the designation of the Subject Lands as a reinvestment zone is consistent with Baylor County's Tax Abatement Guidelines and Criteria approved by the Commissioners Court on May 13, 2019;

(4) that this order was approved by a majority of the Commissioners Court at a meeting held on the date set forth below, which meeting was open to the public, preceded by proper notice, as required by Chapter 551 of the Texas Government Code (the Open Meetings Act) and the Act, and at which a quorum of the members of the Commissioners Court were present;

(5) that the action of the Commissioners Court in approving this order followed the public hearing on the advisability of designating the Subject Lands as a reinvestment zone referred to above at which all persons desiring to speak on the subject were allowed to do so;

(6) that all recitals set forth above are hereby adopted as additional findings of fact and conclusions of law by the Commissioners Court; and

(7) that the following orders should be entered:

IT IS ORDERED, BY THE COMMISSIONERS COURT OF BAYLOR COUNTY, TEXAS:

1. That the Subject Lands, located in Baylor County, Texas be, and the Subject Lands are, hereby designated as the Baylor County Western Trail Reinvestment Zone and are hereby declared eligible for property tax abatement as authorized by the Act and the 2019 Tax Abatement Guidelines and Criteria of Baylor County, Texas.

2. That the foregoing designation shall be effective for a period of five years from the date of this order; provided that such designation may be renewed by appropriate action of the Commissioners Court at a future date.

3. All of the exhibits to this order are incorporated herein by reference.

EXHIBIT A

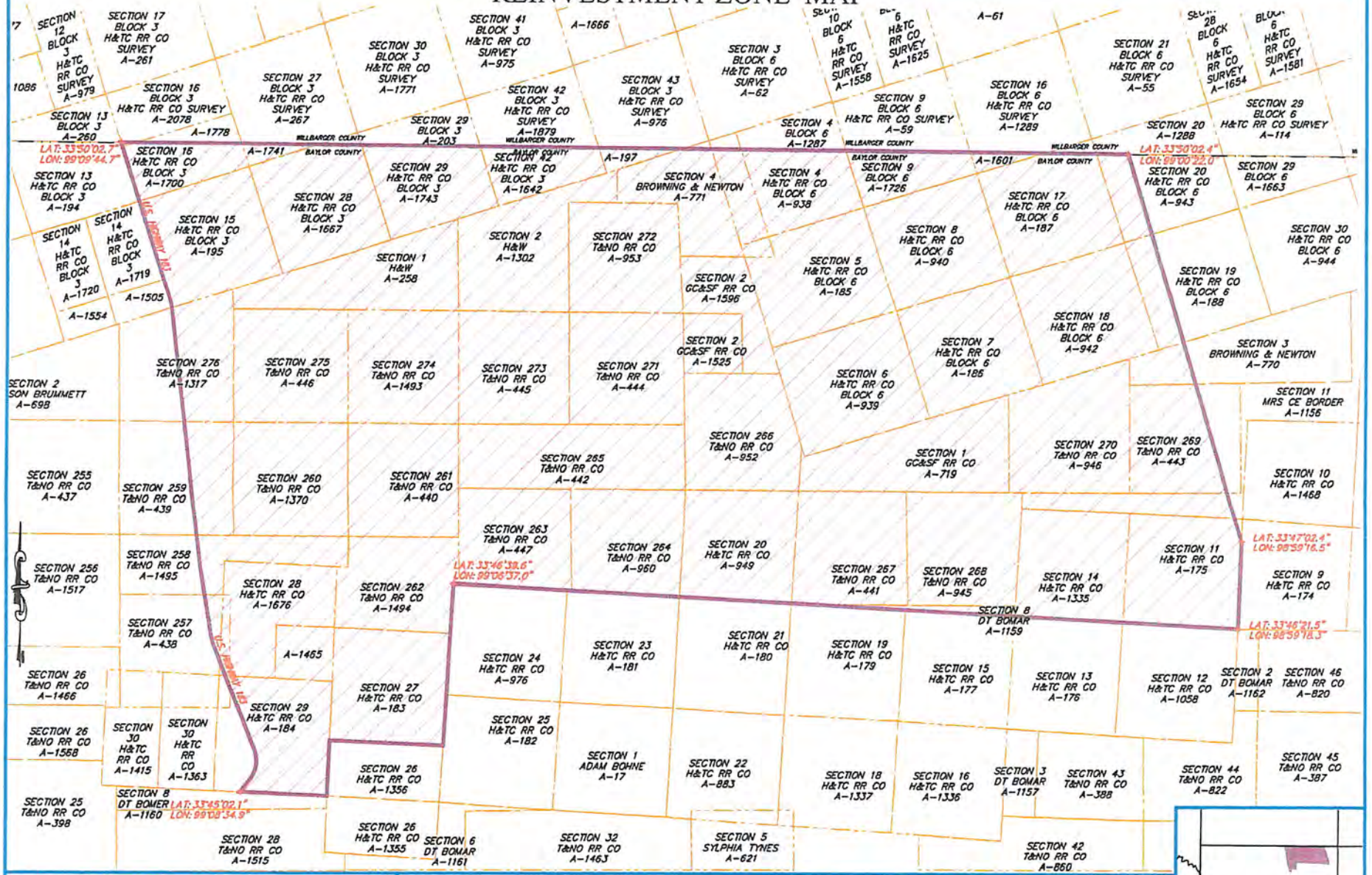
WESTERN TRAIL REINVESTMENT ZONE **BAYLOR COUNTY, TEXAS**

All or Portions of the following Sections - See Attached Map

SECTION	BLOCK	SURVEY	ABSTRACT	COUNTY
16	3	H&TC RR CO	A-1700	BAYLOR
27	3	H&TC RR CO	A-1741	BAYLOR
15	3	H&TC RR CO	A-195	BAYLOR
28	3	H&TC RR CO	A-1667	BAYLOR
29	3	H&TC RR CO	A-1743	BAYLOR
42	3	H&TC RR CO	A-1642	BAYLOR
43	3	H&TC RR CO	A-197	BAYLOR
276		T&NO RR CO	A-1317	BAYLOR
259		T&NO RR CO	A-439	BAYLOR
258		T&NO RR CO	A-1495	BAYLOR
28		H&TC RR CO	A-1676	BAYLOR
257		T&NO RR CO	A-438	BAYLOR
28		H&TC RR CO	A-1465	BAYLOR
260		T&NO RR CO	A-1370	BAYLOR
275		T&NO RR CO	A-446	BAYLOR
1		H&W	A-258	BAYLOR
274		T&NO RR CO	A-1493	BAYLOR
261		T&NO RR CO	A-440	BAYLOR
265		T&NO RR CO	A-442	BAYLOR
273		T&NO RR CO	A-445	BAYLOR
2		H&W	A-1302	BAYLOR
4		BROWNING & NEWTON	A-771	BAYLOR
272		T&NO RR CO	A-953	BAYLOR
271		T&NO RR CO	A-444	BAYLOR
266		T&NO RR CO	A-952	BAYLOR
2		GC&SF RR CO	A-1525	BAYLOR
2		GC&SF RR CO	A-1596	BAYLOR
4	6	H&TC RR CO	A-938	BAYLOR
5	6	H&TC RR CO	A-185	BAYLOR
6	6	H&TC RR CO	A-939	BAYLOR
1		GC&SF RR CO	A-719	BAYLOR
270		T&NO RR CO	A-946	BAYLOR
7	6	H&TC RR CO	A-186	BAYLOR
8	6	H&TC RR CO	A-940	BAYLOR
9	6	H&TC RR CO	A-1726	BAYLOR
16	6	H&TC RR CO	A-1601	BAYLOR
17	6	H&TC RR CO	A-187	BAYLOR
18	6	H&TC RR CO	A-942	BAYLOR
269		T&NO RR CO	A-443	BAYLOR
3		BROWNING & NEWTON	A-770	BAYLOR
19	6	H&TC RR CO	A-188	BAYLOR
20	6	H&TC RR CO	A-943	BAYLOR
11		MRS. CE BORDER	A-1156	BAYLOR
11		H&TC RR CO	A-175	BAYLOR
14		H&TC RR CO	A-1335	BAYLOR
8		DT BOMAR	A-1159	BAYLOR
268		T&NO RR CO	A-945	BAYLOR
267		T&NO RR CO	A-441	BAYLOR
20		H&TC RR CO	A-949	BAYLOR
264		T&NO RR CO	A-960	BAYLOR
263		T&NO RR CO	A-447	BAYLOR
262		T&NO RR CO	A-1494	BAYLOR
27		H&TC RR CO	A-183	BAYLOR
29		H&TC RR CO	A-184	BAYLOR

Exhibit A-1

REINVESTMENT ZONE MAP



WESTERN TRAIL WIND

Reinvestment Zone Map
Situated In
BAYLOR COUNTY, TEXAS

MAP LEGEND

REINVESTMENT ZONE

OTLS (SECTION/ABSTRACT LINES)

ROAD

COUNTY LINE

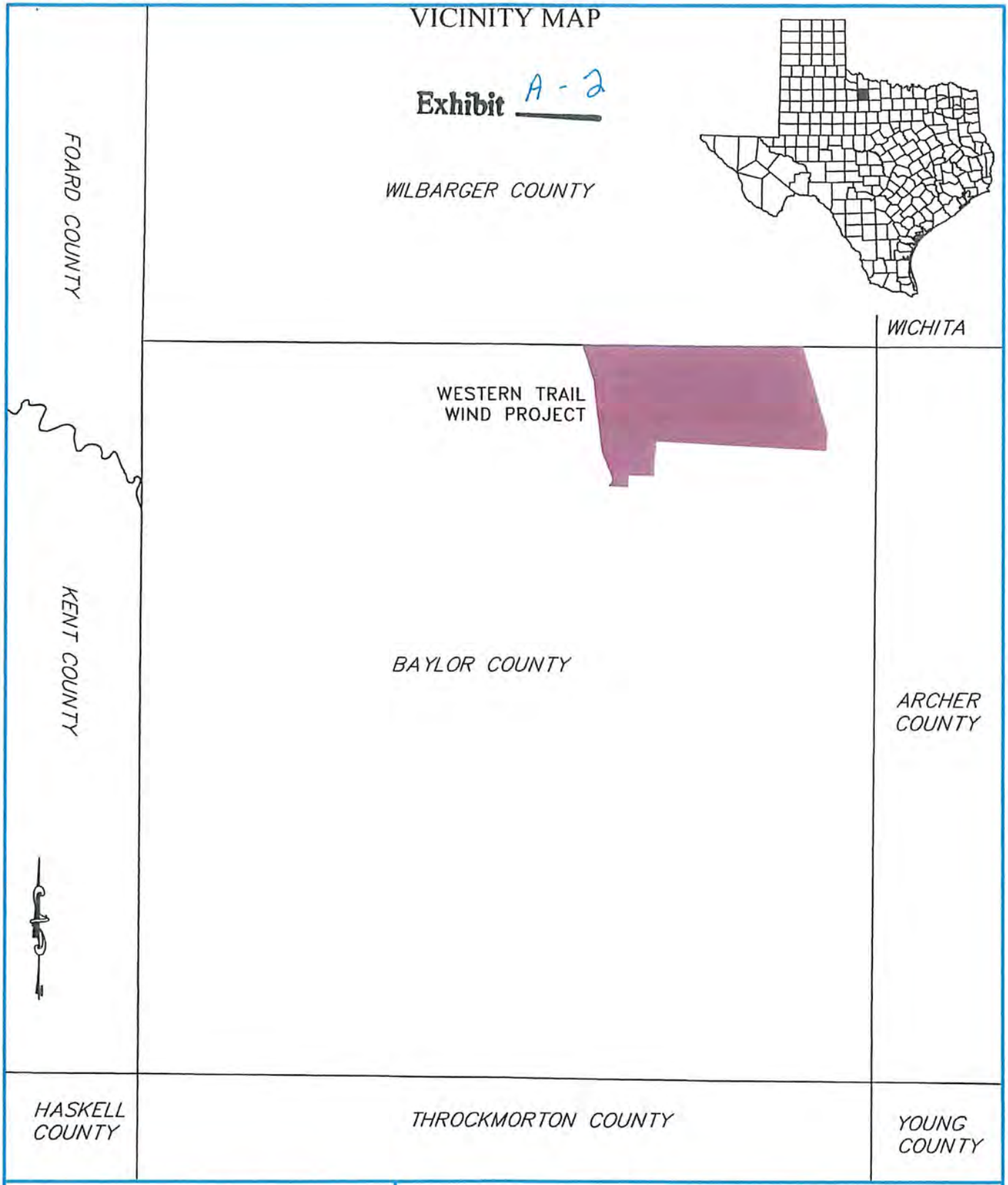
1" = 6000'

BAYLOR COUNTY

rev. DATE: 02/22/2020

VICINITY MAP

Exhibit A - 2



WESTERN TRAILS WIND

Vicinity Map
Situated in
BAYLOR COUNTY, TEXAS

MAP LEGEND

REINVESTMENT ZONE
COUNTY LINE
SCHOOL DISTRICT LINE

DATE: 02/22/2020

2019 TAX ABATEMENT GUIDELINES AND CRITERIA

BAYLOR COUNTY, TEXAS

May 13, 2019

PURPOSE

The purpose of this document is to establish guidelines and a uniform policy of Tax Abatement for owners or lessees of Eligible Facilities willing to execute Abatement Agreements designed to provide long-term significant positive economic impact to the community by utilizing the area contractors and work force to the maximum extent feasible, and by developing, redeveloping and improving property except as otherwise provided. All contracts will be identical.

SECTION 1. GENERAL CRITERIA

A. In order to be eligible for designation as a Reinvestment Zone and receive Tax Abatement, the planned improvements:

1. Must be an Eligible Facility.

2. Must add at least $150,000.00 to the tax roll of Eligible Property.

3. Must be reasonably expected to have an increase in positive net economic benefit to the County of at least $250,000.00 over the life of any Tax Abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement; and

4. Must not be expected to solely or primarily have the effect of transferring employment from one part of the County to another.

B. Only the increase in the fair market value of the property directly resulting from the development, redevelopment and improvements specified in an Abatement Agreement will be eligible for Tax Abatement, and then only to the extent that such increase exceeds any reduction to the fair market value of the other property of the applicant located within the County.

C. It is the goal of the County to grant Tax Abatements on the same terms and. conditions as the other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the Commissioners Court to consider, adopt, modify or refine any Tax Abatement request.

D. The adoption of these guidelines and criteria by the Commissioners Court does not:

1. Limit the discretion of the Commissioners Court to decide whether to enter into an Abatement Agreement;

2. Shall not limit the ability of the Commissioners Court to waive any particular guideline or criteria, if, in the judgment of the Commissioners Court, such waiver is necessary to facilitate economic development, is required to effectively compete with other communities and is otherwise consistent with applicable law;

3. Limit the discretion of the Commissioners Court to delegate to its employees or any officer of the County the authority to determine whether or not the Commissioners Court should consider a particular application or request for Tax Abatement; or

4. Create any property, contract or other legal right in any person to have the Commissioners Court consider or grant a specific application or request for Tax Abatement.

SECTION 2. DEFINITIONS

As used in in these guidelines and criteria which is not specifically defined herein, shall have the meaning assigned to it in Chapter 312 of the Texas Tax Code or other provisions of the Texas Tax Code. The following terms shall have the respective meanings assigned to them below:

A. "Abatement Agreement" means a contractual agreement between a property owner and/or lessee and the County with respect to Tax Abatement.

B. "Base Year Value" means the assessed value on the Eligible Property as of January 1 preceding the execution of an Abatement Agreement.

C. "Commissioners Court" shall refer to the Commissioners Court of Baylor County, Texas.

D. "County" means Baylor County, Texas.

E. "Deferred Maintenance" means improvements necessary for continued operation which do not improve productivity or alter the process technology.

F. "Eligible Facilities" means new, Expanded, or Modernized buildings and structures, including fixed machinery and equipment, which is reasonably likely, as a result of granting the Tax Abatement requested, to contribute to the retention or Expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of the County, but does not include Facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in the County, such as, but not limited to, restaurants and retail sales establishments. This definition shall be construed in its most broad sense to include any Facility for which Tax Abatement is permitted under applicable law but shall exclude from its definition any Facilities for which Tax Abatement is not permitted by applicable law.

G. "Eligible Property" means that property described in Section 3(D) below.

H. "Expansion" or "Expanded" means the addition of building structures, machinery, equipment, or payroll for purposes of increasing production capacity.

I. "Facility" or "Facilities" means property improvement(s) completed or in the process of construction which together comprise an interregional whole.

J. "Ineligible Property" means that property described in Section 3(E) below.

K. "Modernization" or "Modernized" means a complete or partial demolition of Facilities and the complete or partial reconstruction or installation of a Facility of similar or Expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings. structures. machinery, or equipment, or both.

L. "Productive Life" means the number of years property improvement(s) is/are expected to be in service in a Facility.

M. "Reinvestment Zone" means a particular area located in the County which meets the criteria specified in Chapter 312 of the Texas Tax Code for designation as a reinvestment zone and which has been designated by the Commissioners Court as a reinvestment zone.

N. "Tax Abatement" means the full or partial exemption from *ad valorem* taxes of certain property in a Reinvestment Zone designated by the County for economic development purposes in accordance with Chapter 312 of the Texas Tax Code.

SECTION 3. TAX ABATEMENT AUTHORIZED

A. Eligible Facilities. Upon application, Eligible Facilities shall be considered for Tax Abatement as hereinafter provided.

B. Creation of New Value. Tax Abatement may only be granted for the additional value of Eligible Property improvement(s) made subsequent to and specified in an Abatement Agreement between the County and the property owner or lessee, subject to such limitations as the County may require.

C. New and Existing Facilities. Tax Abatement may be granted for the additional value of Eligible Property improvement(s) made subsequent to and specified in an Abatement Agreement between the County and the property owner or lessee, subject to such limitations as the County may require.

D. Eligible Property. Tax Abatement may be extended to the value of new, Expanded, or Modernized buildings, structures, fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the Facility, and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code.

E. Ineligible Property. The following types of property shall be fully taxable and ineligible for Tax Abatement: land; animals; inventories, supplies; tools; furnishings; and other forms of moveable personal property; vehicles; vessels; aircraft; Deferred Maintenance investments; housing and property to be rented or leased, except as provided in Section 3(F) below; property owned or used by the State of Texas.

F. Owned/Leased Facilities. If a leased Facility is granted Tax Abatement, any Abatement Agreement with respect to such Facility shall be executed with the lessor and the lessee. If the land is leased, but the Facility constructed or installed thereon is owned by the lessee, the lessee shall execute the Abatement Agreement.

G. Economic Qualifications. In order to be eligible for designation as a reinvestment zone and receive Tax Abatement, the planned improvement must meet the general criteria for Tax Abatement set forth in Section 1(A) above.

H. Factors to be Considered in Determining Whether to Grant Tax Abatement. The following factors, among others, will be considered in determining whether to grant Tax Abatement:

(1) Value of existing improvements, if any;

(2) Type and value of proposed improvements;

(3) Productive Life of proposed improvements;

(4) Number of existing jobs to be retained by proposed improvements;

(5) Number and type of new jobs to be created by proposed improvements;

(6) Amount of local payroll to be created;

(7) Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdiction;

(8) Amount by which property tax base valuation will be increased during and after the term of an Abatement Agreement, which shall include a definitive commitment that such increase in valuation shall not, in any case, be less than $250,000.00;

(9) The costs to be incurred, by the County to provide Facilities directly resulting from the new improvements;

(10) The amount of *ad valorem* taxes to be paid to the County during the Tax Abatement period considering (a) the existing values, (b) the percentage of new value abated, (c) the Tax Abatement period, and (d) the value after expiration of the Tax Abatement period;

(11) The population growth of the County that occurs directly as a result of new improvements;

(12) The types and values of public improvements, if any, to he made by applicant seeking Tax Abatement;

(13) Whether the proposed improvements compete with existing businesses to the detriment of the local economy,

(14) The impact on the business opportunities of existing business;

(15) The attraction of other new businesses to the area;

(16) The overall compatibility with the zoning ordinances and comprehensive plan for the area;

(17) Whether the project obtains has the necessary permits from the applicable environmental agencies.

Each Eligible Facility shall be reviewed on its merits utilizing the factors provided above. After such review, Tax Abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation in the sole and absolute discretion of the Commissioners Court.

I. Denial of Tax Abatement. Neither the designation of a Reinvestment Zone nor the approval of an Abatement Agreement shall be authorized if it is determined, based upon information presented to the Commissioners Court, that:

(1) There would be substantial adverse effect on the provision of government services or tax base;

(2) The applicant has insufficient financial capacity;

(3) The activities of the applicant would be in violation of any applicable law or governmental regulations; or

(4) the designation of a Reinvestment Zone or the approval of an Abatement Agreement would not be in the best interests of the County or its citizens.

J. Taxability. From the beginning of a Tax Abatement period provided in an Abatement Agreement to the end of the Tax Abatement period, taxes shall be payable as follows:

(1) The value of Ineligible Property shall be fully taxable; and

(2) The Base Year Value of existing Eligible Property as determined each year shall be fully taxable; and

(3) The additional value of new Eligible Property shall be fully taxable at the end of the Tax Abatement period specified in the Abatement Agreement.

SECTION 4. APPLICATION PROCESS

A. Any present or potential owner of taxable property in the County may request the creation of a Reinvestment Zone and Tax Abatement by filing a written application with the County Judge of Baylor County.

B. The application shall consist of a general description of the new improvements to be undertaken; a descriptive list of the improvements for which Tax Abatement is requested; a list of the kind, number and location of all proposed improvements of a property; a map and property description; and a time schedule for undertaking and completing the proposed improvements. In the case of Modernization, a statement of the assessed value of the Facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application. The completed application must be accompanied by the payment of a nonrefundable application fee for administrative costs associated with the processing of the Tax Abatement request. All checks in payment of the administrative fee shall be made payable to the County. For Tax Abatement requests for improvements with a planned value equal to or in excess of $1,000.000.00, the fee shall be One Thousand and No/100 Dollars ($1,000.00). For requests with a planned value of less than $1,000,000.00, the fee shall he five hundred and no/100 Dollars ($500.00).

C. If a city within the County designates a Reinvestment Zone within its corporate limits and enters into or proposes to enter into an Abatement Agreement with a present or potential owner of a taxable property, such present or potential owner of taxable property may request Tax Abatement by the County by following the same application process described in Section 4(A) hereof.

SECTION 5. AGREEMENT

A. The Commissioners Court shall memorialize the approval of any Abatement Agreement by the adoption of an order or resolution authorizing execution of the Abatement Agreement and making findings of fact and conclusions of law consistent with its action. The Abatement Agreement shall contain those provisions required by applicable law including the following:

(1) A list of the kind, number and location of all proposed improvements to the property;

(2) Provide access to and authorize inspection of the property by the taxing unit to insure compliance with the Abatement Agreement;

(3) Limit the use of the property consistent with the taxing unit's development goals;

(4) Provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the Abatement Agreement;

(5) Include each term that was agreed upon with the property owner and. require the owner to annually certify compliance with the terms of the Abatement Agreement to each taxing unit;

(6) Allow the taxing unit to cancel or modify the Abatement Agreement at any time if the property owner fails to comply with the terms of the Abatement Agreement; and

(7) All other terms and conditions not inconsistent with applicable law which are, in the judgment of the Commissioners Court, necessary or prudent.

SECTION 6. RECAPTURE

A. In the event that the applicant or its assignee (1) allows its ad valorem taxes owed the County to become delinquent and fails to timely and property follow the legal procedures for their protest and/or contest; or (2) violates any of the terms and conditions of the Abatement Agreement and fails to cure within any applicable cure period, the Abatement Agreement then maybe terminated and all taxes previously abated by virtue of the Abatement Agreement will be recaptured and paid within thirty (30) days of the termination.

B. Should the County determine that the applicant or its assignee is in default according to the terms and conditions of its Abatement Agreement, the County shall notify the company or individual in writing at the address stated in the Abatement Agreement, and if such is not cured within the time set forth in such notice (the "Cure Period"), then the Abatement Agreement may be terminated.

C. In the event all or any portion of a Facility for which Tax Abatement has been granted under an Abatement Agreement is assigned to a non-taxable entity, the County shall be entitled to recapture all property abated under that Abatement Agreement unless the Commissioners Court and the applicant have agreed to some compromised provision with respect to the recapture of taxes abated under these circumstances.

SECTION 7. ADMINISTRATION

A. The Chief Appraiser of the Baylor County Appraisal District will annually determine an assessment of the real and personal property comprising the Reinvestment Zone. Each year, the company or individual receiving Tax Abatement shall furnish the appraiser with such information as may be necessary to administer the Tax Abatement pursuant to applicable law. Once value has been established. the Chief Appraiser will notify the Commissioners Court of the amount of the assessment.

B. The County may execute a contract with any other jurisdiction(s) to inspect the Facility to determine if the terms and conditions of the Abatement Agreement are being met. The Abatement Agreement shall stipulate that employees and/or designated representatives of the

County will have access to the Facilities which are the subject of an Abatement Agreement during the term of the Abatement Agreement to inspect the Facilities to determine if the terms and conditions of the Abatement Agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the Facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.

SECTION 8. ASSIGNMENT

An Abatement Agreement may be transferred and assigned by the holder to a new owner or lessee of the same Facility either upon the approval by resolution of the Commissioners Court, or in accordance with the terms of an existing Abatement Agreement.

SECTION 9. SUNSET PROVISION

These Guidelines and Criteria are effective upon the date of their adoption and shall supersede and replace any and all prior guidelines and criteria for Reinvestment Zones in the County, and hereafter these Guidelines and Criteria shall apply to Reinvestment Zones created in the County after the date of their adoption. These Guidelines and Criteria shall remain in force for two (2) years, unless amended within that two year period by three quarters vote of the Commissioners Court, at which time all Reinvestment Zones and any Abatement Agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on such review, the Guidelines and Criteria will be modified, renewed or eliminated; provided, however, no modification or elimination of the Guidelines and Criteria shall affect any existing Abatement Agreements that have been previously approved until the parties thereto shall agree to amend such Abatement Agreements.

ADOPTED AND APPROVED on May 13, 2019.

APPROVED:

Rusty Stafford, County Judge

ATTEST:

Chris Jakubicek, County Clerk

ORDER OF THE COMMISSIONERS COURT
OF
BAYLOR COUNTY, TEXAS

APPROVING 2019 TAX ABATEMENT GUIDELINES AND CRITERIA

May 13, 2019

WHEREAS, on August 8, 2011 the Commissioners Court of Baylor County, Texas adopted an order electing to participate in tax abatement pursuant to the Texas Property Redevelopment and Tax Abatement Act (Chapter 312, Texas Tax Code); and

WHEREAS, the tax abatement guidelines and criteria which are attached to this order (the "2019 Tax Abatement Guidelines and Criteria") are found to be reasonable and proper and will promote economic development within the County; and

WHEREAS, this Order was adopted at a meeting of the Commissioners Court of Baylor County, Texas which was open to the public and preceded by proper notice, as required by Chapter 551 of the Texas Government Code (the Open Meetings Act);

IT IS ORDERED, BY THE COMMISSIONERS COURT OF BAYLOR COUNTY, TEXAS:

1. That the 2019 Tax Abatement Guidelines and Criteria attached to this Order are hereby approved and adopted as guidelines and criteria for tax abatement agreements entered into on behalf of Baylor County.

2. That, in accordance with TEX. TAX CODE §312.002(c), the 2019 Tax Abatement Guidelines and Criteria hereby adopted shall be effective for two (2) years from the date of this order unless amended or repealed within such two year periods by a vote of three-fourths of the members of the Commissioners Court of Baylor County, Texas.

3. That the recitals set forth above in this order are hereby adopted as findings of fact and conclusions of law by the Commissioners Court of Baylor County, Texas.

PASSED AND APPROVED on May 13, 2019.

APPROVED:

Rusty A. Stafford, County Judge

ATTEST:

Chris Jakubicek, County Clerk

Rick Gillispie, Commissioner
Precinct 1

John Nelson, Commissioner
Precinct 2

Don Emsoff, Commissioner
Precinct 3

Larry Burnett, Commissioner
Precinct 4

O'HANLON, DEMERATH & CASTILLO
ATTORNEYS AND COUNSELORS AT LAW

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

May 20, 2020

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

RE: 1489-Amended application to the Seymour Independent School District from Western Trail Wind, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed. Please find the amended application to the Seymour Independent School District from Western Trail Wind, LLC. The following changes have been made:

1. Section 3, Question 1a – Payor has been updated and the date of transaction has been updated. Verified with Seymour ISD Business Manager (Cindy Davis) that the check cleared on April 28th, 2020.
2. Section 14: Wage and Employment Information, Question 4a and 4b has been updated
3. Tab 6 map has been updated
4. Tab 13 has been updated
5. Schedule C, Column E: Has been updated
6. New Signature Page

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

Sincerely,

Kevin O'Hanlon
School District Consultant

Cc: Baylor County Appraisal District
Western Trail Wind, LLC

SECTION 2: Applicant Information *(continued)*

4. Authorized Company Consultant ***(If Applicable)***

First Name: David
Last Name: Sewell
Title: Partner
Firm Name: Stahl, Davies, Sewell, Chavarria & Friend, LLP
Phone Number: (512) 346-5558
Fax Number: (512) 346-2712
Business Email Address: dsewell@sbaustinlaw.com

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, include all transaction information below. Include proof of application fee paid to the school district in **Tab 2**. Any confidential banking information provided will not be publicly posted.

Payment Amount: $75,000
Transaction Type: Check
Payor: Lincoln Clean Energy, LLC
Payee: Seymour Independent School District
Date transaction was processed: April 20, 2020

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? Western Trail Wind, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32066890602
3. Parent Company Name Orsted Holdings N.A. INC.
4. Parent Company Tax ID 32070588606
5. List the NAICS code 221115
6. Is the applicant a party to any other pending or active Chapter 313 agreements? ☑ Yes ☐ No

6a. If yes, please list application number, name of school district and year of agreement
1435, Harrold ISD, 2020; 1424 Vernon ISD, 2020

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.

SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? 2
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) 0
3. 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) and TAC 9.1051(b)(1)? ..... ☑ Yes ☐ No

   3a. If yes, attach evidence of industry standard 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.

4. 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). **Note**: If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.

   a. Non-qualified job wages
      - average weekly wage for all jobs (all industries) in the county is 662.75
   b. Qualifying job wage minimum option §313.021(5)(A)
      -110% of the average weekly wage for manufacturing jobs in the county is 983.95
   c. Qualifying job wage minimum option §313.021(5)(B)
      -110% of the average weekly wage for manufacturing jobs in the region is 1,106.01

5. 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)
6. What is the minimum required annual wage for each qualifying job based on the qualified property? 51,165.40
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 51,166.00
8. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ..... ☑ Yes ☐ No
9. 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

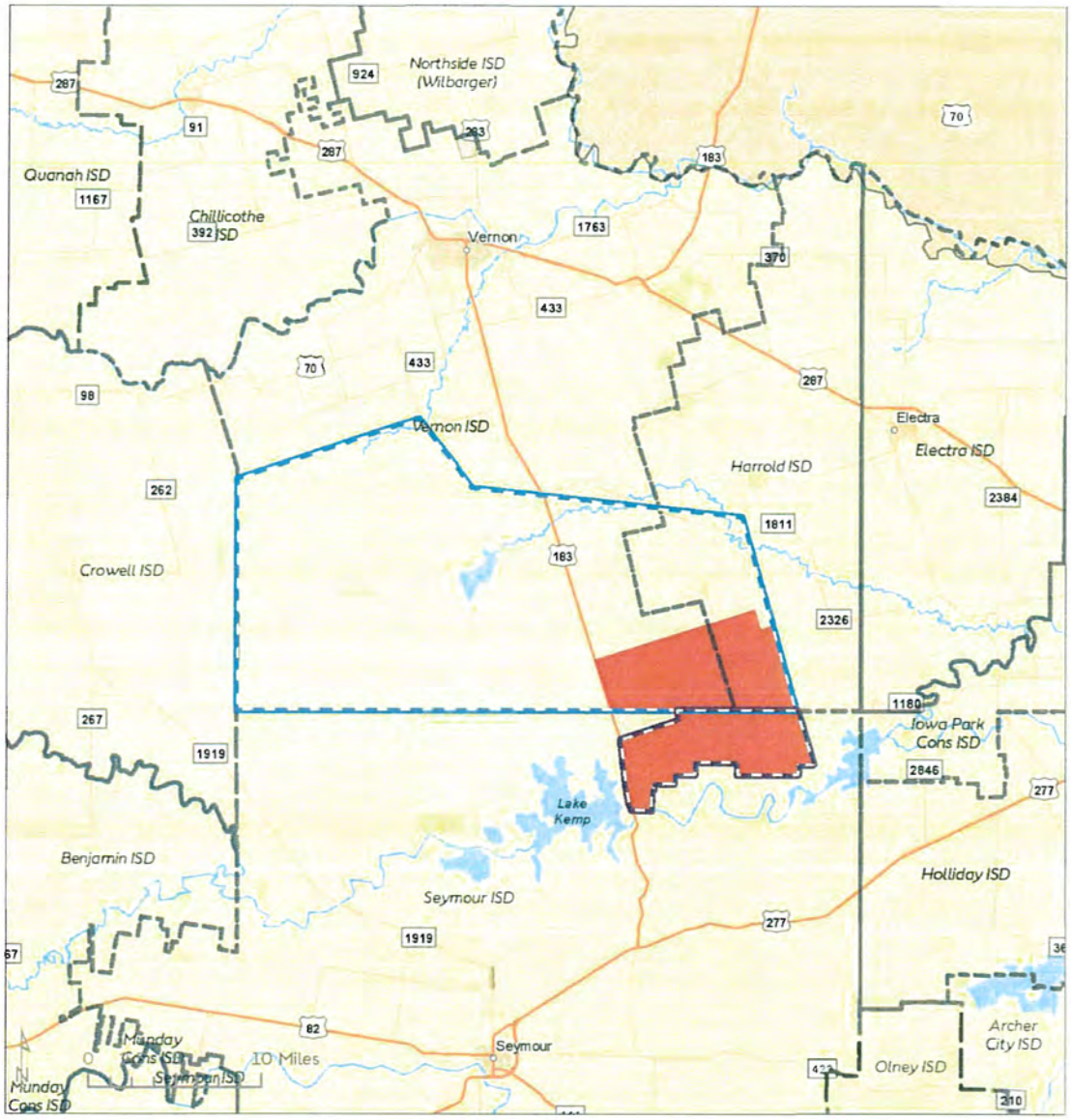
   9a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).

10. 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

    10a. 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, and C 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**.



Western Trail
Wind Project

Wilbarger, Baylor counties, Texas
April 2020

Legend

- Total Western Trail Wind Project Area
- ISD Boundary
- Reinvestment Zone - Wilbarger
- Reinvestment Zone - Baylor

Reinvestment Zones

Texas Independent School Districts

Ørsted

Tab Item 13

Calculation of three possible wage requirements with TWC documentation

Quarterly Employment and Wages (QCEW)

Average Weekly Wage for All Jobs (All Industries) in Baylor County

Year	Period	Area	Ownership	Ind-Code	Industry	Avg. Weekly Wages
2019	1st Qtr	Baylor	Total All	10	Total, All Industries	$632
2019	2nd Qtr	Baylor	Total All	10	Total, All Industries	$639
2019	3rd Qtr	Baylor	Total All	10	Total, All Industries	$667
2019	4th Qtr	Baylor	Total All	10	Total, All Industries	$713
Average						$662.75

110% of $662.75 = $729.03

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	01	Baylor	Total All	10	Total, All Industries	646
2018	02	Baylor	Total All	10	Total, All Industries	668
2018	03	Baylor	Total All	10	Total, All Industries	685
2018	04	Baylor	Total All	10	Total, All Industries	701
2019	01	Baylor	Total All	10	Total, All Industries	632
2019	02	Baylor	Total All	10	Total, All Industries	639
2019	03	Baylor	Total All	10	Total, All Industries	667
2019	04	Baylor	Total All	10	Total, All Industries	713

Quarterly Employment and Wages (QCEW)

Average Weekly Wage for Manufacturing Jobs in Baylor County

Year	Period	Area	Ownership	Ind-Code	Industry	Avg. Weekly Wages
2019	1st Qtr	Baylor	Private	31-33	Total, Manufacturing	$855
2019	2nd Qtr	Baylor	Private	31-33	Total, Manufacturing	$846
2019	3rd Qtr	Baylor	Private	31-33	Total, Manufacturing	$939
2019	4th Qtr	Baylor	Private	31-33	Total, Manufacturing	$938
Average						$894.50

110% of $894.50 = $983.95

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	03	Baylor	Private	31-33	Manufacturing	780
2018	04	Baylor	Private	31-33	Manufacturing	955
2019	01	Baylor	Private	31-33	Manufacturing	855
2019	02	Baylor	Private	31-33	Manufacturing	846
2019	03	Baylor	Private	31-33	Manufacturing	939
2019	04	Baylor	Private	31-33	Manufacturing	938

Quarterly Employment and Wages (QCEW)

Average Weekly Wage for Manufacturing Jobs in Region

Baylor County is included in the NORTEX Regional Planning Commission. The most recently reported (2018) average manufacturing wage for the NORTEX Regional Planning Commission is $52,284.

$52,284 / 52 = $1,005.46

110% of $1,005.46 = $1,106.01

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

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

Schedule C: Employment Information

Date

Applicant Name: Western Trail Wind, LLC

ISD Name: Seymour ISD

Form 50-296A
Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*	0	2020-2021	2020					
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*	0	2021-2022	2021	150 FTEs	$40,000	0	0	
	1	2022-2023	2022	N/A	N/A	0	2	$51,166.00
	2	2023-2024	2023	N/A	N/A	0	2	$51,166.00
	3	2024-2025	2024	N/A	N/A	0	2	$51,166.00
	4	2025-2026	2025	N/A	N/A	0	2	$51,166.00
	5	2026-2027	2026	N/A	N/A	0	2	$51,166.00
	6	2027-2028	2027	N/A	N/A	0	2	$51,166.00
	7	2028-2029	2028	N/A	N/A	0	2	$51,166.00
	8	2029-2030	2029	N/A	N/A	0	2	$51,166.00
	9	2030-2031	2030	N/A	N/A	0	2	$51,166.00
	10	2031-2032	2031				2	$51,166.00
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2046	N/A	N/A	0	2	$51,166.00

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 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) [X] Yes [ ] No

If yes, answer the following two questions:

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

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

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 John Anderson — Print Name (Authorized School District Representative)

Title: Superintendent

sign here — Signature (Authorized School District Representative)

Date: 5-19-20

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 Philip Moore — Print Name (Authorized Company Representative (Applicant))

Title: Sr. Vice President

sign here — Signature (Authorized Company Representative (Applicant))

Date: 5/13/2020

PAULA DARLINE OSTROOT
Notary Public, State of Texas
Comm. Expires 05-11-2023
Notary ID 3841490

(Notary Seal)

GIVEN under my hand and seal of office this, the 13 day of May 2020

Paula D. Ostroot
Notary Public in and for the State of Texas

My Commission expires: 5/11/2023

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 : 08/19/2020 10:39:02

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

WESTERN TRAIL WIND, LLC

Texas Taxpayer Number	32066890602
Mailing Address	1999 BRYAN ST STE 900 DALLAS, TX 75201-3140
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	04/17/2018
Texas SOS File Number	0802992176
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

Attachment C

State Comptroller's Certification

DocuSign Envelope ID: DE2C395F-5B85-48C2-B601-C3775D595F40

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 19, 2020

John Anderson
Superintendent
Seymour Independent School District
409 W. Idaho
Seymour, Texas 76380

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Seymour Independent School District and Western Trail Wind, LLC, Application 1489

Dear Superintendent Anderson:

On May 29, 2020, the Comptroller issued written notice that Western Trail Wind, LLC (applicant) submitted a completed application (Application 1489) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on April 29, 2020, to the Seymour 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 1489.

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 May 29, 2020, 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.

DocuSign Envelope ID: DE2C395F-5B85-48C2-B601-C3775D595F40

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,

DocuSigned by:
Lisa Craven
11EA6DEF0EC441E...
Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Western Trail Wind, LLC (project) applying to Seymour (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 Western Trail Wind, LLC.

Applicant	Western Trail Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy – Wind
School District	Seymour ISD
2018-2019 Average Daily Attendance	548
County	Baylor
Proposed Total Investment in District	$104,761,000
Proposed Qualified Investment	$104,761,000
Limitation Amount	$30,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	2
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	$989
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	$989
Minimum annual wage committed to by applicant for qualified jobs	$51,409
Minimum weekly wage required for non-qualifying jobs	$664
Minimum annual wage required for non-qualifying jobs	$34,515
Investment per Qualifying Job	$52,380,500
Estimated M&O levy without any limit (15 years)	$10,036,726
Estimated M&O levy with Limitation (15 years)	$5,288,828
Estimated gross M&O tax benefit (15 years)	$4,747,898

** 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 Western Trail Wind, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	150	1,035	1185	$6,000,000	$93,800,000	$99,800,000
2022	2	301	303	$102,818	$29,697,182	$29,800,000
2023	2	165	167	$102,818	$19,097,182	$19,200,000
2024	2	59	61	$102,818	$10,097,182	$10,200,000
2025	2	(1)	1	$102,818	$4,297,182	$4,400,000
2026	2	(31)	-29	$102,818	$697,182	$800,000
2027	2	(41)	-39	$102,818	-$1,302,818	-$1,200,000
2028	2	(40)	-38	$102,818	-$2,002,818	-$1,900,000
2029	2	(33)	-31	$102,818	-$1,902,818	-$1,800,000
2030	2	(24)	-22	$102,818	-$1,502,818	-$1,400,000
2031	2	(15)	-13	$102,818	-$802,818	-$700,000
2032	2	(8)	-6	$102,818	-$102,818	$0
2033	2	(2)	0	$102,818	$497,182	$600,000
2034	2	3	5	$102,818	$1,097,182	$1,200,000
2035	2	6	8	$102,818	$1,497,182	$1,600,000
2036	2	8	10	$102,818	$1,797,182	$1,900,000

Source: CPA REMI, Western Trail Wind, LLC

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

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Seymour ISD I&S Tax Levy	Seymour ISD M&O Tax Levy	M&O and I&S Tax Levies	Baylor County Tax Levy	Baylor County HD Tax Levy	Rolling Plains GWCD Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0800	0.9700		0.5960	0.1827	0.0262	
2022	$102,665,780	$102,665,780		$82,133	$995,858	$1,077,991	$201,923	$61,898	$8,863	$1,350,675
2023	$96,505,833	$96,505,833		$77,205	$936,107	$1,013,311	$189,808	$58,184	$8,331	$1,269,634
2024	$90,715,483	$90,715,483		$72,572	$879,940	$952,513	$178,419	$54,693	$7,831	$1,193,456
2025	$85,272,554	$85,272,554		$68,218	$827,144	$895,362	$167,714	$51,412	$7,361	$1,121,849
2026	$80,156,201	$80,156,201		$64,125	$777,515	$841,640	$157,651	$48,327	$6,920	$1,054,538
2027	$75,346,829	$75,346,829		$60,277	$730,864	$791,142	$148,192	$45,427	$6,505	$991,266
2028	$70,826,019	$70,826,019		$56,661	$687,012	$743,673	$139,301	$42,702	$6,114	$931,790
2029	$66,576,458	$66,576,458		$53,261	$645,792	$699,053	$130,943	$40,140	$5,747	$875,882
2030	$62,581,871	$62,581,871		$50,065	$607,044	$657,110	$123,086	$37,731	$5,403	$823,329
2031	$58,826,958	$58,826,958		$47,062	$570,621	$617,683	$115,701	$35,467	$5,078	$773,930
2032	$55,297,341	$55,297,341		$44,238	$536,384	$580,622	$108,759	$33,339	$4,774	$727,494
2033	$51,979,500	$51,979,500		$41,584	$504,201	$545,785	$102,233	$31,339	$4,487	$683,844
2034	$48,860,730	$48,860,730		$39,089	$473,949	$513,038	$96,099	$29,459	$4,218	$642,814
2035	$45,929,087	$45,929,087		$36,743	$445,512	$482,255	$90,333	$27,691	$3,965	$604,245
2036	$43,173,341	$43,173,341		$34,539	$418,781	$453,320	$84,913	$26,030	$3,727	$567,990
			Total	$827,771	$10,036,726	$10,864,497	$2,035,075	$623,839	$89,325	$13,612,737

Source: CPA, Western Trail Wind, LLC
*Tax Rate per $100 Valuation

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

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

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Seymour ISD I&S Tax Levy	Seymour ISD M&O Tax Levy	M&O and I&S Tax Levies	Baylor County Tax Levy	Baylor County HD Tax Levy	Rolling Plains GWCD Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0800	0.9700		0.5960	0.1827	0.0262	
2022	$102,665,780	$30,000,000		$82,133	$291,000	$373,133	$102,981	$61,898	$8,863	$546,875
2023	$96,505,833	$30,000,000		$77,205	$291,000	$368,205	$96,802	$58,184	$8,331	$531,522
2024	$90,715,483	$30,000,000		$72,572	$291,000	$363,572	$90,994	$54,693	$7,831	$517,091
2025	$85,272,554	$30,000,000		$68,218	$291,000	$359,218	$85,534	$51,412	$7,361	$503,525
2026	$80,156,201	$30,000,000		$64,125	$291,000	$355,125	$80,402	$48,327	$6,920	$490,774
2027	$75,346,829	$30,000,000		$60,277	$291,000	$351,277	$75,578	$45,427	$6,505	$478,787
2028	$70,826,019	$30,000,000		$56,661	$291,000	$347,661	$71,043	$42,702	$6,114	$467,520
2029	$66,576,458	$30,000,000		$53,261	$291,000	$344,261	$66,781	$40,140	$5,747	$456,929
2030	$62,581,871	$30,000,000		$50,065	$291,000	$341,065	$62,774	$37,731	$5,403	$446,973
2031	$58,826,958	$30,000,000		$47,062	$291,000	$338,062	$59,007	$35,467	$5,078	$437,615
2032	$55,297,341	$55,297,341		$44,238	$536,384	$580,622	$108,759	$33,339	$4,774	$727,494
2033	$51,979,500	$51,979,500		$41,584	$504,201	$545,785	$102,233	$31,339	$4,487	$683,844
2034	$48,860,730	$48,860,730		$39,089	$473,949	$513,038	$96,099	$29,459	$4,218	$642,814
2035	$45,929,087	$45,929,087		$36,743	$445,512	$482,255	$90,333	$27,691	$3,965	$604,245
2036	$43,173,341	$43,173,341		$34,539	$418,781	$453,320	$84,913	$26,030	$3,727	$567,990
			Total	**$827,771**	**$5,288,828**	**$6,116,599**	**$1,274,234**	**$623,839**	**$89,325**	**$8,103,998**
			Diff	**$0**	**$4,747,898**	**$4,747,898**	**$760,841**	**$0**	**$0**	**$5,508,739**

Source: CPA, Western Trail Wind, 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 Western Trail Wind, 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	2019	$0	$0	$0	$0
	2020	$0	$0	$0	$0
	2021	$0	$0	$0	$0
Limitation Period (10 Years)	2022	$291,000	$291,000	$704,858	$704,858
	2023	$291,000	$582,000	$645,107	$1,349,965
	2024	$291,000	$873,000	$588,940	$1,938,905
	2025	$291,000	$1,164,000	$536,144	$2,475,049
	2026	$291,000	$1,455,000	$486,515	$2,961,564
	2027	$291,000	$1,746,000	$439,864	$3,401,428
	2028	$291,000	$2,037,000	$396,012	$3,797,440
	2029	$291,000	$2,328,000	$354,792	$4,152,232
	2030	$291,000	$2,619,000	$316,044	$4,468,276
	2031	$291,000	$2,910,000	$279,621	$4,747,898
Maintain Viable Presence (5 Years)	2032	$536,384	$3,446,384	$0	$4,747,898
	2033	$504,201	$3,950,585	$0	$4,747,898
	2034	$473,949	$4,424,534	$0	$4,747,898
	2035	$445,512	$4,870,047	$0	$4,747,898
	2036	$418,781	$5,288,828	$0	$4,747,898
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	$393,655	$5,682,483	$0	$4,747,898
	2038	$370,035	$6,052,518	$0	$4,747,898
	2039	$347,833	$6,400,351	$0	$4,747,898
	2040	$326,963	$6,727,314	$0	$4,747,898
	2041	$307,345	$7,034,659	$0	$4,747,898
	2042	$288,905	$7,323,564	$0	$4,747,898
	2043	$271,570	$7,595,134	$0	$4,747,898
	2044	$255,276	$7,850,411	$0	$4,747,898
	2045	$239,960	$8,090,370	$0	$4,747,898
	2046	$225,562	$8,315,932	$0	$4,747,898

$8,315,932 is greater than **$4,747,898**

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

Source: CPA, Western Trail Wind, 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 Western Trail Wind, 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 Western Trail Wind, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "The Applicant for this Project has entered into several contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, airspace, etc.) to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate Applicant to construct the Project, and each of these contracts may be terminated by Applicant without incurring any significant liability."
  B. "The Applicant for this Project has obtained, applied, or will apply for the following state and local permits:
     - Baylor and Wilbarger County Road Use Agreements
     - Baylor and Wilbarger County 312 Tax Abatements
     - Baylor and Wilbarger County Hospital District 312 Tax Abatements
     - Vernon College 312 Tax Abatement"
  C. "The Project has not been known by any other name during its development. The Project applied to ERCOT on November 7, 2018, and it has been assigned GINR number 20INR0142."
  D. "The Applicant is a national wind developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects outside of Texas that are competing for limited investment funds. This appraised value limitation is critical to the ability of the Project to move forward as currently sited."
  E. "Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining

the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics."

- An April 29, 2020 *Vernon Record* article states:
  A. "The newly planned farm will be located on the Waggoner Ranch, according to Lincoln's Charlie Smith, and is being called the Western Trail project."
  B. "...it is proposed to generate 250 to 350 megawatt and be around 100 turbines."
  C. "Right now we are in the developmental stage. We have a lease with the Waggoner Ranch for 20,000 acres of land."
  D. "...construction would likely not begin until 2021 and the project would come on line in 2022."
  E. "...there had been some negative reaction in the legislature to giving windmill farms special incentives, like the 313 waiver which allows a cash payment in lieu of paying property taxes (PILOT), and he believed the incentive would be done away with — that was prompting the company to act quickly."
  F. "We wanted to start the process here. Get the applications in and hopefully be grandfathered in on the 313. There shouldn't be much activity for a while. The first step is getting the county to designate a reinvestment zone so we can qualify for tax abatements."

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 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

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement: 9/30/20
2. Estimated commencement of construction: 10/01/20
3. Beginning of qualifying time period (MM/DD/YYYY): 1/1/2021
4. First year of limitation (MM/DD/YYYY): 1/1/2022

4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):

☐ A. January 1 following the application date ☐ B. January 1 following the end of QTP

☑ C. January 1 following the commencement of commercial operations

5. Commencement of commercial operations: Q4 2021

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located: Baylor County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property: Baylor County Appraisal District
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☑ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

M&O (ISD): Seymour ISD, 0.97, 33% (Name, tax rate and percent of project)

I&S (ISD): Seymour ISD, 0.08, 33% (Name, tax rate and percent of project)

County: Baylor County, 0.596, 33% (Name, tax rate and percent of project)

City: Seymour TX (Name, tax rate and percent of project)

Hospital District: Baylor County HD, 0.1827, 33% (Name, tax rate and percent of project)

Water District: Rolling Plains GWCD, 0.02616, 33% (Name, tax rate and percent of project)

Other (describe): (Name, tax rate and percent of project)

Other (describe): (Name, tax rate and percent of project)

Supporting Information

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

Tab Item 5

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

Western Trail Wind, LLC is a Delaware limited liability company. Western Trail Wind has one member with the ultimate 100% ownership, Orsted Holdings N.A. Inc. ("Orsted"). Orsted has successfully developed projects involving over $1 billion in capital investment in some of the largest electricity markets in the United States, including California, Nebraska, New Jersey, and Texas.

The Applicant for this Project has entered into several contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, airspace, etc.) to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate Applicant to construct the Project, and each of these contracts may be terminated by Applicant without incurring any significant liability.

The Applicant for this Project has obtained, applied, or will apply for the following state and local permits:

- Baylor and Wilbarger County Road Use Agreements
- Baylor and Wilbarger County 312 Tax Abatements
- Baylor and Wilbarger County Hospital District 312 Tax Abatements
- Vernon College 312 Tax Abatement

The Project has not been known by any other name during its development. The Project applied to ERCOT on November 7, 2018, and it has been assigned GINR number 20INR0142.

The Applicant is a national wind developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects outside of Texas that are competing for limited investment funds. This appraised value limitation is critical to the ability of the Project to move forward as currently sited.

Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

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Another wind farm is planned for county

By Daniel (https://www.vernonrecord.com/author/daniel/) | April 29, 2019 | 0 (https://www.vernonrecord.com/2019/04/29/another-wind-farm-is-planned-for-county/#respond)

Another wind mill farm will be coming to Wilbarger County.

The Wilbarger County Commissioners Court met with representatives of Lincoln Clean Energy on Monday to begin the process for a new wind mill farm, similar to projects Lincoln Clean Energy already has in Wilbarger County. The company previously erected the Electra Farm, which stretches along 287 from Harrold to Oklaunion, and is in the process of erecting the Lockett Farm, south of Vernon.

The newly planned farm will be located on the Waggoner Ranch, according to Lincoln's Charlie Smith, and is being called the Western Trail project.

Smith asked the commissioners court to designate the area as a reinvestment zone, to allow the company to begin the process of seeking tax abatements and working with the local school district for a Texas tax code Chapter 313 agreement.

Smith told the commissioners that it is proposed to generate 250 to 350 megawatt and be around 100 turbines.

"Right now we are in the developmental stage. We have a lease with the Waggoner Ranch for 20,000 acres of land," Smith said.

He said that construction would likely not begin until 2021 and the project would come on line in 2022.

Smith said there had been some negative reaction in the legislature to giving windmill farms special incentives, like the 313 waiver which allows a cash payment in lieu of paying property taxes (PILOT), and he believed the incentive would be done away with — that was prompting the company to act quickly.

"We wanted to start the process here. Get the applications in and hopefully be grandfathered in on the 313. There shouldn't be much activity for a while," he said. "The first step is getting the county to designate a reinvestment zone so we can qualify for tax abatements."

Commissioner John Wright asked how many of the wind mills on the ranch would be in Wilbarger County.

"All of them," Smith answered.

Wright responded that they were asking for a big area of land to be designated as the reinvestment zone – basically all of the Ranch in Wilbarger County.

"We may need to shift the location around. We are still negotiating the turbines' locations," Smith said.

County Judge Greg Tyra said that at one time the whole county was designated a reinvestment zone, but now each wind mill farm likes its own reinvestment zone designation.

Smith agreed, saying the lawyers preferred it

"Any downside?" Wright asked, of making a reinvestment zone.

"I don't see any downside to it," County Attorney Cory Curtis said.

"So its just a formal matter to allow you to apply?" Wright asked.

"Yes," Smith answered.

Wright made a motion for the Western Trail Reinvestment Zone, and it was unanimously approved.

Commissioner Phillip Graf then asked Smith for an update on the current wind farm project that stretches along 433, east of 283.

Smith said a handful of turbines needed to be erected, and then electrical testing would have to be done.

"Probably by early July it will operational," Smith said.

Proclamation issued

The commission approved a resolution with 1st Step Program of Wichita Falls, designating April as sexual assault awareness month in Wilbarger County. Delran Andrews, with 1st Step, read the proclamation with the goal to raise awareness of the issue to raise awareness of the need to ask for consent.

The program's hotline to get help is 1-800-658-2683, and is available 24 hours a day. The program has staff available to assist in Wilbarger County.

Financials reviewed

County Auditor Sid Beebe presented the auditor's statement of financial condition for March,

"Everything looks strong," he reported.

Sales tax returns were up 12 percent, property tax collections were a little above 96 percent of budget, delinquent collections were 24 percent ahead of last year.

Beebe reported that military helicopters had refueled at the airport and bought about 6,000 gallons of fuel – which was very helpful for the airport since sales were down otherwise due to the renovations going on at the airport.

Wright noted that the military crews were appreciative of the hospitality Vernon showed in providing food and drinks during their stopover.

Beebe also present the quarterly investment report, ending March 31. He said there were no big changes. He said yields on CDs were going up, with the best return at 3.3 percent.

He said the county had 2.2 million in excess reserves invested, with about $2.1 million in CDs, $66,000 in a money market in Wichita Falls.

Commissioner Wright asked if anything was invested in local banks.

Beebe said yes, but it didn't show on the report, that it was in interest bearing checking at Herring. He added the interest on checking was so good there, and it was readily available that there was no need to invest it in a long-term account

Other action

The commission approved a budget amendment to pay for the emergency notification system. Beebe said that the county switched to HyperReach from Code Red last year.

"They didn't bill us for the first year. We are actually paying for two years," he told the commission.

The budget increase is for $2,305. It was a approved on a motion from Graf.

Previous meeting minutes and the payment of county bills were unanimously approved on a motion from commissioner Wright.

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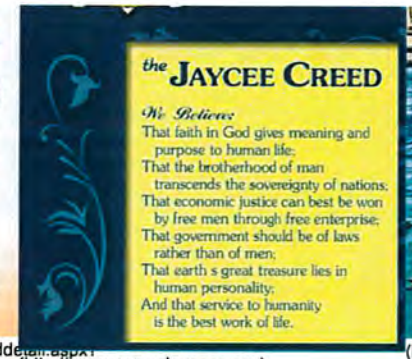

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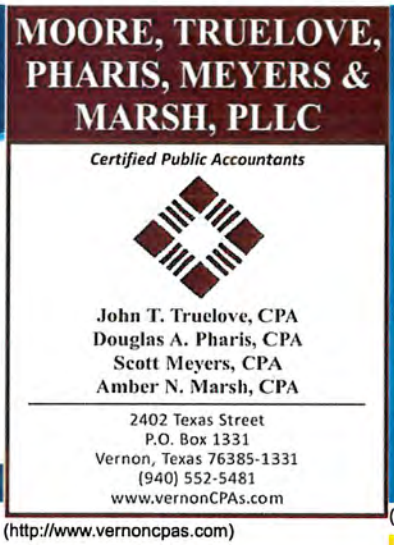

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Attachment D

Summary of Financial Impact

CHAPTER 313 PROPERTY VALUE LIMITATION FINANCIAL IMPACT OF THE PROPOSED WESTERN TRAIL WIND, LLC PROJECT IN THE SEYMOUR INDEPENDENT SCHOOL DISTRICT (PROJECT # 1489)

PREPARED BY

MOAK, CASEY & ASSOCIATES

SCHOOL FINANCE & ACCOUNTABILITY EXPERTS

JUNE 17, 2020

Executive Summary

Western Trail Wind, LLC (Company) has requested that the Seymour Independent School District (SISD) 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 SISD on April 27, 2020, the Company plans to invest $102.7 million to construct a renewable wind 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 Western Trail 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, SISD may offer a minimum value limitation of $30 million. This value limitation, under the proposed application, will begin in the 2022-23 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 SISD	$761,317
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	$3.9 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. A Completeness Letter was issued for this application on May 29, 2020.

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, O'Hanlon, Demerath & Castillo (ODC) 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, ODC will provide the district with the necessary agenda language and any additional action items. The school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. The school board will be asked to consider a job waiver as part of its review process.

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 SISD, 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 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 with regard to 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:	549
Local M&O Tax Base	$244.9 million
2019-20 M&O Tax Rate:	$0.9700 per $100 of Taxable Value
2020-21 Projected M&O Tax Rate:	$0.9565 per $100 of Taxable Value
I&S Tax Rate:	$0.0800 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 Western Trail 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	548.91	988.59	$0.9565	$0.0800	$244,887,945	$244,887,945	$247,713	$247,713
QTP1	2021-22	548.91	988.59	$0.9565	$0.0800	$268,156,345	$268,156,345	$271,250	$271,250
QTP2/VL1	2022-23	548.91	988.59	$0.9565	$0.0800	$298,156,345	$298,156,345	$301,596	$301,596
VL2	2023-24	548.91	988.59	$0.9565	$0.0800	$400,822,125	$328,156,345	$405,447	$331,942
VL3	2024-25	548.91	988.59	$0.9565	$0.0800	$394,662,178	$328,156,345	$399,216	$331,942
VL4	2025-26	548.91	988.59	$0.9565	$0.0800	$534,415,866	$473,700,383	$540,582	$479,166
VL5	2026-27	548.91	988.59	$0.9565	$0.0800	$514,810,374	$459,537,820	$520,750	$464,840
VL6	2027-28	548.91	988.59	$0.9565	$0.0800	$495,242,364	$445,086,163	$500,956	$450,221
VL7	2028-29	548.91	988.59	$0.9565	$0.0800	$488,839,792	$443,492,963	$494,480	$448,610
VL8	2029-30	548.91	988.59	$0.9565	$0.0800	$482,837,082	$442,011,063	$488,408	$447,111
VL9	2030-31	548.91	988.59	$0.9565	$0.0800	$477,599,021	$441,022,563	$483,109	$446,111
VL10	2031-32	548.91	988.59	$0.9565	$0.0800	$472,664,234	$440,082,363	$478,118	$445,160
VP1	2032-33	548.91	988.59	$0.9565	$0.0800	$487,645,621	$458,818,663	$493,272	$464,112
VP2	2033-34	548.91	988.59	$0.9565	$0.0800	$479,297,204	$479,297,204	$484,827	$484,827
VP3	2034-35	548.91	988.59	$0.9565	$0.0800	$471,520,463	$471,520,463	$476,961	$476,961
VP4	2035-36	548.91	988.59	$0.9565	$0.0800	$464,274,676	$464,274,676	$469,631	$469,631
VP5	2036-37	548.91	988.59	$0.9565	$0.0800	$457,522,546	$457,522,546	$462,801	$462,801

***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 Western Trail Wind Project on SISD

A model is established to make a calculation of the "Baseline Revenue Model" (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the "Value Limitation Revenue Model" (Table 3) by adding the project's limited value of $30 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of $761,317 over the course of the Agreement, with all the loss reflected in the first limitation year (2022-23).

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	$2,427,443	$4,000,443	$0	$105,944	$315,861	$0	$0	$6,849,691
QTP1	2021-22	$2,696,894	$3,787,188	$0	$117,704	$310,022	$0	$0	$6,911,808
QTP2/VL1	2022-23	$3,632,325	$3,512,239	$0	$158,531	$359,740	$0	$0	$7,662,835
VL2	2023-24	$3,575,869	$2,571,309	$0	$156,067	$223,105	$0	$72,084	$6,598,434
VL3	2024-25	$4,830,031	$2,627,764	$0	$210,804	$309,557	$0	$0	$7,978,156
VL4	2025-26	$4,652,943	$1,346,924	$0	$203,075	$167,178	$0	$0	$6,370,120
VL5	2026-27	$4,476,251	$1,526,608	$0	$195,363	$174,169	$0	$0	$6,372,391
VL6	2027-28	$4,417,864	$1,705,949	$0	$192,815	$186,376	$0	$0	$6,503,004
VL7	2028-29	$4,363,121	$1,764,628	$0	$190,426	$189,352	$0	$0	$6,507,527
VL8	2029-30	$4,315,295	$1,819,643	$0	$188,338	$191,694	$0	$0	$6,514,970
VL9	2030-31	$4,270,240	$1,867,650	$0	$186,372	$193,736	$0	$0	$6,517,998
VL10	2031-32	$4,404,110	$1,912,877	$0	$192,215	$204,190	$0	$0	$6,713,392
VP1	2032-33	$4,323,843	$1,775,573	$0	$188,711	$188,358	$0	$0	$6,476,485
VP2	2033-34	$4,253,995	$1,852,086	$0	$185,663	$191,589	$0	$0	$6,483,333
VP3	2034-35	$4,188,916	$1,923,360	$0	$182,823	$195,101	$0	$0	$6,490,200
VP4	2035-36	$4,128,270	$1,989,767	$0	$180,176	$197,912	$0	$0	$6,496,125
VP5	2036-37	$4,071,748	$2,051,650	$0	$177,709	$200,532	$0	$0	$6,501,639

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 $4.7 million over the life of the agreement. The SISD revenue losses are expected to total approximately $761,317 over the course of the agreement. The total potential net tax benefits (after hold-harmless payments are made) are estimated to reach $3.9 million, prior to any negotiations with Western Trail Wind on supplemental payments.

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	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	$2,427,443	$4,000,443	$0	$105,944	$315,861	$0	$0	$6,849,691
QTP1	2021-22	$2,696,894	$3,787,188	$0	$117,704	$310,022	$0	$0	$6,911,808
QTP2/VL1	2022-23	$2,966,344	$3,512,239	$0	$129,464	$293,471	$0	$0	$6,901,518
VL2	2023-24	$2,966,344	$3,237,289	$0	$129,464	$255,250	$0	$10,087	$6,598,434
VL3	2024-25	$4,273,575	$3,237,289	$0	$186,518	$367,042	$0	$0	$8,064,424
VL4	2025-26	$4,146,371	$1,903,381	$0	$180,966	$191,251	$0	$0	$6,421,969
VL5	2026-27	$4,016,571	$2,033,180	$0	$175,301	$196,146	$0	$0	$6,421,198
VL6	2027-28	$4,002,261	$2,165,630	$0	$174,676	$207,474	$0	$0	$6,550,041
VL7	2028-29	$3,988,951	$2,180,231	$0	$174,095	$208,630	$0	$0	$6,551,907
VL8	2029-30	$3,980,073	$2,193,813	$0	$173,708	$209,213	$0	$0	$6,556,807
VL9	2030-31	$3,971,628	$2,202,872	$0	$173,339	$209,601	$0	$0	$6,557,440
VL10	2031-32	$4,139,912	$2,211,489	$0	$180,684	$219,587	$0	$0	$6,751,672
VP1	2032-33	$4,323,843	$2,039,771	$0	$188,711	$211,887	$0	$0	$6,764,212
VP2	2033-34	$4,253,995	$1,852,086	$0	$185,663	$191,589	$0	$0	$6,483,333
VP3	2034-35	$4,188,916	$1,923,360	$0	$182,823	$195,101	$0	$0	$6,490,200
VP4	2035-36	$4,128,270	$1,989,767	$0	$180,176	$197,912	$0	$0	$6,496,125
VP5	2036-37	$4,071,748	$2,051,650	$0	$177,709	$200,532	$0	$0	$6,501,639

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	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	$0	$0	$0	$0	$0	$0	$0	$0
QTP1	2021-22	$0	$0	$0	$0	$0	$0	$0	$0
QTP2/VL1	2022-23	-$665,981	$0	$0	-$29,067	-$66,269	$0	$0	-$761,317
VL2	2023-24	-$609,525	$665,980	$0	-$26,603	$32,145	$0	-$61,997	$0
VL3	2024-25	-$556,456	$609,525	$0	-$24,286	$57,485	$0	$0	$86,268
VL4	2025-26	-$506,572	$556,457	$0	-$22,109	$24,073	$0	$0	$51,849
VL5	2026-27	-$459,680	$506,572	$0	-$20,062	$21,977	$0	$0	$48,807
VL6	2027-28	-$415,603	$459,681	$0	-$18,139	$21,098	$0	$0	$47,037
VL7	2028-29	-$374,170	$415,603	$0	-$16,331	$19,278	$0	$0	$44,380
VL8	2029-30	-$335,222	$374,170	$0	-$14,630	$17,519	$0	$0	$41,837
VL9	2030-31	-$298,612	$335,222	$0	-$13,033	$15,865	$0	$0	$39,442
VL10	2031-32	-$264,198	$298,612	$0	-$11,531	$15,397	$0	$0	$38,280
VP1	2032-33	$0	$264,198	$0	$0	$23,529	$0	$0	$287,727
VP2	2033-34	$0	$0	$0	$0	$0	$0	$0	$0
VP3	2034-35	$0	$0	$0	$0	$0	$0	$0	$0
VP4	2035-36	$0	$0	$0	$0	$0	$0	$0	$0
VP5	2036-37	$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 Western Trail Wind Project Property Value Limitation Request Submitted to SISD at $0.95650 per $100 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	$0.95650	$0	$0	$0
QTP1	2021-22	$0	$0	$0.95650	$0	$0	$0
QTP2/VL1	2022-23	$102,665,780	$30,000,000	$0.95650	$695,047	-$761,317	-$66,270
VL2	2023-24	$96,505,833	$30,000,000	$0.95650	$636,127	$0	$636,127
VL3	2024-25	$90,715,483	$30,000,000	$0.95650	$580,743	$0	$580,743
VL4	2025-26	$85,272,554	$30,000,000	$0.95650	$528,681	$0	$528,681
VL5	2026-27	$80,156,201	$30,000,000	$0.95650	$479,743	$0	$479,743
VL6	2027-28	$75,346,829	$30,000,000	$0.95650	$433,742	$0	$433,742
VL7	2028-29	$70,826,019	$30,000,000	$0.95650	$390,500	$0	$390,500
VL8	2029-30	$66,576,458	$30,000,000	$0.95650	$349,853	$0	$349,853
VL9	2030-31	$62,581,871	$30,000,000	$0.95650	$311,645	$0	$311,645
VL10	2031-32	$58,826,958	$30,000,000	$0.95650	$275,729	$0	$275,729
VP1	2032-33	$55,297,341	$55,297,341	$0.95650	$0	$0	$0
VP2	2033-34	$51,979,500	$51,979,500	$0.95650	$0	$0	$0
VP3	2034-35	$48,860,730	$48,860,730	$0.95650	$0	$0	$0
VP4	2035-36	$45,929,087	$45,929,087	$0.95650	$0	$0	$0
VP5	2036-37	$43,173,341	$43,173,341	$0.95650	$0	$0	$0
					$4,681,810	**-$761,317**	**$3,920,493**

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 SISD currently levying a $0.0800 per $100 I&S rate. As shown in the Table 6 below, local taxpayers could receive a modest benefit from the addition of the Western Trail Wind project to the local I&S tax roll, given that SISD's property wealth per ADA exceeds the level where it would eligible for the Existing Debt Allotment (EDA) or Instructional Facilities Allotment (IFA) programs.

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

Table 6 - Estimated Impact of the Western Trail Wind Project Property Value Limitation Request on SISD I&S Tax Rate

Year of Agreement	School Year	I&S Rate w/out Project	Local Value w/out Project	I&S Taxes w/out Project	Project Full Taxable Value	I&S Rate with Project Value	Change in I&S Rate
QTP0	2020-21	$0.0800	$495,527,193	$396,422	$0	$0.080000	$0.0000
QTP1	2021-22	$0.0800	$586,906,990	$469,526	$0	$0.080000	$0.0000
QTP2/VL1	2022-23	$0.0800	$556,905,156	$445,524	$102,665,780	$0.067548	-$0.0125
VL2	2023-24	$0.0800	$529,464,637	$423,572	$96,505,833	$0.067666	-$0.0123
VL3	2024-25	$0.0800	$504,366,760	$403,493	$90,715,483	$0.067805	-$0.0122
VL4	2025-26	$0.0800	$481,410,497	$385,128	$85,272,554	$0.067962	-$0.0120
VL5	2026-27	$0.0800	$460,411,040	$368,329	$80,156,201	$0.068137	-$0.0119
VL6	2027-28	$0.0800	$452,793,840	$362,235	$75,346,829	$0.068587	-$0.0114
VL7	2028-29	$0.0800	$445,769,840	$356,616	$70,826,019	$0.069032	-$0.0110
VL8	2029-30	$0.0800	$439,682,540	$351,746	$66,576,458	$0.069479	-$0.0105
VL9	2030-31	$0.0800	$434,051,540	$347,241	$62,581,871	$0.069919	-$0.0101
VL10	2031-32	$0.0800	$428,843,140	$343,075	$58,826,958	$0.070350	-$0.0097
VP1	2032-33	$0.0800	$424,024,340	$339,219	$55,297,341	$0.070771	-$0.0092
VP2	2033-34	$0.0800	$419,565,440	$335,652	$51,979,500	$0.071181	-$0.0088
VP3	2034-35	$0.0800	$415,438,423	$332,351	$48,860,730	$0.071581	-$0.0084
VP4	2035-36	$0.0800	$411,617,936	$329,294	$45,929,087	$0.071970	-$0.0080
VP5	2036-37	$0.0800	$408,080,662	$326,465	$43,173,341	$0.072346	-$0.0077

IFA and EDA state aid are now based on current-year values, which could affect the tax rate needed for bond payments in districts eligible for these funds.

Attachment E

Taxable Value of Property

012-Baylor

012-901/Seymour ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Estimate	2018 Value Assigned
A. SINGLE-FAMILY RESIDENCES	59,529,520	0.8102	73,475,093	59,529,520
B. MULTIFAMILY RESIDENCES	0	N/A	0	0
C1. VACANT LOTS	831,070	N/A	831,070	831,070
C2. COLONIA LOTS	0	N/A	0	0
D1. QUALIFIED AG LAND	44,088,330	1.1281	39,082,947	44,088,330
D2. REAL PROP:FARM & RANCH	5,356,500	N/A	5,356,500	5,356,500
E. REAL PROP NONQUAL ACREAGE	20,243,820	0.8886	22,781,702	20,243,820
F1. COMMERCIAL REAL	11,607,610	0.9254	12,543,343	11,607,610
F2. INDUSTRIAL REAL	151,209,710	N/A	151,209,710	151,209,710
G. OIL,GAS,MINERALS	3,430,400	N/A	3,430,400	3,430,400
J. UTILITIES	45,007,830	0.8792	51,191,799	45,007,830
L1. COMMERCIAL PERSONAL	10,361,530	0.9864	10,504,390	10,361,530
L2. INDUSTRIAL PERSONAL	1,105,970	N/A	1,105,970	1,105,970
M. MOBILE HOMES	483,790	N/A	483,790	483,790
N. INTANGIBLE PERSONAL PROP	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	667,880	N/A	667,880	667,880
Subtotal	353,923,960	0	372,664,594	353,923,960
Less Total Deductions	166,818,786	0	170,176,306	166,818,786
Total Taxable Value	187,105,174	0	202,488,288	187,105,174

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
194,315,704	187,105,174	194,315,704	187,105,174

Loss To the Additional $10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
7,210,530	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
332,577,434	325,366,904	332,577,434	325,366,904

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 INVALID, BUT LOCAL VALUE WAS CERTIFIED BECAUSE YOUR SCHOOL DISTRICT IS IN YEAR ONE OF THE GRACE PERIOD

138-Knox

012-901/Seymour ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Estimate	2018 Value Assigned
A. SINGLE-FAMILY RESIDENCES	14,330	N/A	14,330	14,330
B. MULTIFAMILY RESIDENCES	0	N/A	0	0
C1. VACANT LOTS	3,270	N/A	3,270	3,270

C2. COLONIA LOTS	0	N/A	0	0
D1. QUALIFIED AG LAND	2,972,920	N/A	2,972,920	2,972,920
D2. REAL PROP:FARM & RANCH	75,230	N/A	75,230	75,230
E. REAL PROP NONQUAL ACREAGE	1,991,440	N/A	1,991,440	1,991,440
F1. COMMERCIAL REAL	0	N/A	0	0
F2. INDUSTRIAL REAL	114,222,360	N/A	114,222,360	114,222,360
G. OIL,GAS,MINERALS	0	N/A	0	0
J. UTILITIES	574,540	N/A	574,540	574,540
L1. COMMERCIAL PERSONAL	64,850	N/A	64,850	64,850
L2. INDUSTRIAL PERSONAL	0	N/A	0	0
M. MOBILE HOMES	0	N/A	0	0
N. INTANGIBLE PERSONAL PROP	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	0	N/A	0	0
Subtotal	119,918,940	0	119,918,940	119,918,940
Less Total Deductions	109,605,251	0	109,605,251	109,605,251
Total Taxable Value	10,313,689	0	10,313,689	10,313,689

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
10,476,889	10,313,689	10,476,889	10,313,689

Loss To the Additional $10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
163,200	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
119,555,689	119,392,489	119,555,689	119,392,489

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

012-901-02/Seymour ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Estimate	2018 Value Assigned
A. SINGLE-FAMILY RESIDENCES	59,543,850	0.8102	73,489,423	59,543,850
B. MULTIFAMILY RESIDENCES	0	N/A	0	0
C1. VACANT LOTS	834,340	N/A	834,340	834,340
C2. COLONIA LOTS	0	N/A	0	0
D1. QUALIFIED AG LAND	47,061,250	1.1190	42,055,867	47,061,250
D2. REAL PROP:FARM & RANCH	5,431,730	N/A	5,431,730	5,431,730

E. REAL PROP NONQUAL ACREAGE	22,235,260	0.8976	24,773,142	22,235,260
F1. COMMERCIAL REAL	11,607,610	0.9254	12,543,343	11,607,610
F2. INDUSTRIAL REAL	265,432,070	N/A	265,432,070	265,432,070
G. OIL,GAS,MINERALS	3,430,400	N/A	3,430,400	3,430,400
J. UTILITIES	45,582,370	0.8805	51,766,339	45,582,370
L1. COMMERCIAL PERSONAL	10,426,380	0.9865	10,569,240	10,426,380
L2. INDUSTRIAL PERSONAL	1,105,970	N/A	1,105,970	1,105,970
M. MOBILE HOMES	483,790	N/A	483,790	483,790
N. INTANGIBLE PERSONAL PROP	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	667,880	N/A	667,880	667,880
Subtotal	473,842,900		492,583,534	473,842,900
Less Total Deductions	276,424,037		279,781,557	276,424,037
Total Taxable Value	197,418,863		212,801,977	197,418,863

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
204,792,593	197,418,863	204,792,593	197,418,863

Loss To the Additional $10,000 Homestead Exemption	50 % of the loss to the Local Optional Percentage Homestead Exemption
7,373,730	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
452,133,123	444,759,393	452,133,123	444,759,393

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

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by and between

SEYMOUR INDEPENDENT SCHOOL DISTRICT

and

WESTERN TRAIL WIND, LLC

(Texas Taxpayer ID # 32066890602)

Comptroller Application #1489

Dated

August 24, 2020

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

STATE OF TEXAS §

COUNTY OF BAYLOR §

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 **SEYMOUR 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 **WESTERN TRAIL WIND, LLC,** Texas Taxpayer Identification Number 32066890602 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 April 27, 2020, the Superintendent of Schools of the Seymour 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 April 27, 2020, 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 May 29, 2020, 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 Baylor County Appraisal District established in Baylor County, Texas (the Baylor 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 June 19, 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 Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, on August 24, 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 August 24, 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 August 24, 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 August 7, 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 August 24, 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 Western Trail Wind, LLC *(Texas Taxpayer ID #32066890602),* 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 April 27, 2020. 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 Baylor County Appraisal District.

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

"*Commercial Operation*" means the date on which the project becomes commercially operational, has installed or constructed Qualified Property on the Land, is able to generate electricity and is connected to the grid with an interconnection agreement.

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

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

"*County*" means Baylor County, Texas.

"*District*" *or* "*School District*" means the Seymour 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.

"*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 and/or Chapter 48 of the TEXAS EDUCATION CODE or any other applicable 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, Chapter 48 and/or Chapter 49 of the TEXAS EDUCATION CODE or any other applicable statutory provision as well as any amendment or successor statute to these provisions.

"*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.

"*Option to Terminate*" means Applicant's written notice to the District which notifies the District of Applicant's unilateral determination to terminate this Agreement. Applicant may exercise such option to terminate by providing such notice (i) in the event that Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment prior to the beginning of the Tax Limitation Period; or, (ii) with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in the event that Applicant's payments under Articles IV, V and VI of this Agreement are reduced pursuant to Section 6.6. The Applicant may exercise the Subsection (i) option to terminate at any time by notifying the District of its election in writing prior to completing construction of the Applicant's Qualified Investment. The Applicant may exercise the Subsection (ii) option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year with respect to which payments are reduced pursuant to Section 6.6. Any termination of this Agreement under Subsection (ii) of this provision shall be effective immediately prior to the second Tax Year next following the Tax Year in which notice is given.

"*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 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 taxable value of the Qualified Property for the prior school year subject to this Agreement. (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 Application Review Start Date 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 Baylor County Appraiser for the District's maintenance and operation ad valorem property tax shall

be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is May 29, 2020, which will be used to determine the eligibility of the Applicant's Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is August 24, 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, 2022, first complete Tax Year that begins after the date of the commencement of Commercial Operation.

ii. Ends on December 31, 2031; 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, 2036.

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. $30,000,000 *based on Section 313.054 of the TEXAS TAX CODE*

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

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

A. have completed the Applicant's Qualified Investment in the amount of $30,000,000 during the Qualifying Time Period;

B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and

C. pay an average weekly wage of at least $664 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 Sections 6.6 and 7.1 of this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was, in any manner, a sole and direct producing cause. 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 only to the limitations contained in Sections 6.6 and 7.1 of this Agreement, it is the intent of the Parties that the risk of any and all negative financial consequences to the District's total annual Maintenance and Operations Revenue, for which the execution of this Agreement was a sole and direct producing cause will be borne solely by Applicant and not by District.

The Parties hereto expressly understand and agree that, for all 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.

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, New M&O Revenue 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 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.
e 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. The Applicant and the District shall each bear the cost of their respective expenses (including attorney fees, if any) incurred in any appeal or other proceeding to resolve a dispute over the calculations.

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 Sections 6.6 and 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 Sections 6.6 and 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 Section 4.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following: all non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project during any project construction year. Applicant shall have the right to contest the findings of the District's external auditor in the same manner as described in Sections 4.7 or 9.3 herein.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS. Subject to a termination of the Agreement pursuant to Applicant's Option to Terminate (following which termination no further Supplemental Payments shall be assessed), and subject to Section 6.6, 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
2020	January 31, 2021	**$54,800**
2021	January 31, 2022	**$54,800**
2022	January 31, 2023	**$54,800**
2023	January 31, 2024	**$54,800**

2024	January 31, 2025	**$54,800**
2025	January 31, 2026	**$54,800**
2026	January 31, 2027	**$54,800**
2027	January 31, 2028	**$54,800**
2028	January 31, 2029	**$54,800**
2029	January 31, 2030	**$54,800**
2030	January 31, 2031	**$54,800**
2031	January 31, 2032	**$54,800**
2032	January 31, 2033	**$54,800**
2033	January 31, 2034	**$54,800**
2034	December 31, 2034	**$54,800**

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 Average Daily Attendance for the previous school year.

Section 6.4. 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 6.3 above.

Section 6.5. 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.

Section 6.6. **LIMITATION ON PAYMENTS.** Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, where the sum of (i) the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceeds (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement, then the payments otherwise due from the Applicant to the District under Articles IV, V, and VI for such Tax Year shall be reduced until such excess is eliminated.

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

C. If payments become due under this Agreement and are not received before the expiration of the ninety (90) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

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

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.1 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, no later than, and the District may terminate the Agreement effective on, the later of: (i) the expiration of the ninety (90) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE X.

MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

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

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

John Anderson
Superintendent of Schools
Seymour Independent School District
409 W Idaho
Seymour, Texas 76380
Phone: (940) 889-3525
Facsimile: (940) 888-5340
Email: john.anderson@seymour-isd.net

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

Phillip Moore
Senior Vice President-Development
Orsted Onshore North America
401 N. Michigan Ave, Suite 501
Chicago, IL 60611
Phone: (512) 767-7461
Facsimile: (312) 527-0538
Email: pmoore@lincolnclean.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.

Section10.3. 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 Baylor 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 24th day of August 2020.

WESTERN TRAIL WIND, LLC

By: _____
Name: Philip Moore
Title: Sr. Vice President

SEYMOUR INDEPENDENT SCHOOL DISTRICT

By: _____
PRESIDENT, BOARD OF TRUSTEES

ATTEST:

By: _____
SECRETARY, BOARD OF TRUSTEES

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

On April 13, 2020, the Commissioner's Court of Baylor County adopted an Order creating the *Baylor County Western Trail Reinvestment Zone.* A legal description and map of the *Baylor County Western Trail Reinvestment Zone* is attached as the last page of this **EXHIBIT 1** following the legal description of the zone. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the *Baylor County Western Trail Reinvestment Zone* and the Seymour Independent School District.

ORDER OF THE COMMISSIONERS COURT OF BAYLOR COUNTY
DESIGNATING THE
BAYLOR COUNTY WESTERN TRAIL REINVESTMENT ZONE

April 13, 2020

AN ORDER OF THE COMMISSIONERS COURT OF BAYLOR COUNTY, TEXAS MAKING CERTAIN FINDINGS OF FACT AND DESIGNATING THE BAYLOR COUNTY WESTERN TRAIL REINVESTMENT ZONE.

Recitals:

A. On August 8, 2011 the Commissioners Court of Baylor County, Texas (the "Commissioners Court") adopted an order electing to participate in tax abatement pursuant to the Texas Property Redevelopment and Tax Abatement Act (Chapter 312, Texas Tax Code, referred to herein as the "Act").

B. The Commissioners Court held a public hearing beginning at 9:00 a.m. on April 13, 2020 in the Commissioners Courtroom located at 109 N. Washington Street, Seymour, Texas on the advisability of designating as a reinvestment zone under the Act those tracts of land located in Baylor County, Texas which are described in Exhibit A to this order and which are shown in the maps attached as Exhibits A-1 (Section map) and A-2 (vicinity map), respectively to this order (herein the "Subject Lands").

C. Notice of the April 13, 2020 public hearing was published on March 12, 2020 in the Baylor County Banner, a newspaper of general circulation in the area where the Subject Lands are located, as shown by the publisher's affidavit and clipping from said newspaper which is attached to this order as Exhibit B and said date of publication was not later than the seventh day before the date of the public hearing referred to above.

D. Notice of this public hearing was also delivered in writing to each of the following taxing entities: the Seymour Independent School District, the Baylor County Hospital District and the Rolling Plains Groundwater Conservation District, which are the only taxing units, other than Baylor County, that include the Subject Lands in their boundaries. The notice to each of those taxing units was sent via certified mail, return receipt requested to the presiding officer of each such taxing unit by the letter, a true copy of which is attached as Exhibit C. Copies of the return receipt for each addressee are also attached as Exhibit C.

E. Based upon the information available to it, including information presented to it at the public hearing referred to above and at prior meetings of the Commissioners Court, the Commissioners Court has determined, and hereby finds and concludes:

(1) that the erection of wind powered electric generating facilities on the Subject Lands is feasible and practical and would be a benefit to the Subject Lands and Baylor County, Texas during the course of, and after the expiration of, a tax abatement agreement between Baylor

County and the developer of a wind energy project pursuant to the Act to be located on the Subject Lands.

(2) that the designation of the Subject Lands as a reinvestment zone will attract major investment in the zone that will be a benefit to the Subject Lands and will contribute to the economic development of Baylor County, Texas;

(3) that the designation of the Subject Lands as a reinvestment zone is consistent with Baylor County's Tax Abatement Guidelines and Criteria approved by the Commissioners Court on May 13, 2019;

(4) that this order was approved by a majority of the Commissioners Court at a meeting held on the date set forth below, which meeting was open to the public, preceded by proper notice, as required by Chapter 551 of the Texas Government Code (the Open Meetings Act) and the Act, and at which a quorum of the members of the Commissioners Court were present;

(5) that the action of the Commissioners Court in approving this order followed the public hearing on the advisability of designating the Subject Lands as a reinvestment zone referred to above at which all persons desiring to speak on the subject were allowed to do so;

(6) that all recitals set forth above are hereby adopted as additional findings of fact and conclusions of law by the Commissioners Court; and

(7) that the following orders should be entered:

IT IS ORDERED, BY THE COMMISSIONERS COURT OF BAYLOR COUNTY, TEXAS:

1. That the Subject Lands, located in Baylor County, Texas be, and the Subject Lands are, hereby designated as the Baylor County Western Trail Reinvestment Zone and are hereby declared eligible for property tax abatement as authorized by the Act and the 2019 Tax Abatement Guidelines and Criteria of Baylor County, Texas.

2. That the foregoing designation shall be effective for a period of five years from the date of this order; provided that such designation may be renewed by appropriate action of the Commissioners Court at a future date.

3. All of the exhibits to this order are incorporated herein by reference.

PASSED AND APPROVED by a vote of the Commissioners Court of Baylor County, Texas on April 13, 2020.

Rusty A. Stafford, County Judge

ATTEST:

Chris Jakubiček, County Clerk

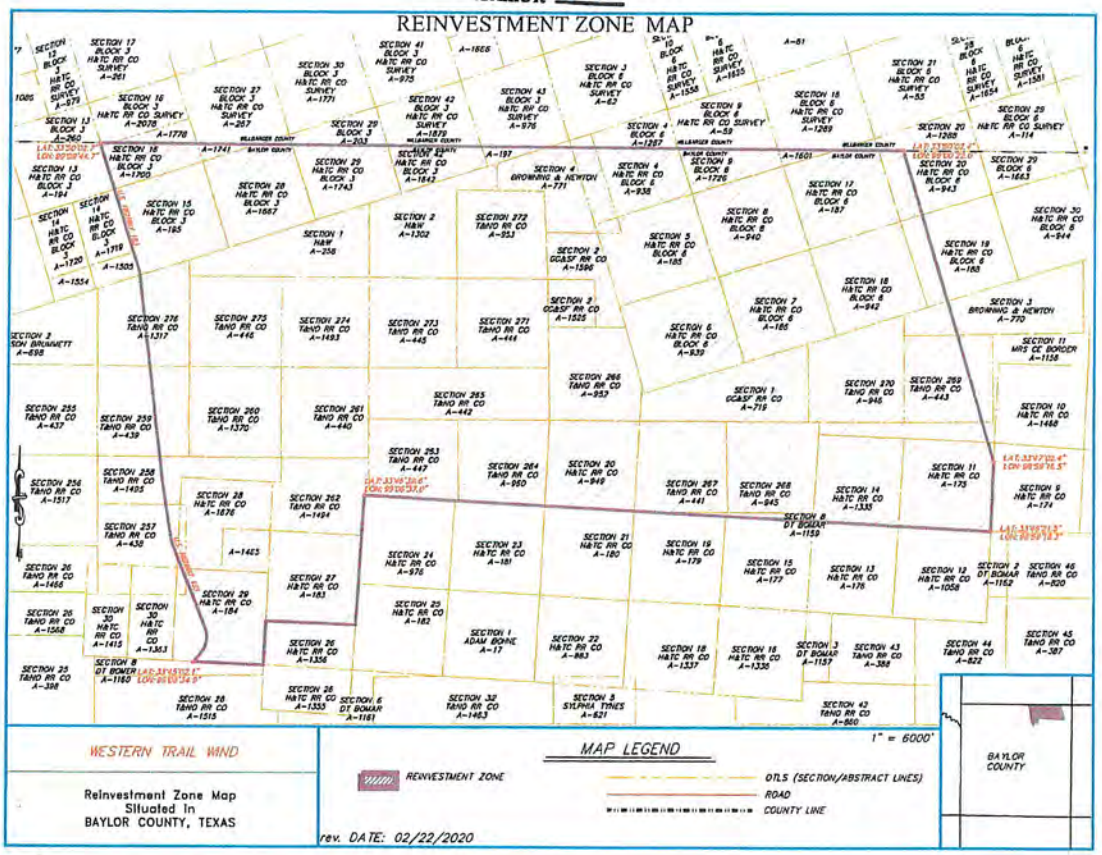
EXHIBIT A

WESTERN TRAIL REINVESTMENT ZONE **BAYLOR COUNTY, TEXAS**

All or Portions of the following Sections - See Attached Map

SECTION	BLOCK	SURVEY	ABSTRACT	COUNTY
16	3	H&TC RR CO	A-1700	BAYLOR
27	3	H&TC RR CO	A-1741	BAYLOR
15	3	H&TC RR CO	A-195	BAYLOR
28	3	H&TC RR CO	A-1667	BAYLOR
29	3	H&TC RR CO	A-1743	BAYLOR
42	3	H&TC RR CO	A-1642	BAYLOR
43	3	H&TC RR CO	A-197	BAYLOR
276		T&NO RR CO	A-1317	BAYLOR
259		T&NO RR CO	A-439	BAYLOR
258		T&NO RR CO	A-1495	BAYLOR
28		H&TC RR CO	A-1676	BAYLOR
257		T&NO RR CO	A-438	BAYLOR
28		H&TC RR CO	A-1465	BAYLOR
260		T&NO RR CO	A-1370	BAYLOR
275		T&NO RR CO	A-446	BAYLOR
1		H&W	A-258	BAYLOR
274		T&NO RR CO	A-1493	BAYLOR
261		T&NO RR CO	A-440	BAYLOR
265		T&NO RR CO	A-442	BAYLOR
273		T&NO RR CO	A-445	BAYLOR
2		H&W	A-1302	BAYLOR
4		BROWNING & NEWTON	A-771	BAYLOR
272		T&NO RR CO	A-953	BAYLOR
271		T&NO RR CO	A-444	BAYLOR
266		T&NO RR CO	A-952	BAYLOR
2		GC&SF RR CO	A-1525	BAYLOR
2		GC&SF RR CO	A-1596	BAYLOR
4	6	H&TC RR CO	A-938	BAYLOR
5	6	H&TC RR CO	A-185	BAYLOR
6	6	H&TC RR CO	A-939	BAYLOR
1		GC&SF RR CO	A-719	BAYLOR
270		T&NO RR CO	A-946	BAYLOR
7	6	H&TC RR CO	A-186	BAYLOR
8	6	H&TC RR CO	A-940	BAYLOR
9	6	H&TC RR CO	A-1726	BAYLOR
16	6	H&TC RR CO	A-1601	BAYLOR
17	6	H&TC RR CO	A-187	BAYLOR
18	6	H&TC RR CO	A-942	BAYLOR
269		T&NO RR CO	A-443	BAYLOR
3		BROWNING & NEWTON	A-770	BAYLOR
19	6	H&TC RR CO	A-188	BAYLOR
20	6	H&TC RR CO	A-943	BAYLOR
11		MRS. CE BORDER	A-1156	BAYLOR
11		H&TC RR CO	A-175	BAYLOR
14		H&TC RR CO	A-1335	BAYLOR
8		DT BOMAR	A-1159	BAYLOR
268		T&NO RR CO	A-945	BAYLOR
267		T&NO RR CO	A-441	BAYLOR
20		H&TC RR CO	A-949	BAYLOR
264		T&NO RR CO	A-960	BAYLOR
263		T&NO RR CO	A-447	BAYLOR
262		T&NO RR CO	A-1494	BAYLOR
27		H&TC RR CO	A-183	BAYLOR
29		H&TC RR CO	A-184	BAYLOR

Exhibit A-1


REINVESTMENT ZONE MAP
WESTERN TRAIL WIND
Reinvestment Zone Map
Situated In
BAYLOR COUNTY, TEXAS
MAP LEGEND
REINVESTMENT ZONE
OTLS (SECTION/ABSTRACT LINES)
ROAD
COUNTY LINE
1" = 6000'
rev. DATE: 02/22/2020
BAYLOR COUNTY

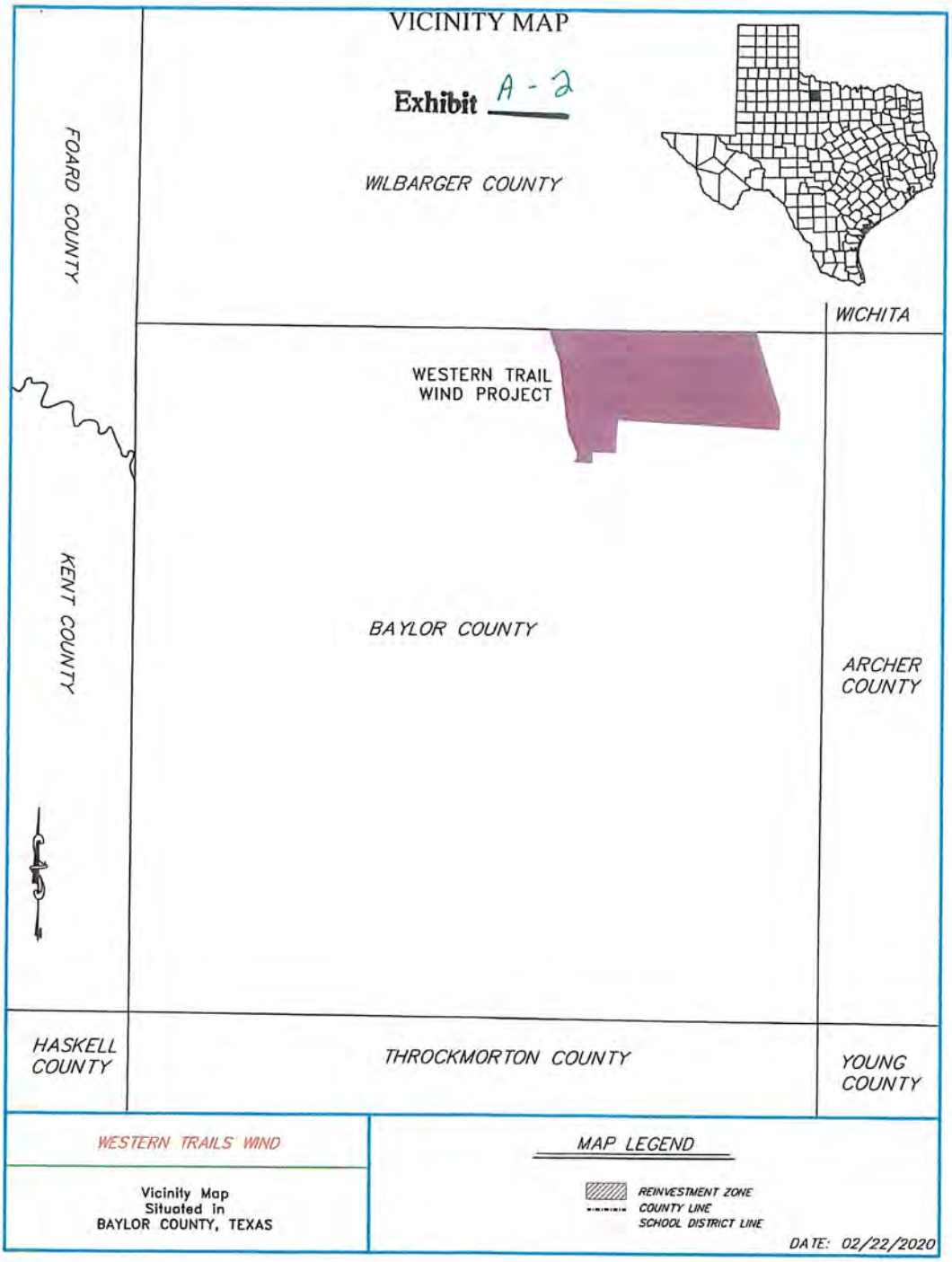

VICINITY MAP
Exhibit A - 2
WILBARGER COUNTY
FOARD COUNTY
WICHITA
WESTERN TRAIL
WIND PROJECT
KENT COUNTY
BAYLOR COUNTY
ARCHER
COUNTY
HASKELL
COUNTY
THROCKMORTON COUNTY
YOUNG
COUNTY
WESTERN TRAILS WIND
Vicinity Map
Situated in
BAYLOR COUNTY, TEXAS
MAP LEGEND
REINVESTMENT ZONE
COUNTY LINE
SCHOOL DISTRICT LINE
DATE: 02/22/2020

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 *Baylor County Western Trail Reinvestment Zone* and the Seymour 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 August 24, 2020, that is owned by the Applicant, as more fully described in Tab #7 of the Application and located within the boundaries of the Seymour Independent School District and the *Baylor County Western Trail Reinvestment Zone* depicted by the map attached to **EXHIBIT 4**.

Western Trail Wind anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 300 megawatts. Turbine type and size have yet to be finalized but will be known before construction commences. Depending on the wind turbine technology that is ultimately selected, Western Trail Wind estimates that 36 wind turbines, and approximately 100 MW, are planned to be installed in Seymour ISD. The Project is anticipated to cover approximately 25,000 acres of privately-owned land, all currently used as farmland or pasture, and such uses can continue as the Project is designed to be compatible with such activities. Construction of the Project is expected to commence in October 2020 and is anticipated to be complete in December of 2021. All proposed improvements subject to this application will be in Seymour ISD. In addition to the wind turbines, the Project may also include the following improvements in Seymour ISD:

- a series of new access roads to the turbines
- underground electrical collection cables
- meteorological towers
- overhead transmission line connecting to a substation at the Point of Interconnection

EXHIBIT 4

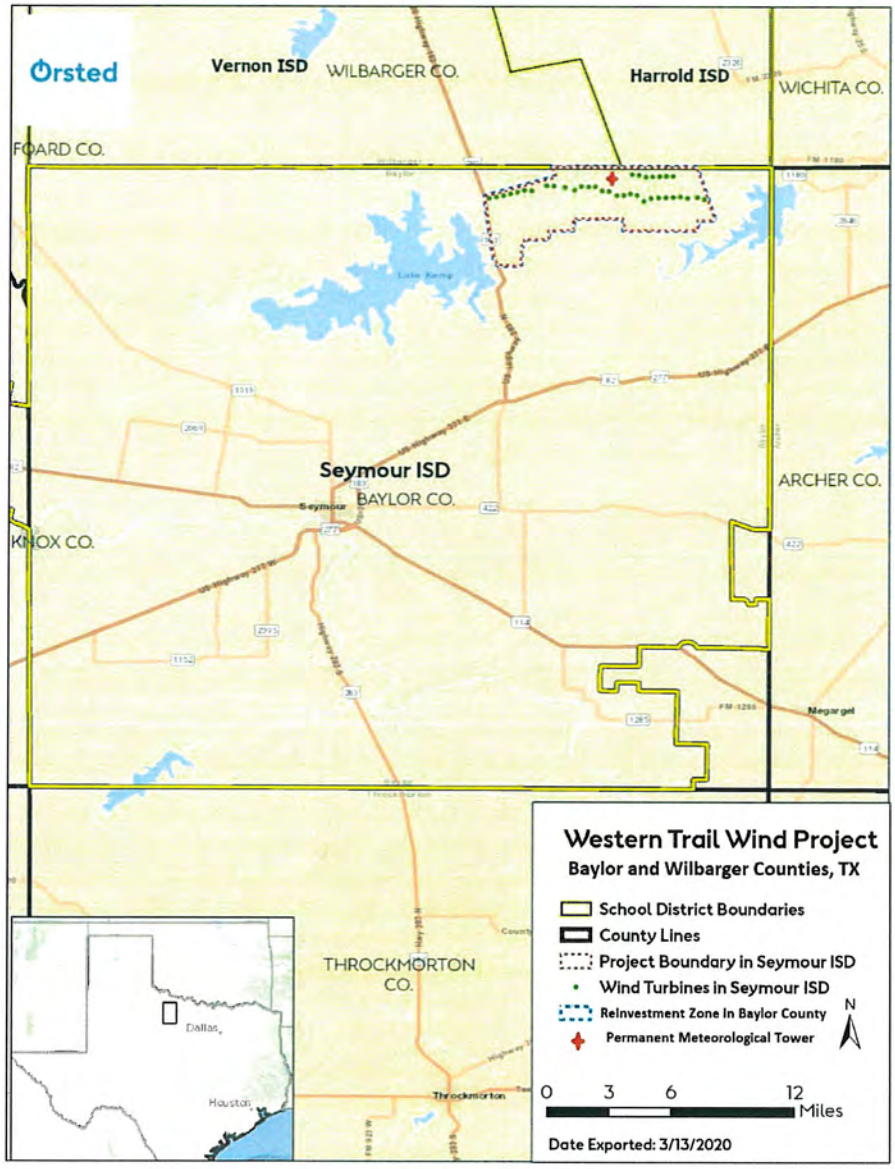
DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Applicant's Qualified Property shall be all tangible personal property first placed in service after May 29, 2020 (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 Seymour Independent School District and the Baylor County Western Trail Reinvestment Zone depicted by the map attached to this **EXHIBIT 4**.

Western Trail Wind anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 300 megawatts. Turbine type and size have yet to be finalized but will be known before construction commences. Depending on the wind turbine technology that is ultimately selected, Western Trail Wind estimates that 36 wind turbines, and approximately 100 MW, are planned to be installed in Seymour ISD. The Project is anticipated to cover approximately 25,000 acres of privately-owned land, all currently used as farmland or pasture, and such uses can continue as the Project is designed to be compatible with such activities. Construction of the Project is expected to commence in October 2020 and is anticipated to be complete in December of 2021. All proposed improvements subject to this application will be in Seymour ISD. In addition to the wind turbines, the Project may also include the following improvements in Seymour ISD:

- a series of new access roads to the turbines
- underground electrical collection cables
- meteorological towers
- overhead transmission line connecting to a substation at the Point of Interconnection

Improvements in Seymour ISD:



Attachment H

Consultant Verification Letter

MOAK, CASEY & ASSOCIATES
SCHOOL FINANCE & ACCOUNTABILITY EXPERTS

LYNN M. MOAK, PARTNER DANIEL T. CASEY, PARTNER

August 24, 2020

President and Members
Board of Trustees
Seymour Independent School District
409 W. Idaho Street
Seymour, Texas 76380

Re: Recommendations and Findings of the Firm Concerning the Application of Western Trail Wind, LLC (#1489) 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 Seymour Independent School District, with respect to the pending Application of Western Trail Wind, 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 Western Trail Wind, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

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

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KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

JUSTIN DEMERATH

BENJAMIN CASTILLO

August 24, 2020

President and Members
Board of Trustees
Seymour Independent School District
409 W. Idaho Street
Seymour, Texas 76380

Re: Recommendations and Findings of the Firm Concerning the Application of Western Trail Wind, LLC (#1489) 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 Seymour Independent School District, with respect to the pending Application of Western Trail Wind, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Western Trail Wind, LLC. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.

2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.

3. The Applicant has the current means and ability to complete the proposed project.

4. All applicable school finance implications arising from the contemplated Agreement have been explored.

5. The proposed Agreement contains adequate legal provisions to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Application of Western Trail Wind, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter

DocuSign Envelope ID: 589DC031-958D-415F-8E0B-D2FDF4250922

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 7, 2020

John Anderson
Superintendent
Seymour Independent School District
409 W. Idaho
Seymour, Texas 76380

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Seymour Independent School District and Western Trail Wind, LLC, Application 1489

Dear Superintendent Anderson:

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 Seymour Independent School District and Western Trail Wind, 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 Jo Ann Reyes with our office. She can be reached by email at joann.reyes@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-0416, or at 512-475-0416.

Sincerely,

DocuSigned by:
Will Counihan
45D47260A6AB46C...
Will Counihan
Director
Data Analysis & Transparency Division

cc: Mali Hanley, Hanlon, Demerath & Castillo
Philip Moore, Orsted Onshore North America
Lucas Buseck, Orsted Onshore North America
David Sewell, Stahl, Davies, Sewell, Chavarria & Friend, LLP

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.