

FINDINGS
of the
LITTLEFIELD INDEPENDENT
SCHOOL DISTRICT
BOARD OF TRUSTEES

Under Chapter 313 of the
Texas Tax Code

ON THE APPLICATION FOR
APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY

SUBMITTED BY

YELLOW HOUSE WIND, LLC

Comptroller Application Number 1660

April 21, 2022

RESOLUTION AND FINDINGS OF FACT
of the
LITTLEFIELD INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER CHAPTER 313 OF THE TEXAS TAX CODE
ON THE APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY
SUBMITTED BY YELLOW HOUSE WIND, LLC

STATE OF TEXAS §
LITTLEFIELD INDEPENDENT SCHOOL DISTRICT §

PREAMBLE

On the 21st day of April, 2022, a public meeting of the Board of Trustees of the Littlefield Independent School District (the “Board”) was held to solicit input from interested parties on the application by Yellow House Wind, LLC (“Yellow House Wind” or “Applicant”) for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. 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 considered the application by Yellow House Wind for a Limitation on Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District’s administrative staff and the consultants retained by the District to advise the Board in this matter and reviewing the Comptroller’s Economic Impact Analysis under Texas Tax Code §313.026, the Board of Trustees of the Littlefield Independent School District, in accordance with Texas Tax Code §313.025(e) and (f) and 34 T.A.C. §9.1054, makes the following Findings regarding the Application:

On or about the 19th day of October, 2021, the Superintendent, on behalf of Littlefield Independent School District, received an Application for Appraised Value Limitation on Qualified Property from Yellow House Wind pursuant to Chapter 313 of the Texas Tax Code (the “Application”). The general nature of Applicant’s investment in qualified property set forth in the Application is for a renewable energy electric generation project; specifically, a wind electric generation facility with a capacity of 125 megawatts (the “Property”). *See* Application, page 4, Section 6.2(5), and Tabs 4, 7 and 8, attached hereto as a part of Attachment A; *see also* Attachment D. The Board agreed to consider such Application on October 19, 2021, and the District’s Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District, which was delivered to the Texas Comptroller of Public Accounts immediately upon the District’s determination that the Application was complete. The Comptroller acknowledged receipt of the Application on or about October 28, 2021. Thereafter on behalf of the Applicant, the District submitted Application Supplement No. 1 dated December 5, 2021 (§ 14; Tab 13), and the Comptroller determined the Application complete on December 14, 2021, the Application Review Start Date. Thereafter, the District submitted Supplement No. 2 dated February 21, 2022 (Tab 16, reinvestment zone resolution). The Application and Supplement Nos. 1 and 2 are hereafter collectively referred to as the “Application.” A copy of the Application and

Comptroller's completeness letter of December 14, 2021 are collectively attached hereto as Attachment A.

The Texas Taxpayer Identification number for Yellow House Wind is 32081402466. Yellow House Wind is an entity subject to Chapter 171 of the Texas Tax Code and is active and has the right to transact business in Texas, as represented by the Texas Comptroller of Public Accounts and as required by Texas Tax Code §313.024(a). *See* Attachments A, B and C.

The Board acknowledged receipt of the Application and necessary application fee, which was reasonable and did not exceed the estimated cost to the District for processing and acting on the Application, as established by §§ 313.025(a)(1) and 313.031(b) of the Texas Tax Code, 34 T.A.C. § 9.1054(a), and Local District Policy. *See* Attachment A at Tab 2.

The Application was delivered to the Texas Comptroller's Office for review pursuant to § 313.025(b) of the Texas Tax Code.

A copy of the Application was delivered to the Lamb County Appraisal District for review pursuant to 34 Texas Administrative Code § 9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§ 313.024, 313.025 and 313.026. After receipt of the Application, the Texas Comptroller's Office caused an Economic Impact Analysis to be conducted. The Comptroller, pursuant to Texas Tax Code § 313.025(h), determined the project meets the requirements for eligibility under Texas Tax Code § 313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value on January 24, 2022 that the Application be approved (the "Certificate Decision"). *See* Attachment C. The Board of Trustees has carefully considered such Evaluation and Certificate Decision. Copies of the Certificate Decision and Economic Impact Analysis are attached to these Findings as Attachments C and D, respectively.

The Board also directed that a specific school financial analysis be conducted of the impact of the proposed value limitation on the finances of Littlefield Independent School District. A copy of a report prepared by McDowell School Finance Consulting, LLC, dated March 27, 2022, is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of property applicable to the Yellow House Wind Application in the Littlefield Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, fell within a rural school district, Category 2 of § 313.054 of the Texas Tax Code at the time of the Application Review Start Date. *See* the final 2020 Property Value Study Report, "2020 ISD Summary Worksheet" attached hereto as Attachment G; *see also* Attachment D.

After receipt of the completed Application, the District entered into negotiations with Yellow House Wind regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the "Agreement") pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District pursuant to Texas Education Code § 48.256(d). The parties

agreed upon language for inclusion into a draft agreement pursuant to Texas Tax Code § 313.027. As required by the Comptroller’s Office, the parties changed only the provisions of the template that the Comptroller permitted (Form 50-826, revised October, 2020). The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement (as defined by 34 Tex. Admin. Code § 9.1051 and adopted by § 9.1052(a)(6)) was submitted to and approved by the Comptroller, as required by 34 Tex. Admin. Code § 9.1055(e)(1). See copy of April 8, 2022, Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I.

After review of the Comptroller’s Certificate Decision and Economic Impact Analysis, and in consideration of its own analysis of Yellow House Wind’s Application and all other related documentation attached hereto, the Board makes the following additional Findings as follows:

Board Finding Number 1.

Based on the Application and the Comptroller’s Certificate Decision, the Property meets the requirements of Texas Tax Code § 313.024 for eligibility for a limitation on appraised value under Texas Tax Code § 313.024(b)(5) as a renewable energy electric generation project.

In support of Finding Number 1, the Comptroller’s Certificate Decision states:

Determination required by 313.025(h)

* * *

Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

* * *

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.

See Attachment C. See also Attachment A (Tab 1, §6.2(5) and Tab 4) and Attachment D.

Board Finding Number 2.

The project proposed by Applicant is reasonably likely to generate sufficient tax revenue 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.

In support of Finding Number 2, the Certificate Decision states:

Certification 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.

See Attachment C.

Also in support of Finding Number 2, the Comptroller's Economic Impact Analysis states:

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

This [table] represents the Comptroller's determination that Yellow House 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.

[see table on next page]

| | 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 | 2022 | \$0 | \$0 | \$0 | \$0 |
| | 2023 | \$0 | \$0 | \$0 | \$0 |
| | 2024 | \$0 | \$0 | \$0 | \$0 |
| Limitation Period (10 Years) | 2025 | \$241,600 | \$241,600 | \$1,068,051 | \$1,068,051 |
| | 2026 | \$241,600 | \$483,200 | \$976,375 | \$2,044,426 |
| | 2027 | \$241,600 | \$724,800 | \$871,603 | \$2,916,030 |
| | 2028 | \$241,600 | \$966,400 | \$779,928 | \$3,695,958 |
| | 2029 | \$241,600 | \$1,208,000 | \$675,156 | \$4,371,113 |
| | 2030 | \$241,600 | \$1,449,600 | \$583,480 | \$4,954,594 |
| | 2031 | \$241,600 | \$1,691,200 | \$478,708 | \$5,433,302 |
| | 2032 | \$241,600 | \$1,932,800 | \$387,032 | \$5,820,334 |
| | 2033 | \$241,600 | \$2,174,400 | \$282,260 | \$6,102,595 |
| | 2034 | \$241,600 | \$2,416,000 | \$190,585 | \$6,293,179 |
| Maintain Viable Presence (5 Years) | 2035 | \$327,413 | \$2,743,413 | \$0 | \$6,293,179 |
| | 2036 | \$261,930 | \$3,005,343 | \$0 | \$6,293,179 |
| | 2037 | \$261,930 | \$3,267,273 | \$0 | \$6,293,179 |
| | 2038 | \$261,930 | \$3,529,203 | \$0 | \$6,293,179 |
| | 2039 | \$261,930 | \$3,791,134 | \$0 | \$6,293,179 |
| Additional Years as Required by 313.026(c)(1) (10 Years) | 2040 | \$261,930 | \$4,053,064 | \$0 | \$6,293,179 |
| | 2041 | \$261,930 | \$4,314,994 | \$0 | \$6,293,179 |
| | 2042 | \$261,930 | \$4,576,924 | \$0 | \$6,293,179 |
| | 2043 | \$261,930 | \$4,838,854 | \$0 | \$6,293,179 |
| | 2044 | \$261,930 | \$5,100,785 | \$0 | \$6,293,179 |
| | 2045 | \$261,930 | \$5,362,715 | \$0 | \$6,293,179 |
| | 2046 | \$261,930 | \$5,624,645 | \$0 | \$6,293,179 |
| | 2047 | \$261,930 | \$5,886,575 | \$0 | \$6,293,179 |
| | 2048 | \$261,930 | \$6,148,505 | \$0 | \$6,293,179 |
| | 2049 | \$261,930 | \$6,410,436 | \$0 | \$6,293,179 |
| | | \$6,410,436 | is greater than | \$6,293,179 | |
| 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, Yellow House Wind, LLC

Board Finding Number 3.

The new qualifying jobs creation requirement under § 313.051(b) meets or exceeds the industry standard for the number of employees reasonably necessary for the operation of the Yellow House Wind’s facility described in the Application, and Applicant qualifies for a waiver of the new jobs requirement pursuant to § 313.025(f-1).

In support of this Finding, Applicant submitted, as Tab 12 to its Application, information regarding the industry standard for the number of jobs for a project with qualified property of this size and type. The Application states that for a project of the size and type described in the Application (a 125 MW wind electric generation facility), the project will require less than ten (10) permanent jobs. Applicant reports in Tab 12 of the Application that renewable energy projects create many jobs during the development of the facility. It is anticipated that 200-300 construction jobs will be created by Yellow House Wind, LLC; however, once construction is complete the facility will require a relatively low number of permanent workers. The current industry standard for wind

energy sites is one worker per 15-20 turbines. Therefore, in line with industry standards for a wind project, the Applicant has committed to creating two full time permanent positions for the operation and maintenance of the facility with approximately 41 turbines. A copy of Tab 12 submitted with the Application is attached hereto as Attachment J.

See also Attachments A (Tab 4), and D.

Board Finding Number 4.

The Applicant will create two (2) new qualifying jobs, which Applicant affirms will meet all of the requirements set out in Texas Tax Code § 313.021(3), including: (1) at least 1,600 hours of work per year; (2) provision of group health benefit plan with at least 80% of the premium paid by Applicant; (3) pay an annual wage of \$46,720 (\$898 per week)¹, an amount equal to at least 110% of the County average weekly wage for manufacturing jobs in the County as defined under § 313.021(5)(B); (4) are not created to replace a previous employee; and (5) are not transferred from another area of Texas to the project described the Application.

See Attachments A, D and J.

Board Finding Number 5.

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

In its Application, Applicant indicates that it does not intend to create any non-qualifying jobs. But, for any non-qualifying job which the Applicant may create, the Applicant will be required to pay at least \$870² per week, which exceeds the county average weekly wage for all jobs in the County, in accordance with the provisions of Texas Tax Code §313.024(d). *See* Attachments A and D.

Board Finding Number 6.

The ability of the Applicant to locate the proposed renewable energy facility in another state or another region of this state is significant because of the highly competitive marketplace for electricity and economic development. Therefore, the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in Texas and Littlefield ISD.

See Attachment C. In support of Finding Number 6, the Comptroller's Certificate states, "[t]he 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."

¹ The annual wage stated in the Comptroller's Economic Impact Analysis is rounded down; the Application states minimum annual wage for qualified jobs of \$46,720.30.

² The weekly wage stated in the Comptroller's Economic Impact Analysis is rounded up; the Application notes a weekly minimum wage for non-qualified jobs of \$869.25.

The Economic Impact Analysis further states:

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the Yellow House 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 NextEra in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Renewable energy developers face many challenges in the determination of project location—one of these factors being the selection of an area where the greatest return on investment can be achieved. There are several factors that contribute to Texas favorability for development, one however that does not is the state’s notoriously high property tax burden—ranking in the top 10 across the United States.”
 - B. “An appraised value limitation on qualified property allows developers to significantly diminish the property tax liability that composes a substantial ongoing cost of operation that directly impacts the economic rate of return for the project. In the absence of an appraised value limitation, the development of renewable energy facilities becomes financially uncertain as the rate of return often fails to meet the minimum return required to proceed. In the event an appraised value limitation agreement is not received by Yellow House Wind, LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where either the property tax burden is lower or economic incentives can be secured, namely locations where NextEra Energy is currently active including Oklahoma, Colorado, and California. Thus, an appraised value limitation agreement between Yellow House Wind, LLC and Littlefield Independent School District is the determining factor in the decision to locate this facility within the state of Texas.”

See Attachment D (at Attachment C thereof).

Board Finding Number 7.

The proposed limitation on appraised value for the qualified property is \$25,000,000.

The Comptroller’s Minimum School District Limitation Values Report, effective as of January 1, 2021, provides that the District is a Subchapter C, Category 2 District, with a minimum limitation of \$25,000,000. See Attachments A and D.

Board Finding Number 8.

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

In support of this Finding, McDowell School Finance Consulting, LLC estimates in the District's Financial Impact Report, based on the property values recited in Yellow House Wind's Application, that the project would add \$135,518,526 to the tax base at the peak investment level for tax year 2025 (school year 2025-2026). The additional project value is fully taxable for debt service taxes and can be used to meet any current or future debt needs serviced by an interest and sinking fund tax of the District. *See* Tables I and II of Attachment E. *See also* Table 4 of Attachment D. In addition, the potential revenue gains from Supplemental Payments provided for in the proposed Agreement are estimated to be approximately \$1,610,000. *See* Attachment H at Section 6.2.A, and last page of Attachment E.

Board Finding Number 9.

The effect of the Applicant's proposed project is not expected to increase the District's instructional facility needs. Littlefield ISD can accommodate the student growth anticipated from Applicant's project with its existing facilities.

In support of this finding, the District's Financial Impact Report states:

Yellow House Wind provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that one new employee [would be employed]. It is not known whether this would be a new employee to the Littlefield ISD, or if [a] current resident would occupy this position; however, it is assumed that this employee would be a new resident to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new one position equates to 1 new student.

This projected student growth can be accommodated with the current facilities of Littlefield ISD

See Table VII of Attachment E. *See also* TEA's Facilities Impact Review Letter at Attachment F.

Board Finding Number 10.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property for each year of the Agreement if the property does not receive a limitation on appraised value, based on the estimated value of the property provided by Applicant, is shown in Table II of Attachment E (column labeled “Taxes w/o Agreement”), and is further based on the assumption that the projected total maintenance and operations tax rate per \$100 in valuation in each year of the Agreement will be as indicated in Table II.

TABLE II- Computation of Net Tax Savings:

| Fiscal Year | Projected M&O Tax Rate | Projected I&S Tax Rate | Taxes w/o Agreement | Tax Savings with Agreement | Payment of District's Revenue Losses | Net Tax Savings |
|-------------|------------------------|------------------------|---------------------|----------------------------|--------------------------------------|-----------------|
| 2022-2023 | 0.9189 | 0.000 | 0 | 0 | 0 | 0 |
| 2023-2024 | 0.9189 | 0.000 | 0 | 0 | 0 | 0 |
| 2024-2025 | 0.9189 | 0.000 | 0 | 0 | 0 | 0 |
| 2025-2026 | 0.9189 | 0.000 | 1,245,280 | 1,015,555 | (1,225,174) | (209,619) |
| 2026-2027 | 0.9189 | 0.000 | 1,158,110 | 928,385 | 0 | 928,385 |
| 2027-2028 | 0.9189 | 0.000 | 1,058,488 | 828,763 | 0 | 828,763 |
| 2028-2029 | 0.9189 | 0.000 | 971,318 | 741,593 | 0 | 741,593 |
| 2029-2030 | 0.9189 | 0.000 | 871,696 | 641,971 | 0 | 641,971 |
| 2030-2031 | 0.9171 | 0.000 | 784,526 | 554,801 | 0 | 554,801 |
| 2031-2032 | 0.9129 | 0.000 | 683,545 | 454,275 | 0 | 454,275 |
| 2032-2033 | 0.9087 | 0.000 | 593,810 | 365,593 | 0 | 365,593 |
| 2033-2034 | 0.9045 | 0.000 | 492,571 | 265,401 | 0 | 265,401 |
| 2034-2035 | 0.9004 | 0.000 | 404,507 | 178,379 | 0 | 178,379 |
| 2035-2036 | 0.8962 | 0.000 | 305,039 | 0 | 0 | 0 |
| 2036-2037 | 0.8921 | 0.000 | 242,913 | 0 | 0 | 0 |
| 2037-2038 | 0.8880 | 0.000 | 241,799 | 0 | 0 | 0 |
| 2038-2039 | 0.8840 | 0.000 | 240,691 | 0 | 0 | 0 |
| 2039-2040 | 0.8799 | 0.000 | 239,589 | 0 | 0 | 0 |
| Totals | | | 9,533,881 | 5,974,717 | (1,225,174) | 4,749,543 |

Board Finding Number 11.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does receive a limitation on appraised value based on the estimated value of the property provided by the Applicant, is discernible from Table II of Attachment E (subtracting the amounts in the column labeled “Tax Savings with Agreement” from the column labeled “Taxes w/o Agreement”), and is based on the assumption that the projected total maintenance and operations tax rate per \$100 in valuation in each year of the Agreement will be as indicated in Table II.

TABLE II- Computation of Net Tax Savings:

| Fiscal Year | Projected M&O Tax Rate | Projected I&S Tax Rate | Taxes w/o Agreement | Tax Savings with Agreement | Payment of District's Revenue Losses | Net Tax Savings |
|-------------|------------------------|------------------------|---------------------|----------------------------|--------------------------------------|-----------------|
| 2022-2023 | 0.9189 | 0.000 | 0 | 0 | 0 | 0 |
| 2023-2024 | 0.9189 | 0.000 | 0 | 0 | 0 | 0 |
| 2024-2025 | 0.9189 | 0.000 | 0 | 0 | 0 | 0 |
| 2025-2026 | 0.9189 | 0.000 | 1,245,280 | 1,015,555 | (1,225,174) | (209,619) |
| 2026-2027 | 0.9189 | 0.000 | 1,158,110 | 928,385 | 0 | 928,385 |
| 2027-2028 | 0.9189 | 0.000 | 1,058,488 | 828,763 | 0 | 828,763 |
| 2028-2029 | 0.9189 | 0.000 | 971,318 | 741,593 | 0 | 741,593 |
| 2029-2030 | 0.9189 | 0.000 | 871,696 | 641,971 | 0 | 641,971 |
| 2030-2031 | 0.9171 | 0.000 | 784,526 | 554,801 | 0 | 554,801 |
| 2031-2032 | 0.9129 | 0.000 | 683,545 | 454,275 | 0 | 454,275 |
| 2032-2033 | 0.9087 | 0.000 | 593,810 | 365,593 | 0 | 365,593 |
| 2033-2034 | 0.9045 | 0.000 | 492,571 | 265,401 | 0 | 265,401 |
| 2034-2035 | 0.9004 | 0.000 | 404,507 | 178,379 | 0 | 178,379 |
| 2035-2036 | 0.8962 | 0.000 | 305,039 | 0 | 0 | 0 |
| 2036-2037 | 0.8921 | 0.000 | 242,913 | 0 | 0 | 0 |
| 2037-2038 | 0.8880 | 0.000 | 241,799 | 0 | 0 | 0 |
| 2038-2039 | 0.8840 | 0.000 | 240,691 | 0 | 0 | 0 |
| 2039-2040 | 0.8799 | 0.000 | 239,589 | 0 | 0 | 0 |
| Totals | | | 9,533,881 | 5,974,717 | (1,225,174) | 4,749,543 |

Board Finding Number 12.

Based upon the Applicant's certification that the Application is true and correct, the Comptroller's Economic Impact Analysis, the Comptroller's Certificate Decision, and the consultants' review of these and other documents, the Board has determined that the information provided by the Applicant in its Application was true and correct when submitted.

Upon acceptance of the Application, the District requested the Comptroller undertake an economic impact evaluation and retained certain consultants to help the Board determine: (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 the economic incentives available are a determining factor; and, (5) the proposed project meets eligibility requirements for an Agreement under Tax Code Chapter 313.

As a part of its review process, the Board notes that the Application was submitted by Applicant under oath. A Chapter 313 application is a governmental record under Tex. Penal Code §37.01(2)(A), and all representations contained therein are statements 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 Agreement (Attachment H) is an "official proceeding," a false statement in the

Application would constitute perjury under Texas Penal Code §37.03 and a material breach of the Agreement.

The Board finds that sworn statements are routinely relied upon by fact finders in official governmental proceedings. The Board further finds that reliance 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. See Attachments A, B, C and D.

Board Finding Number 13.

The Applicant (Taxpayer Id. 32081402466) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on the Comptroller's acknowledgment that Applicant's right to transact business in Texas is active as a franchise tax paying entity subject to taxes imposed by Chapter 171 of the Texas Tax Code.

See Attachments A, B, and C.

Board Finding Number 14.

The project will be located within an area currently designated as a reinvestment zone, which was established by Resolution of the Littlefield Independent School District's Board of Trustees dated February 17, 2022, pursuant to Chapters 312 and 313 of the Texas Tax Code. Should it be required, the District will cooperate with the Applicant's efforts to ensure that the area remains designated as a reinvestment zone.

See Attachment A (§ 7.2, Tab 11 and Tab 16).

Board Finding Number 15.

Per Applicant's certified Application, no construction of Qualified Property has begun for the project subject to the Application. Construction is scheduled to begin on January 1, 2024.

See Attachment A (§ 9 and Tab 10).

Board Finding Number 16.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, meets all the requirements set out in

Texas Tax Code §313.027, including adequate and appropriate revenue protection provisions for the District.

In support of this Finding and based on the information provided and certified by Applicant in its Application, the District's Financial Impact Analysis demonstrates that, pursuant to current school finance law (including Texas Education Code §48.256(d)), the District is projected to receive a revenue protection payment for tax year 2025 (school year 2025-26) in the estimated amount of \$1,225,174. Therefore, any potential negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District as set out in the Agreement. See Table II and last page in Attachment E, and proposed Agreement, Article IV, at Attachment H.

Board Finding Number 17.

The Board finds that there are no conflicts of interest at the time of its consideration of the Agreement.

In support of this Finding, the Board finds that it has taken appropriate action to ensure that all District Trustees and the Superintendent have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

The Board further finds that it is unaware that any conflict exists as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 18.

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

See Attachments D and H.

Board Finding Number 19.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller, as of October, 2020, and the Comptroller has verified that the Agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 T.A.C. Chapter 9, Subchapter F.

See Attachment I.

IT IS THEREFORE ORDERED, that all of the Findings above, including the recitals and statements set out in the Preamble herein, are adopted and approved as the Findings of the Littlefield Independent School District Board of Trustees, and the Board of Trustees has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and (f) and Texas Administrative Code 34, Chapter 9, subchapter F; and,

IT IS FURTHER ORDERED that the Application attached hereto as Attachment A is hereby APPROVED; and,

IT IS FURTHER ORDERED that the new qualified jobs requirement pursuant to § 313.051(b) is hereby WAIVED; and,

IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment H is APPROVED contemporaneously with these Findings and is hereby authorized to be executed and delivered by the Trustees whose signatures appear below on behalf of the Littlefield Independent School District, along with a copy of these Findings, which shall be binding upon the parties upon receipt of an executed original of the Agreement from Applicant; and,

IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of the Littlefield Independent School District Board of Trustees.

Dated this 21st day of April, 2022.

Littlefield Independent School District

By 
Signature

Love Brannon - Trustee
Printed Name and Title

Attest:
By 
Signature

Adnan Solis - secretary
Printed Name and Title

LIST OF ATTACHMENTS

| <i>Attachment</i> | <i>Description</i> |
|-------------------|---|
| A | Application and Comptroller's Completeness Letter |
| B | Applicant's Franchise Tax Account Status |
| C | Comptroller's Certificate Letter |
| D | Comptroller Economic Impact Analysis |
| E | District's Financial Impact Analysis |
| F | TEA's Facilities Impact Letter |
| G | Comptroller's 2020 Property Value Study Report |
| H | Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes |
| I | Comptroller's April 8, 2022 Agreement Review Letter |
| J | Job Waiver Request |



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 14, 2021

Mike Read
Superintendent
Littlefield Independent School District
1207 East 14th Street
Littlefield, Texas 79339

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Littlefield Independent School District and Yellow House Wind, LLC, Application 1660

Dear Superintendent Read:

On October 28, 2021, the Comptroller's office received Yellow House Wind, LLC's (applicant) application for a limitation on appraised value (Application 1660) from Littlefield Independent School District (school district).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on December 14, 2021.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the Comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the school district and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Ginger Flowers with our office. She can be reached by email at ginger.flowers@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 5-0552 or at 512-475-0552.

Sincerely,

DocuSigned by:

8FDFC70E5753487...
Will Counihan

Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Anthony Pedroni, NexEra Energy Resources
Ian Evans, NexEra Energy Resources
Mike Fry, KE Andrews

Yellow House Wind, LLC

***Application for Appraised Value Limitation on Qualified Property
with Littlefield Independent School District***

Tab 1: Pages 1 through 11 of Application

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 Texas 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 completed application to the Comptroller, separating each section of the documents. 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's 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 and issue a certificate for a limitation on appraised value to the school board regarding the application 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 by the Comptroller), 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

October 19, 2021

Date Application Received by District

Mike

First Name

Read

Last Name

Superintendent

Title

Littlefield ISD

School District Name

1207 East 14th Street

Street Address

1207 East 14th Street

Mailing Address

Littlefield

City

Texas

State

79339

ZIP

806-385-4150

Phone Number

806-385-4195

Fax Number

N/A

Mobile Number (optional)

mread@lfdisd.org

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)

| | |
|--------------------------|------------------------|
| Fred | Stormer |
| First Name | Last Name |
| Shareholder | |
| Title | |
| Underwood Law Firm, P.C. | |
| Firm Name | |
| 806-379-0306 | 806-379-0316 |
| Phone Number | Fax Number |
| N/A | fred.stormer@uwlaw.com |
| Mobile Number (optional) | Email Address |

4. On what date did the district determine this application complete? October 28, 2021

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

| | |
|--|-----------------------------------|
| Anthony | Pedroni |
| First Name | Last Name |
| VP of Development | NextEra Energy Resources |
| Title | Organization |
| 700 Universe Blvd., Juno Beach, FL 33408 | |
| Street Address | |
| 700 Universe Blvd. | |
| Mailing Address | |
| Juno Beach | FL |
| City | State |
| 561-691-7171 | 33408 |
| Phone Number | ZIP |
| N/A | N/A |
| Mobile Number (optional) | Fax Number |
| | anthony.pedroni@nexteraenergy.com |
| | Business Email Address |

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

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

| | |
|---|--------------------------|
| Ian | Evans |
| First Name | Last Name |
| Project Manager | NextEra Energy Resources |
| Title | Organization |
| 700 Universe Blvd. Juno Beach, FL 33408 | |
| Street Address | |
| 700 Universe Blvd. | |
| Mailing Address | |
| Juno Beach | FL |
| City | State |
| 561-353-3216 | 33408 |
| Phone Number | ZIP |
| N/A | 561-324-6743 |
| Mobile Number (optional) | Fax Number |
| | ian.evans@nee.com |
| | Business Email Address |

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

| | |
|--------------------------|------------|
| Mike | Fry |
| First Name | Last Name |
| Director-Energy Services | |
| Title | |
| KE Andrews | |
| Firm Name | |
| 469-298-1594 | N/A |
| Phone Number | Fax Number |
| m fry@keatax.com | |
| Business Email Address | |

SECTION 3: Fees and Payments

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

The total fee shall be paid at the same time 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.

| | |
|--------------------------------|------------------|
| \$ 80,000.00 | Check |
| Payment Amount | Transaction Type |
| NextEra Energy Resources | Littlefield ISD |
| Payor | Payee |
| October 26, 2021 | |
| Date transaction was processed | |

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? Yellow House Wind, LLC

2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32081402466

3. Parent Company Name NextEra Energy

4. Parent Company Tax ID 32074667869

5. 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
Application # not assigned yet; Olton ISD; 2025

SECTION 5: Applicant Business Structure

1. Business Organization of Applicant (corporation, limited liability corporation, etc) LLC

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 the most recently submitted 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. Texas Franchise Tax Reporting Entity Taxpayer Name

Yellow House Wind, LLC

2c. Reporting Entity Taxpayer Number

32081402466

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 Q1 2022
 2. Estimated commencement of construction January 1, 2024
 3. Beginning of qualifying time period (MM/DD/YYYY) January 1, 2024
 4. First year of limitation (YYYY) January 1, 2025
- 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 December 31, 2024

SECTION 10: The Property

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

| | |
|--|---|
| M&O (ISD): <u>Littlefield ISD, .9664; 100%</u> <small>(Name, tax rate and percent of project)</small> | I&S (ISD): <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |
| County: <u>Lamb County, .7943; 100%</u> <small>(Name, tax rate and percent of project)</small> | City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |
| Hospital District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small> | Water District: <u>High Plains Water Dist., .0055; 100%</u> <small>(Name, tax rate and percent of project)</small> |
| Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small> | Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |

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: <u>Abatement, 65%; 2025-2034</u> <small>(Incentive type, percentage, start and end year)</small> | City: <u>N/A</u> <small>(Incentive type, percentage, start and end year)</small> |
| Hospital District: <u>N/A</u> <small>(Incentive type, percentage, start and end year)</small> | Water District: <u>N/A</u> <small>(Incentive type, percentage, start and end year)</small> |
| Other (describe): <u>N/A</u> <small>(Incentive type, percentage, start and end year)</small> | Other (describe): <u>N/A</u> <small>(Incentive type, percentage, start and end year)</small> |

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? \$ 20,000,000.00

2. What is the amount of appraised value limitation for which you are applying? \$ 25,000,000.00

Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.

3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 a. a specific and detailed description of the qualified investment you propose to make 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 reinvestment zone 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 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)? 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 Texas Workforce Commission 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 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 \$ 869.25
 - b. Qualifying job wage minimum option §313.021(5)(A)
-110% of the average weekly wage for manufacturing jobs in the county is \$ 1,163.53
 - c. Qualifying job wage minimum option §313.021(5)(B)
-110% of the average weekly wage for manufacturing jobs in the region is \$ 960.52
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? \$ 46,720.30
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? \$ 46,720.30
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 13** 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 an entity 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**.

Tab 2: Proof of Payment Application Fee

Attached.

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 3: Documentation of Combined Group Membership Under Texas Tax Code 171.0001 (7), history of tax default, delinquencies and/or material litigation (if applicable)

Not Applicable.

Tab 4: Detailed Description of the Project

In its entirety, Yellow House Wind, LLC is a 498 MW wind electric generation facility that will be located in eastern Lamb County. The contents of this application is the installment of 125 MW of total capacity. The remaining capacity will be located in Olton Independent School District and Amherst Independent School District.

Yellow House Wind, LLC is being developed by NextEra Energy Resources Development, LLC. NextEra Energy is the world's largest producer of wind and solar energy, with nearly \$55 billion in new infrastructure investment planned through 2022 and 45,500 megawatts of net generating capacity.

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Littlefield ISD including the following:

- Turbines
- Substation
- Transmission Line
- Operation & Maintenance Building
- Interconnection Facilities
- Underground Electrical Collection Cables
- Meteorological & Associated Towers
- Access Roads to Turbines
- Foundations, Roadways, Pavings, & Fencing

 2424 Ridge Road
Rockwall, TX 75087

 469.298.1594

 www.keatax.com



Tab 5: Documentation to Assist in Determining if Limitation is a Determining Factor

Throughout the United States the production of renewable energy has been increasing as the cost of these systems has decreased and technological advancements have improved efficiency. In 2020, Texas ranked 1st in installed wind capacity.¹ The state's geographic position and containment of several large population centers has made Texas a favorable location for renewable energy development.

Renewable energy developers face many challenges in the determination of project location—one of these factors being the selection of an area where the greatest return on investment can be achieved. There are several factors that contribute to Texas favorability for development, one however that does not is the state's notoriously high property tax burden—ranking in the top 10 across the United States.

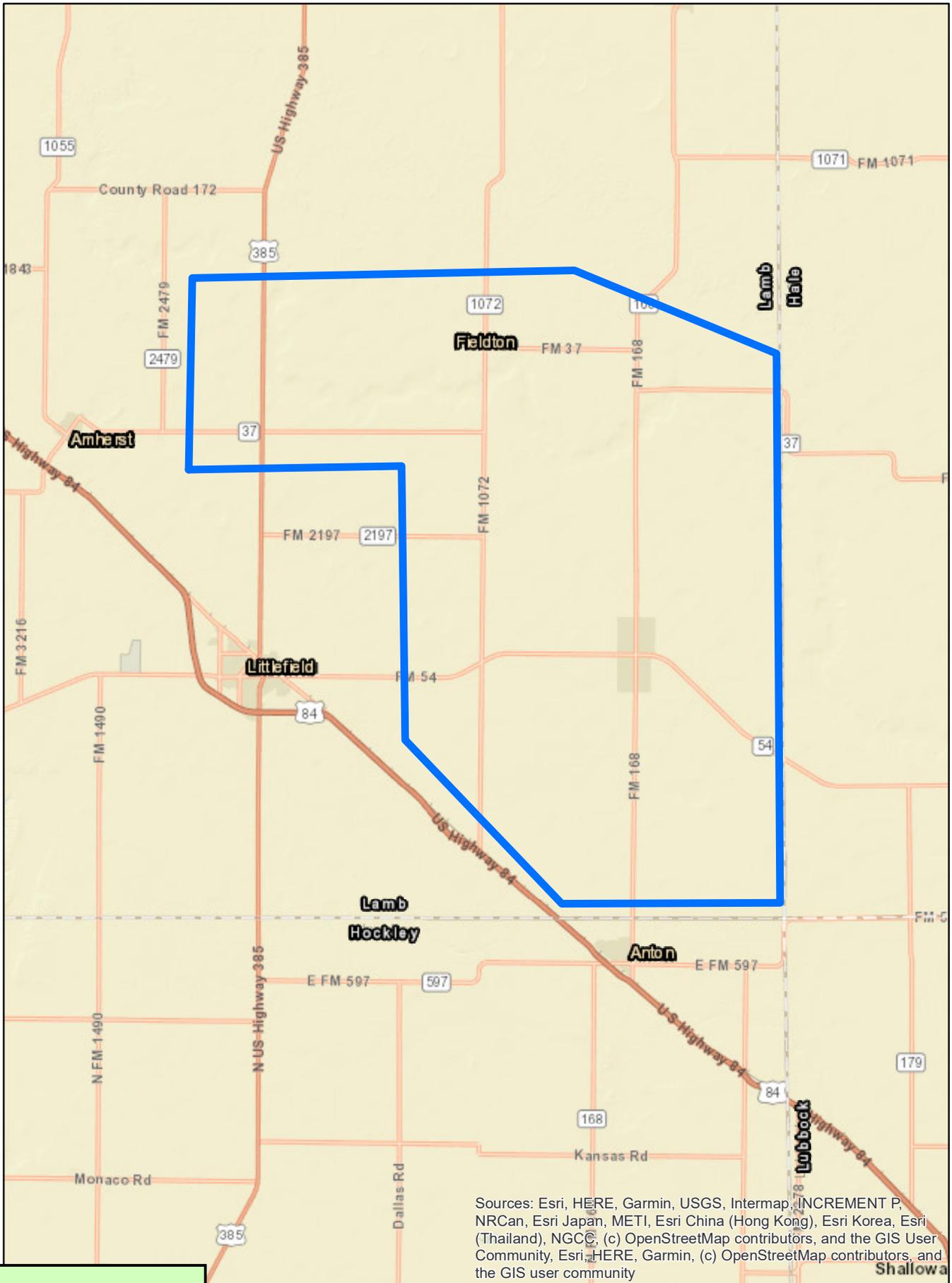
An appraised value limitation on qualified property allows developers to significantly diminish the property tax liability that composes a substantial ongoing cost of operation that directly impacts the economic rate of return for the project. In the absence of an appraised value limitation, the development of renewable energy facilities becomes financially uncertain as the rate of return often fails to meet the minimum return required to proceed. In the event an appraised value limitation agreement is not received by Yellow House Wind, LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where either the property tax burden is lower or economic incentives can be secured, namely locations where NextEra Energy is currently active including Oklahoma, Colorado, and California. Thus, an appraised value limitation agreement between Yellow House Wind, LLC and Littlefield Independent School District is the determining factor in the decision to locate this facility within the state of Texas.

¹ EIA

Tab 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)

| Jurisdiction | Percentage of Project |
|-----------------|-----------------------|
| Littlefield ISD | 24.7 % |
| Olton ISD | 74.7% |
| Amherst ISD | .6% |

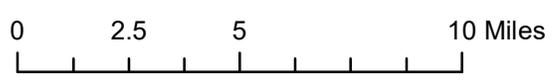
Yellow House Wind, LLC



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

Legend

 Yellow House Wind, LLC



Tab 7: Description of Qualified Investment

Yellow House Wind, LLC is a 125 MW wind energy generation facility that will be located in eastern Lamb County in Littlefield Independent School District. The project will consist of approximately 41 turbines.

Yellow House Wind, LLC requests that the limitation covers all qualified investment and qualified property located within Littlefield ISD. It is our request that the limitation includes all eligible and ancillary equipment including the following:

- Turbines
- Substation
- Transmission Line
- Operation & Maintenance Building
- Interconnection Facilities
- Underground Electrical Collection Cables
- Meteorological & Associated Towers
- Access Roads to Turbines
- Foundations, Roadways, Pavings, & Fencing

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Littlefield ISD.

Tab 8: Description of Qualified Property

Yellow House Wind, LLC is a 125 MW wind energy generation facility that will be located in eastern Lamb County in Littlefield Independent School District. The project will consist of approximately 41 turbines.

Yellow House Wind, LLC requests that the limitation covers all qualified investment and qualified property located within Littlefield ISD. It is our request that the limitation includes all eligible and ancillary equipment including the following:

- Turbines
- Substation
- Transmission Line
- Operation & Maintenance Building
- Interconnection Facilities
- Underground Electrical Collection Cables
- Meteorological & Associated Towers
- Access Roads to Turbines
- Foundations, Roadways, Pavings, & Fencing

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Littlefield ISD.

Tab 9: Description of Land

Not Applicable.

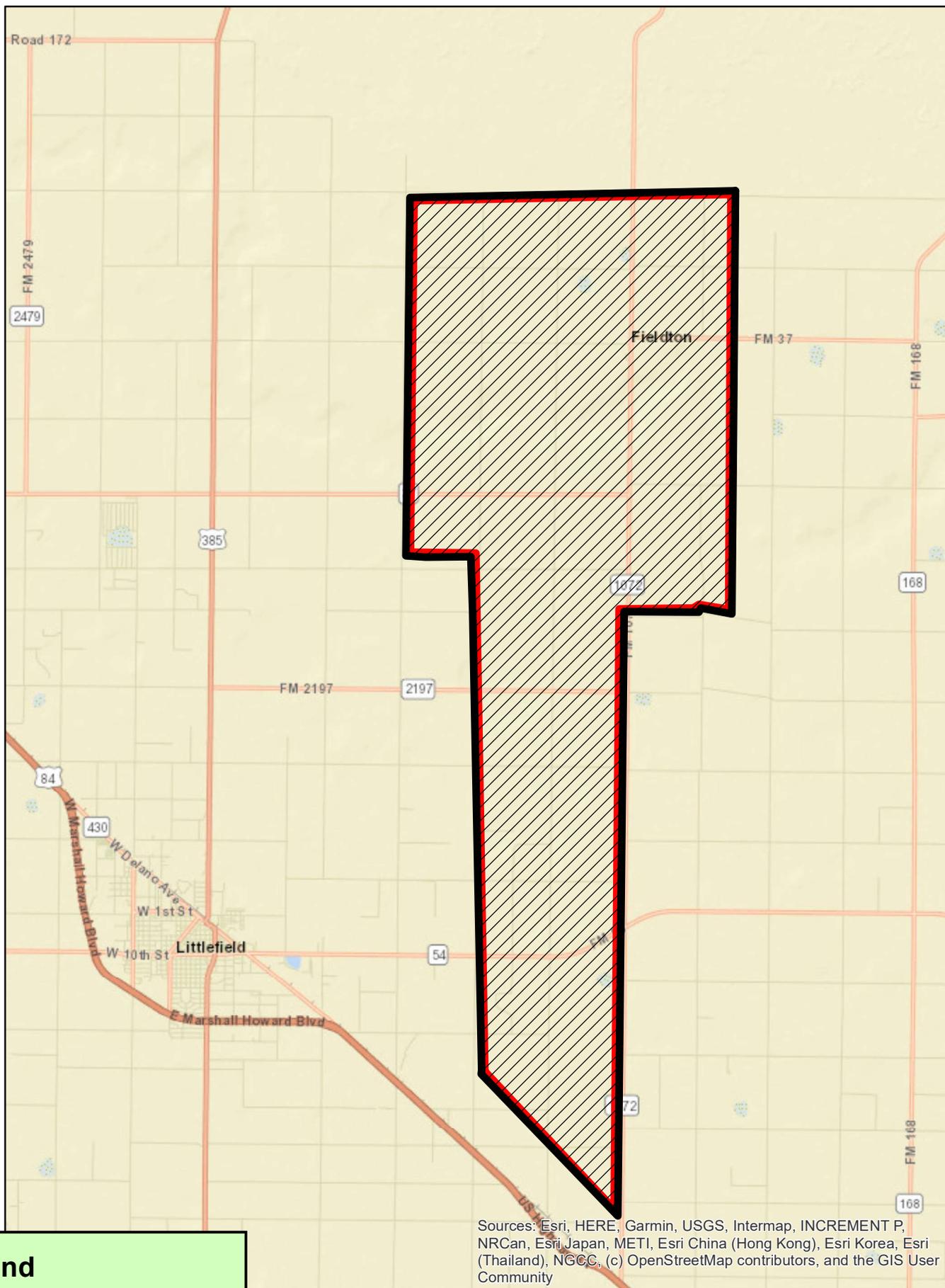
Tab 10: Description of All Property Not Eligible to Become Qualified Property (if applicable)

Not Applicable.

Tab 11: Maps

Please See Attached.

Yellow House Wind, LLC



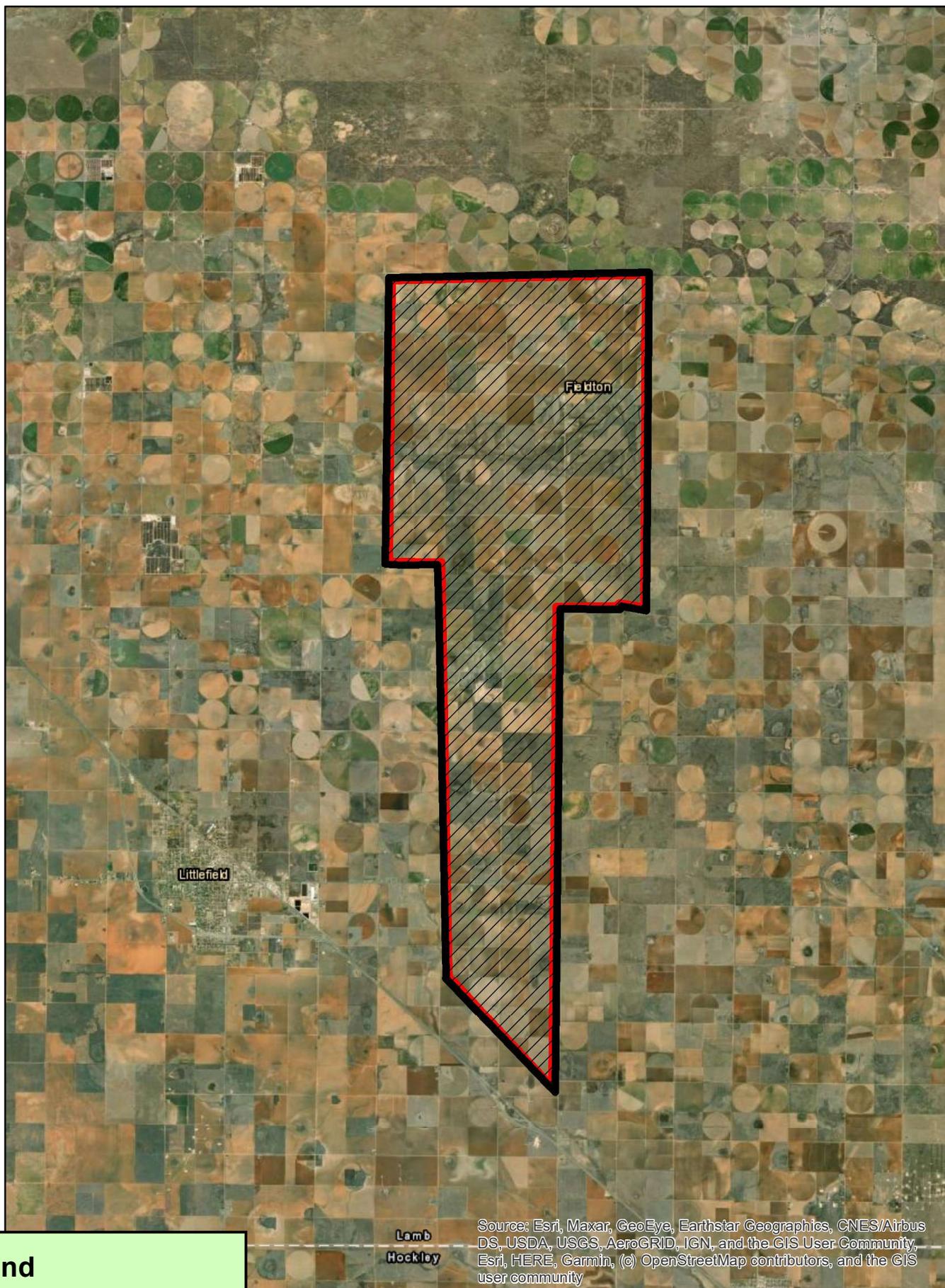
Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

Legend

-  Proposed Reinvestment Zone
-  Project Boundary

0 1.25 2.5 5 Miles

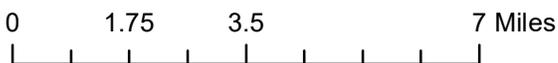
Yellow House Wind, LLC



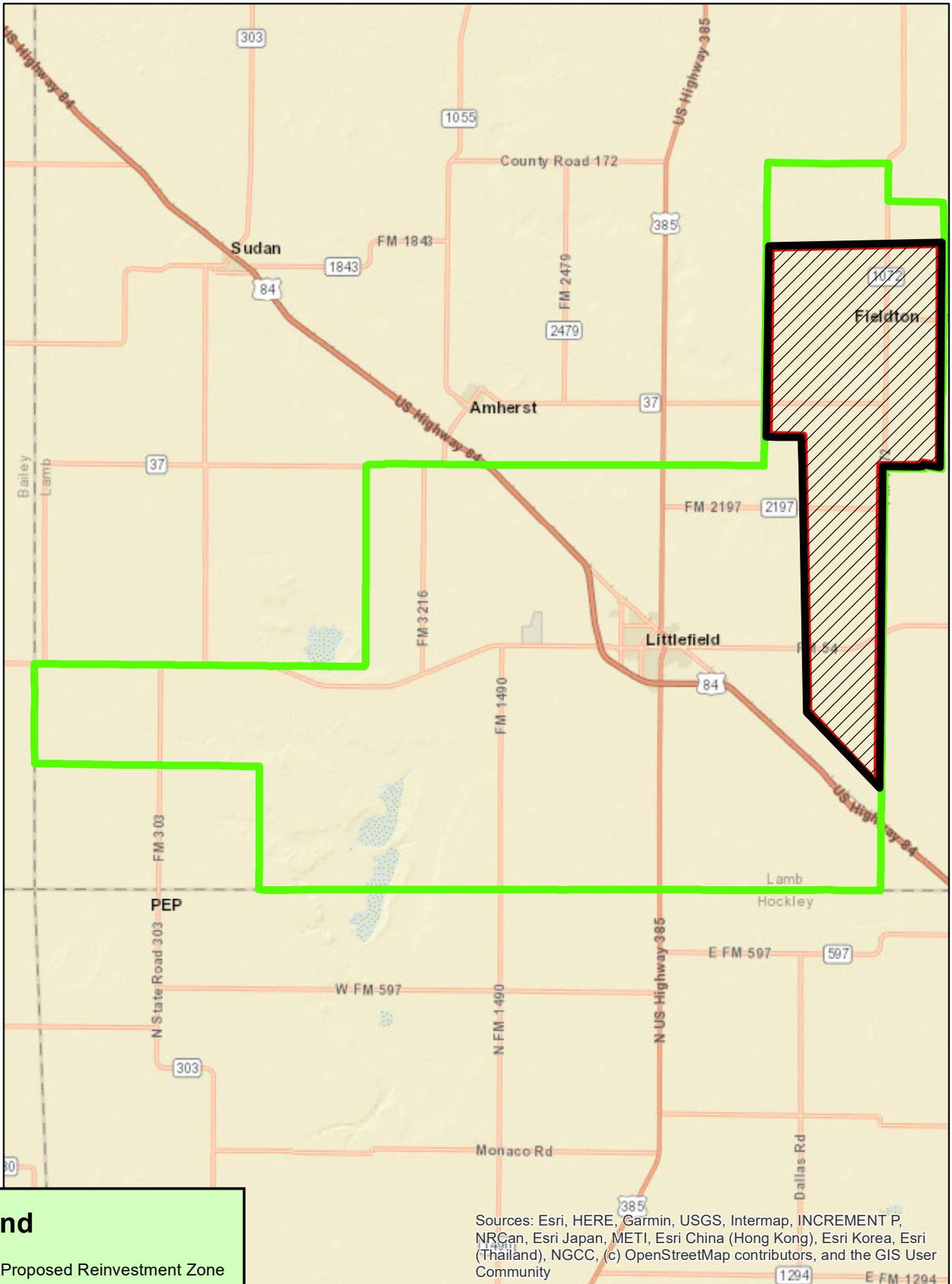
Legend

-  Proposed Reinvestment Zone
-  Project Boundary

Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community



Yellow House Wind, LLC



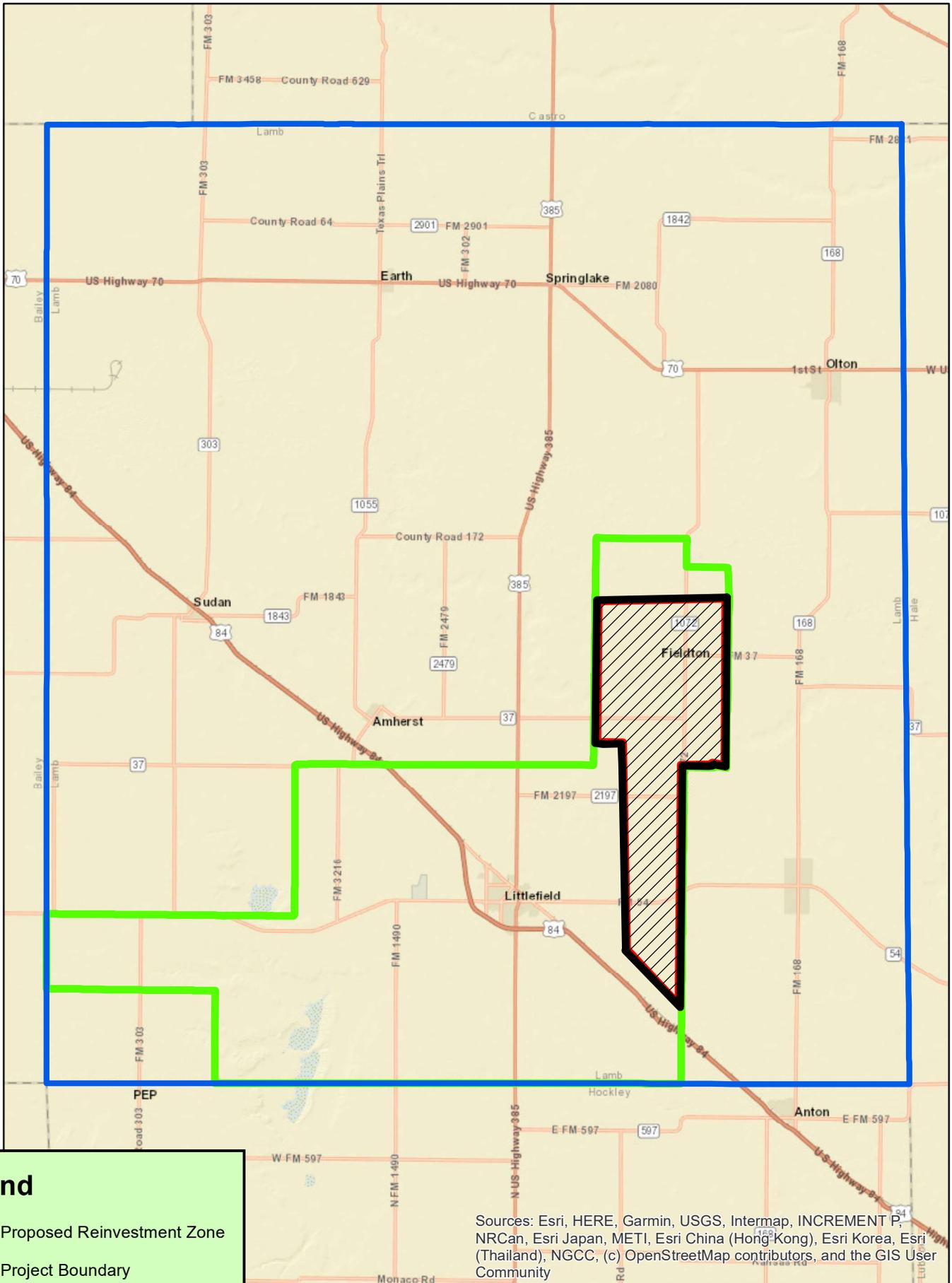
Legend

-  Proposed Reinvestment Zone
-  Project Boundary
-  Littlefield ISD

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community



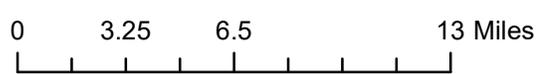
Yellow House Wind, LLC



Legend

-  Proposed Reinvestment Zone
-  Project Boundary
-  Littlefield ISD
-  Lamb County

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community



*Tab 12: Request for Waiver of Job Creation Requirement and
Supporting Information (if applicable)*

Please See Attached.

Littlefield Independent School District
ATT: Mike Read
1207 East 14th Street
Littlefield, Texas 79371

October 11, 2021

RE: Yellow House Wind, LLC Application for Appraised Value Limitation on Qualified Property Job Waiver Request

Dear Superintendent Read:

Yellow House Wind, LLC is requesting that Littlefield ISD's Board of Trustees waive the job requirement provision as allowed by Section 313.025 (f-1) of the Texas Property Tax Code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of this facility.

Yellow House Wind, LLC requests that Littlefield ISD makes such finding and waive the job creation requirement for 10 permanent jobs. Yellow House Wind, LLC has committed to create 2 full time permanent position for the operation and maintenance of the facility. The qualifying position will be compensated at the rate of 110% of the regional manufacturing wage as well as offer company benefits. Such positions shall be employed by Yellow House Wind, LLC or by the contractor it employs to operate and maintain the facility.

Renewable energy project create many jobs during the development of the facility. It is anticipated that 200-300 construction jobs will be created by Yellow House Wind, LLC; however, once construction is complete the facility will require a relatively low number of permanent workers. The current industry standard for wind energy sites is 1 worker per 15-20 turbines.

Yellow House Wind, LLC kindly requests that you consider the approval of the job waiver request for this project. Undoubtedly, the establishment of this facility will be very beneficial to Littlefield ISD, Lamb County, and the advancement of renewable energy in Texas.

Your consideration of this request is greatly appreciated. If you have any questions, please contact us.

Sincerely,



Mike Fry
Director, Energy Services
mfry@keatax.com

Tab 13: Calculation of Three Possible Wage Requirements and Supporting Information (if applicable)

Calculation 1: Lamb County Average Weekly Wage: \$869.25

| <i>Quarter</i> | <i>Area</i> | <i>Ownership</i> | <i>Industry</i> | <i>Average Weekly Wage</i> |
|----------------|-----------------|------------------|-----------------|----------------------------|
| Q3 2020 | Lamb County, TX | Total All | All Industries | \$831.00 |
| Q4 2020 | Lamb County, TX | Total All | All Industries | \$952.00 |
| Q1 2021 | Lamb County, TX | Total All | All Industries | \$842.00 |
| Q2 2021 | Lamb County, TX | Total All | All Industries | \$852.00 |

Quarterly Census of Employment and Wages (QCEW) Report

Customize the report/Help with Accessibility 

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

| Year | Period | Area | Ownership | Industry | Average Weekly Wage |
|------|--------|------|-----------|-----------------------|---------------------|
| 2020 | 01 | Lamb | Total All | Total, All Industries | 822 |
| 2020 | 02 | Lamb | Total All | Total, All Industries | 833 |
| 2020 | 03 | Lamb | Total All | Total, All Industries | 831 |
| 2020 | 04 | Lamb | Total All | Total, All Industries | 952 |
| 2021 | 01 | Lamb | Total All | Total, All Industries | 842 |
| 2021 | 02 | Lamb | Total All | Total, All Industries | 852 |

Calculation 2: 110% Lamb County Average Manufacturing Weekly: \$1,163.53

| <i>Quarter</i> | <i>Area</i> | <i>Ownership</i> | <i>Industry</i> | <i>Average Weekly Wage</i> |
|----------------|-----------------|------------------|-----------------|----------------------------|
| Q3 2020 | Lamb County, TX | Private | Manufacturing | \$1,119.00 |
| Q4 2020 | Lamb County, TX | Private | Manufacturing | \$1,171.00 |
| Q1 2021 | Lamb County, TX | Private | Manufacturing | \$990.00 |
| Q2 2021 | Lamb County, TX | Private | Manufacturing | \$951.00 |

Quarterly Census of Employment and Wages (QCEW) Report

Customize the report/Help with Accessibility [?](#)

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

| Year | Period | Area | Ownership | Industry | Average Weekly Wage |
|------|--------|------|-----------|---------------|---------------------|
| 2020 | 01 | Lamb | Total All | Manufacturing | 1,092 |
| 2020 | 02 | Lamb | Total All | Manufacturing | 989 |
| 2020 | 03 | Lamb | Total All | Manufacturing | 1,119 |
| 2020 | 04 | Lamb | Total All | Manufacturing | 1,171 |
| 2021 | 01 | Lamb | Total All | Manufacturing | 990 |
| 2021 | 02 | Lamb | Total All | Manufacturing | 951 |

Calculation 3: 110% Regional Manufacturing Wage: \$898.47 weekly or \$46,720.30 annually

**2020 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

| COG | COG Number | Wages | |
|---|------------|---------|----------|
| | | Hourly | Annual |
| Panhandle Regional Planning Commission | 1 | \$23.32 | \$48,501 |
| South Plains Association of Governments | 2 | \$20.42 | \$42,473 |
| NORTEX Regional Planning Commission | 3 | \$20.64 | \$42,928 |
| North Central Texas Council of Governments | 4 | \$32.34 | \$67,261 |
| Ark-Tex Council of Governments | 5 | \$21.30 | \$44,299 |
| East Texas Council of Governments | 6 | \$29.28 | \$60,904 |
| West Central Texas Council of Governments | 7 | \$21.54 | \$44,797 |
| Rio Grande Council of Governments | 8 | \$19.02 | \$39,552 |
| Permian Basin Regional Planning Commission | 9 | \$22.57 | \$46,945 |
| Concho Valley Council of Governments | 10 | \$27.28 | \$56,739 |
| Heart of Texas Council of Governments | 11 | \$23.41 | \$48,696 |
| Capital Area Council of Governments | 12 | \$29.96 | \$62,326 |
| Brazos Valley Council of Governments | 13 | \$18.41 | \$38,286 |
| Deep East Texas Council of Governments | 14 | \$21.07 | \$43,829 |
| South East Texas Regional Planning Commission | 15 | \$27.38 | \$56,957 |
| Houston-Galveston Area Council | 16 | \$29.83 | \$62,050 |
| Golden Crescent Regional Planning Commission | 17 | \$22.09 | \$45,945 |
| Alamo Area Council of Governments | 18 | \$27.45 | \$57,101 |
| South Texas Development Council | 19 | \$19.20 | \$39,945 |
| Coastal Bend Council of Governments | 20 | \$35.39 | \$73,603 |
| Lower Rio Grande Valley Development Council | 21 | \$20.70 | \$43,056 |
| Texoma Council of Governments | 22 | \$19.18 | \$39,897 |
| Central Texas Council of Governments | 23 | \$21.34 | \$44,390 |
| Middle Rio Grande Development Council | 24 | \$22.98 | \$47,809 |
| Texas | | \$28.00 | \$58,233 |

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

Data published: August 2021.

Data published annually, next update will likely be July 31, 2022

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 and Wage Statistics (OEWS) data, and is not to be compared to BLS estimates.

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

Tab 14: Schedules A1, A2, B, & C completed and signed Economic Impact (if applicable)

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

Date 8/29/2021
 Applicant Name Yellow House Wind, LLC
 ISD Name Littlefield ISD

Form 50-296A
 Revised October 2020

| 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 new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE] | Other new investment made during this year that may become Qualified Property [SEE NOTE] | Total Investment (Sum of Columns A+B+C+D) |
| Investment made before filing complete application with district | | 2021-2022 | 2021 | 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 | | 2022-2023 | 2022 | | | | | |
| Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period | | 2023-2024 | 2023 | | | | | |
| Complete tax years of qualifying time period | QTP1 | 2024-2025 | 2024 | \$ 135,518,526.00 | | | | \$ 135,518,526.00 |
| | QTP2 | 2025-2026 | 2025 | | | | | |
| Total Investment through Qualifying Time Period [ENTER this row in Schedule A2] | | | | \$ 135,518,526.00 | | | | \$ 135,518,526.00 |
| | | | | Enter amounts from TOTAL row above in Schedule A2 | | | | |
| Total Qualified Investment (sum of green cells) | | | | \$ 135,518,526.00 | | | | |

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

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

Only tangible personal property that is specifically described in the application can become qualified property.

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

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

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

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

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

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

Date 8/29/2021
 Applicant Name Yellow House Wind, LLC
 ISD Name Littlefield ISD

Form 50-296A
 Revised October 2020

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | |
|---|------|-------------------------|---|--|--|--|---|----------------------------|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | |
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property | New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property | Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE] | Other investment made during this year that will become Qualified Property [SEE NOTE] | Total Investment (A+B+C+D) |
| Total Investment from Schedule A1* | | TOTALS FROM SCHEDULE A1 | | Enter amounts from TOTAL row in Schedule A1 in the row below | | | | |
| | | | | \$ 135,518,526.00 | | | | \$ 135,518,526.00 |
| Each year prior to start of value limitation period | 0 | 2021-2022 | 2021 | | | | | |
| Each year prior to start of value limitation period | 0 | 2022-2023 | 2022 | | | | | |
| Each year prior to start of value limitation period | 0 | 2023-2024 | 2023 | | | | | |
| Each year prior to start of value limitation period | 0 | 2024-2025 | 2024 | \$ 135,518,526.00 | | | | \$ 135,518,526.00 |
| Value limitation period*** | 1 | 2025-2026 | 2025 | | | | | |
| | 2 | 2026-2027 | 2026 | | | | | |
| | 3 | 2027-2028 | 2027 | | | | | |
| | 4 | 2028-2029 | 2028 | | | | | |
| | 5 | 2029-2030 | 2029 | | | | | |
| | 6 | 2030-2031 | 2030 | | | | | |
| | 7 | 2031-2032 | 2031 | | | | | |
| | 8 | 2032-2033 | 2032 | | | | | |
| | 9 | 2033-2034 | 2033 | | | | | |
| | 10 | 2034-2035 | 2034 | | | | | |
| Total Investment made through limitation | | | | \$ 135,518,526.00 | | | | \$ 135,518,526.00 |
| Continue to maintain viable presence | 11 | 2035-2036 | 2035 | | | | | |
| | 12 | 2036-2037 | 2036 | | | | | |
| | 13 | 2037-2038 | 2037 | | | | | |
| | 14 | 2038-2039 | 2038 | | | | | |
| | 15 | 2039-2040 | 2039 | | | | | |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2040-2041 | 2040 | | | | | |
| | 17 | 2041-2042 | 2041 | | | | | |
| | 18 | 2042-2043 | 2042 | | | | | |
| | 19 | 2043-2044 | 2043 | | | | | |
| | 20 | 2044-2045 | 2044 | | | | | |
| | 21 | 2045-2046 | 2045 | | | | | |
| | 22 | 2046-2047 | 2046 | | | | | |
| | 23 | 2047-2048 | 2047 | | | | | |
| | 24 | 2048-2049 | 2048 | | | | | |
| | 25 | 2049-2050 | 2049 | | | | | |

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

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

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

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

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

Only tangible personal property that is specifically described in the application can become qualified property.

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

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

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

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

Date 8/29/2021
 Applicant Name Yellow House Wind, LLC
 ISD Name Littlefield ISD

Form 50-296A
 Revised October 2020

| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Qualified Property | | Estimated Taxable Value | | | |
|---|------|----------------------------|--|--------------------------------|---|--|--|--|--|
| | | | | Estimated Market Value of Land | Estimated Total Market Value of new buildings or other new improvements | Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements" | Market Value less any exemptions (such as pollution control) and before limitation | Final taxable value for I&S after all reductions | Final taxable value for M&O after all reductions |
| Each year prior to start of Value Limitation Period | 0 | 2021-2022 | 2021 | | | | | | |
| Each year prior to start of Value Limitation Period | 0 | 2022-2023 | 2022 | | | | | | |
| Each year prior to start of Value Limitation Period | 0 | 2023-2024 | 2023 | | | | | | |
| Each year prior to start of Value Limitation Period | 0 | 2024-2025 | 2024 | | | | | | |
| Value Limitation Period | 1 | 2025-2026 | 2025 | | | \$ 135,518,526.00 | \$ 135,518,526.00 | \$ 135,518,526.00 | \$ 25,000,000.00 |
| | 2 | 2026-2027 | 2026 | | | \$ 126,032,229.18 | \$ 126,032,229.18 | \$ 126,032,229.18 | \$ 25,000,000.00 |
| | 3 | 2027-2028 | 2027 | | | \$ 115,190,747.10 | \$ 115,190,747.10 | \$ 115,190,747.10 | \$ 25,000,000.00 |
| | 4 | 2028-2029 | 2028 | | | \$ 105,704,450.28 | \$ 105,704,450.28 | \$ 105,704,450.28 | \$ 25,000,000.00 |
| | 5 | 2029-2030 | 2029 | | | \$ 94,862,968.20 | \$ 94,862,968.20 | \$ 94,862,968.20 | \$ 25,000,000.00 |
| | 6 | 2030-2031 | 2030 | | | \$ 85,376,671.38 | \$ 85,376,671.38 | \$ 85,376,671.38 | \$ 25,000,000.00 |
| | 7 | 2031-2032 | 2031 | | | \$ 74,535,189.30 | \$ 74,535,189.30 | \$ 74,535,189.30 | \$ 25,000,000.00 |
| | 8 | 2032-2033 | 2032 | | | \$ 65,048,892.48 | \$ 65,048,892.48 | \$ 65,048,892.48 | \$ 25,000,000.00 |
| | 9 | 2033-2034 | 2033 | | | \$ 54,207,410.40 | \$ 54,207,410.40 | \$ 54,207,410.40 | \$ 25,000,000.00 |
| | 10 | 2034-2035 | 2034 | | | \$ 44,721,113.58 | \$ 44,721,113.58 | \$ 44,721,113.58 | \$ 25,000,000.00 |
| Continue to maintain viable presence | 11 | 2035-2036 | 2035 | | | \$ 33,879,631.50 | \$ 33,879,631.50 | \$ 33,879,631.50 | \$ 33,879,631.50 |
| | 12 | 2036-2037 | 2036 | | | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 |
| | 13 | 2037-2038 | 2037 | | | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 |
| | 14 | 2038-2039 | 2038 | | | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 |
| | 15 | 2039-2040 | 2039 | | | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2040-2041 | 2040 | | | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 |
| | 17 | 2041-2042 | 2041 | | | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 |
| | 18 | 2042-2043 | 2042 | | | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 |
| | 19 | 2043-2044 | 2043 | | | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 |
| | 20 | 2044-2045 | 2044 | | | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 |
| | 21 | 2045-2046 | 2045 | | | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 |
| | 22 | 2046-2047 | 2046 | | | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 |
| | 23 | 2047-2048 | 2047 | | | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 |
| | 24 | 2048-2049 | 2048 | | | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 |
| | 25 | 2049-2050 | 2049 | | | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 | \$ 27,103,705.20 |

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 8/29/2021
 Applicant Name Yellow House Wind, LLC
 ISD Name Littlefield ISD

Form 50-296A
 Revised October 2020

| | Year | School Year (YYYY-YYYY) | Tax Year (Actual tax year) YYYY | Construction | | Non-Qualifying Jobs | Qualifying Jobs | |
|---|------------------|----------------------------|---------------------------------------|---|---|---|--|---|
| | | | | Column A Number of Construction FTE's | Column B Average annual wage rates for construction workers | Column C Number of non-qualifying jobs applicant estimates it will create (cumulative) | Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative) | Column E Annual wage of new qualifying jobs |
| Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i> | 0 | 2021-2022 | 2021 | | | | | |
| Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i> | 0 | 2022-2023 | 2022 | | | | | |
| Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i> | 0 | 2023-2024 | 2023 | | | | | |
| Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i> | 0 | 2024-2025 | 2024 | 250 | \$ 46,720.30 | | | |
| Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i> | 1 | 2025-2026 | 2025 | | | | 2 | \$ 46,720.30 |
| | 2 | 2026-2027 | 2026 | | | | 2 | \$ 46,720.30 |
| | 3 | 2027-2028 | 2027 | | | | 2 | \$ 46,720.30 |
| | 4 | 2028-2029 | 2028 | | | | 2 | \$ 46,720.30 |
| | 5 | 2029-2030 | 2029 | | | | 2 | \$ 46,720.30 |
| | 6 | 2030-2031 | 2030 | | | | 2 | \$ 46,720.30 |
| | 7 | 2031-2032 | 2031 | | | | 2 | \$ 46,720.30 |
| | 8 | 2032-2033 | 2032 | | | | 2 | \$ 46,720.30 |
| | 9 | 2033-2034 | 2033 | | | | 2 | \$ 46,720.30 |
| | 10 | 2034-2035 | 2034 | | | | 2 | \$ 46,720.30 |
| Years Following Value Limitation Period | 11 through 25 | 2035-2049 | 2035-2049 | | | | 2 | \$ 46,720.30 |

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

Tab 15: Economic Impact Analysis, other payments made in the state or other economic information (if applicable)

Tab 16: Description of Reinvestment or Enterprise Zone

Currently, it is anticipated that Littlefield Independent School District will create the reinvestment zone prior to the execution of the agreement. Please find attached their letter of intent.

RESOLUTION

A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR TEXAS TAX CODE CHAPTER 313 APPRAISED VALUE LIMITATION IN THE LITTLEFIELD INDEPENDENT SCHOOL DISTRICT, IN LAMB COUNTY, TEXAS, TO BE KNOWN AS THE YELLOW HOUSE WIND REINVESTMENT ZONE; ESTABLISHING THE BOUNDARIES THEREOF; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Board of Trustees of the Littlefield Independent School District desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (V.T.C.A. Texas Tax Code § 312.0025), for the purpose of authorizing an *Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*, as authorized by Chapter 313 of the Texas Tax Code; and

WHEREAS, on February 17, 2022, a hearing before the Board of Trustees of the Littlefield Independent School District was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing, and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

WHEREAS, the Board of Trustees of Littlefield Independent School District at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone, and whether all or part of the territory described should be included in the proposed reinvestment zone; and

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE LITTLEFIELD INDEPENDENT SCHOOL DISTRICT:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the Board of Trustees of the Littlefield Independent School District, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on adoption of the *Yellow House Wind Reinvestment Zone* has been properly called, held and conducted and that notices of such hearing have been published as required by law and mailed to the respective presiding officers

of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and

- (b) That the boundaries of the *Yellow House Wind Reinvestment Zone* be and, by the adoption of this Resolution, is declared and certified to be, the area as described in the legal description attached hereto as “**EXHIBIT A**”; and,
- (c) That the map attached hereto as “**EXHIBIT B**” is declared to be and, by the adoption of this Resolution is certified to accurately depict and show the boundaries of the *Yellow House Wind Reinvestment Zone* which is normatively described in **EXHIBIT A**; and
- (d) That creation of the *Yellow House Wind Reinvestment Zone* with boundaries as described in **EXHIBIT A** and **EXHIBIT B** will result in benefits to the Littlefield Independent School District and to land included in the reinvestment zone, and that the improvements sought are feasible and practical; and
- (e) The *Yellow House Wind Reinvestment Zone* described in **EXHIBIT A** and **EXHIBIT B** meets the criteria set forth in Texas Tax Code § 312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or (i) will attract major investment in the zone that will be a benefit to the property and Littlefield Independent School District, and (ii) would contribute to economic development within the Littlefield Independent School District, and that the entire tract of land is located entirely within the Littlefield Independent School District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Littlefield Independent School District hereby creates a reinvestment zone under the provisions of Texas Tax Code § 312.0025, encompassing the area described by **EXHIBIT A** and **EXHIBIT B**, and such reinvestment zone is hereby designated and shall hereafter be referred to as the *Yellow House Wind Reinvestment Zone*.

SECTION 4. That the *Yellow House Wind Reinvestment Zone* shall take effect upon adoption by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of designation, and may be renewed for periods not to exceed five (5) years.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject, of the meeting of the Littlefield Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas

Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation in Littlefield Independent School District and Lamb County, Texas, and furthermore, such notice was in fact, delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 17th day of February, 2022.

LITTLEFIELD INDEPENDENT SCHOOL DISTRICT

By: 
Board President

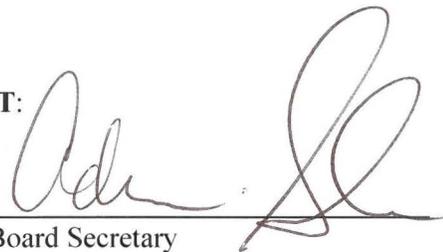
ATTEST:
By: 
Board Secretary

EXHIBIT A

DESCRIPTION OF REINVESTMENT ZONE

The Yellow House Wind Reinvestment Zone includes the property described below. A map of the Yellow House Wind Reinvestment Zone is also attached as Exhibit B. In the event of a discrepancy between this Exhibit A and the attached map on Exhibit B, Exhibit B shall control.

A4800 T A THOMSON BLK T, TRACT NW/4 SECTION 1
 A4800 T A THOMSON BLK T, TRACT SW/4 SECTION 1
 A5400 ELLWOOD SUBD, BLOCK SECTION 179, ACRES
 A5400 ELLWOOD SUBD, BLOCK SECTION 177, ACRES
 A4800 T A THOMSON BLK T, TRACT W/2 SECTION 37
 A4800 T A THOMSON BLK T, TRACT E/2 OF NE/4 SE
 A4800 T A THOMSON BLK T, TRACT NW/4 SECTION 3
 A4800 T A THOMSON BLK T, TRACT N/2 SECTION 35
 A4800 T A THOMSON BLK T, TRACT OUT OF SW/COR
 A4800 T A THOMSON BLK T, TRACT S/2 SECTION 25
 A4800 T A THOMSON BLK T, TRACT OUT OF SW/4 SE
 A4800 T A THOMSON BLK T, TRACT N/PT OF NE/4 S
 FIELDTON, BLOCK 13, LOT 1
 A2000 A TAYLOR, LEAGUE 637, LABOR 19, ACRES 1
 A2000 A TAYLOR, LEAGUE 637, LABOR 18, ACRES 1
 A2000 A TAYLOR, LEAGUE 652, TRACT OUT OF LABO
 A2000 A TAYLOR, LEAGUE 652, TRACTS 9-10 & N/2
 A2000 A TAYLOR, LEAGUE 652, TRACTS 7-8 OUT OF
 A2000 A TAYLOR, LEAGUE 652, TRACTS 5-6 OUT OF
 A2000 A TAYLOR, LEAGUE 652, TRACTS 2-4 OUT OF
 A2000 A TAYLOR, LEAGUE 652, TRACT #1 OUT OF N
 A2000 A TAYLOR, LEAGUE 652, LABOR 10 LESS THE
 A2000 A TAYLOR, LEAGUE 652, SE/CORNER LABOR 1
 A2000 A TAYLOR, LEAGUE 652, TRACT OUT OF SE/C
 A2000 A TAYLOR, LEAGUE 652, SE/COR LABOR 20,
 A2000 A TAYLOR, LEAGUE 657, TRACT OUT OF LABO
 A2000 A TAYLOR, LEAGUE 657, E/PT LABOR 8, ACR
 A2000 A TAYLOR, LEAGUE 657, LABOR 10, ACRES 1
 A2000 A TAYLOR, LEAGUE 657, LABOR 10, ACRES 1
 A2000 A TAYLOR, LEAGUE 657, TRACT OUT OF N/2
 A2000 A TAYLOR, TRACT LEAGUE 657, N/2 LABOR 1
 A2000 A TAYLOR, LEAGUE 657, S/2 LABOR 11, ACR
 A2000 A TAYLOR, LEAGUE 657, TRACT OUT OF NE/C
 A2000 A TAYLOR, LEAGUE 657, PT LABOR 13, ACRE
 A2000 A TAYLOR, LEAGUE 657, PT LABOR 13, ACRE
 A2000 A TAYLOR, LEAGUE 657, TRACT OUT OF LABO
 FIELDTON, BLOCK 8, LOT 1-4
 FIELDTON, BLOCK 13, S/29.05' OF E/77.49' LOT
 A4800 T A THOMSON BLK T, TRACT NE/4 SECTION 1
 A4800 T A THOMSON BLK T, TRACT NW/4 SECTION 3
 A4800 T A THOMSON BLK T, TRACT W/2 SECTION 26

A4800 T A THOMSON BLK T, TRACT NW/4 SECTION 2
 A5400 ELLWOOD SUBD, TRACT 174, ACRES 92.2
 A2000 A TAYLOR, LEAGUE 657, LABOR 4, ACRES 19
 A2000 A TAYLOR, LEAGUE 652, LABOR 12, ACRES 1
 A2000 A TAYLOR, LEAGUE 652, E/2 LABOR 1, ACRE
 A2000 A TAYLOR, LEAGUE 642, S/PT LABOR 15, AC
 A2000 A TAYLOR, LEAGUE 642, N/PT LABOR 6, ACR
 A2000 A TAYLOR, LEAGUE 671, E/2 LABOR 3, ACRE
 A2000 A TAYLOR, LEAGUE 671, LABOR 4, ACRES 19
 A2000 A TAYLOR, LEAGUE 642, LABOR 16, ACRES 1
 FIELDTON, BLOCK 12, LOT 5-6
 FIELDTON, BLOCK 11, PT/LOT 13 & ALL LOTS 14-1
 FIELDTON, BLOCK 12, LOT 1-4
 FIELDTON, BLOCK 11, LOT 16-17
 FIELDTON, BLOCK 11, E/90' LOTS 5-8
 FIELDTON, BLOCK 11, W/50' LOTS 5-8
 FIELDTON, BLOCK 11, LOT 18
 FIELDTON, BLOCK 10, LOT 13
 FIELDTON, BLOCK 9, LOT 1
 FIELDTON, BLOCK 10, LOT 14-15
 FIELDTON, BLOCK 9, LOT 2-3
 FIELDTON, BLOCK 14, S/15' LOT 5 & ALL LOTS 6-
 FIELDTON, BLOCK 14, LOTS 1-4 & N/10' LOT 5
 FIELDTON, BLOCK 11, LOT 9-12, SE/CORNER LOT 1
 FIELDTON, BLOCK 11, LOT 2-4
 FIELDTON, BLOCK 11, LOT 1
 FIELDTON, BLOCK 10, LOT 10-12
 FIELDTON, BLOCK 10, LOT 5-9
 FIELDTON, BLOCK 10, LOT 1-4
 FIELDTON, BLOCK 7, LOT 9-16 & CLOSED STREET 6
 FIELDTON, BLOCK 7, LOT 1-8
 FIELDTON, BLOCK 3, LOT 1-18
 FIELDTON, BLOCK 4, LOT 1-12
 A2000 A TAYLOR, LEAGUE 642, LABOR 2, ACRES 177
 A2000 A TAYLOR, LEAGUE 636, LABOR 21, ACRES 1
 A2000 A TAYLOR, LEAGUE 637, TRACT OUT OF N/CO
 A2000 A TAYLOR, LEAGUE 637, N/PT LABOR 24, AC
 FIELDTON, BLOCK 11, LOT 9-12, SE/CORNER LOT 1
 FIELDTON, BLOCK 4, LOT 1-12
 A4800 T A THOMSON BLK T, TRACT SE/4 SECTION 2
 A4800 T A THOMSON BLK T, SE/4 SECTION 14, ACR
 A4800 T A THOMSON BLK T, TRACT OUT OF SE/4 SE
 A4800 T A THOMSON BLK T, TRACT SE/4 SECTION 1
 A4800 T A THOMSON BLK T, TRACT OUT OF SW/4 SE
 A2000 A TAYLOR, LEAGUE 642, TRACT OUT OF SE/P
 A2000 A TAYLOR, LEAGUE 642, LABOR 1, ACRES 17
 A2000 A TAYLOR, LEAGUE 642, TRACT OUT OF LABO
 A2000 A TAYLOR, LEAGUE 642, LABOR 4, ACRES 17
 A4800 T A THOMSON BLK T, TR OUT OF S/PT OF SW
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A4800 T A THOMSON BLK T, TRACT NE/4 SECTION 2
 A4800 T A THOMSON BLK T, TRACT SE/COR OF SE/4
 A2000 A TAYLOR, LEAGUE 652, E/2 LABOR 23, ACR
 A2000 A TAYLOR, LEAGUE 652, W/2 LABOR 23, ACR
 A2000 A TAYLOR, LEAGUE 652, LABOR 24, ACRES 2
 A2000 A TAYLOR, LEAGUE 652, LABOR 18, ACRES 1
 A2000 A TAYLOR, LEAGUE 652, LABOR 17, ACRES 1
 A2000 A TAYLOR, LEAGUE 651, E/PT LABOR 20, AC
 A2000 A TAYLOR, LEAGUE 651, W/PT LABOR 20, AC
 A2000 A TAYLOR, LEAGUE 652, LABOR 13, ACRES 1
 A2000 A TAYLOR, LEAGUE 652, LABOR 14, ACRES 1
 A2000 A TAYLOR, LEAGUE 651, LABOR 11, ACRES 1
 A2000 A TAYLOR, LEAGUE 652, LABOR 7-8, ACRES
 A2000 A TAYLOR, LEAGUE 651, LABOR 10, ACRES 1
 A2000 A TAYLOR, LEAGUE 652, W/2 LABOR 1, ACRE
 A2000 A TAYLOR, LEAGUE 642, LABOR 23, ACRES 1
 A2000 A TAYLOR, TRACT LEAGUE 642, LABOR 24, A
 A2000 A TAYLOR, LEAGUE 642, E/PT OF E/100 AC
 A2000 A TAYLOR, LEAGUE 642, W/PT OF E/100 AC
 A2000 A TAYLOR, LEAGUE 657, PT/LABORS 7-8, AC
 A2000 A TAYLOR, LEAGUE 642, LABOR 19 (LESS TH
 A2000 A TAYLOR, LEAGUE 642, LABOR 18, ACRES 1
 A2000 A TAYLOR, LEAGUE 642, LABOR 17, ACRES 1
 A2000 A TAYLOR, LEAGUE 643, LABOR 20, ACRES 1
 A2000 A TAYLOR, LEAGUE 642, LABOR 12, ACRES 1
 A2000 A TAYLOR, LEAGUE 642, LABOR 13, ACRES 1
 A2000 A TAYLOR, LEAGUE 642, LABOR 14, ACRES 1
 A2000 A TAYLOR, LEAGUE 643, LABOR 11, ACRES 1
 A2000 A TAYLOR, LEAGUE 642, LABOR 9, ACRES 17
 A2000 A TAYLOR, LEAGUE 642, LABOR 8, ACRES 17
 A2000 A TAYLOR, LEAGUE 642, LABOR 7, ACRES 17
 A2000 A TAYLOR, LEAGUE 643, LABOR 10, ACRES 1
 A2000 A TAYLOR, LEAGUE 642, LABOR 3, ACRES 17
 A2000 A TAYLOR, LEAGUE 642, E/PT LABOR 19, AC
 A2000 A TAYLOR, LEAGUE 652, S/2 TRACT 11 & AL
 A2000 A TAYLOR, LEAGUE 652, LABOR 20, ACRES 1
 A2000 A TAYLOR, LEAGUE 657, W/PT LABOR 7, ACR
 A2000 A TAYLOR, LEAGUE 657, LABOR 21, ACRES 1
 A2000 A TAYLOR, LEAGUE 657, LABOR 22, ACRES 1
 A2000 A TAYLOR, LEAGUE 657, LABORS 23-24, ACR
 A2000 A TAYLOR, LEAGUE 666, N/2 LABOR 20, ACR
 A2000 A TAYLOR, LEAGUE 666, LABOR 17, ACRES 1
 A2000 A TAYLOR, LEAGUE 666, LABOR 12, ACRES 1
 A2000 A TAYLOR, LEAGUE 666, LABOR 13, ACRES 1
 A2000 A TAYLOR, LEAGUE 666, LABOR 9, ACRES 17
 A2000 A TAYLOR, LEAGUE 666, SW/COR OF E/2 LAB
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 A2000 A TAYLOR, LEAGUE 666, W/PT LABOR 7, ACR
 A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF SW/P

A2000 A TAYLOR, LEAGUE 643, LABOR 21, ACRES 1
 A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF LABO
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 A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF SW/C
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 A2000 A TAYLOR, LEAGUE 657, LABOR 18, ACRES 1
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 A2000 A TAYLOR, LEAGUE 657, LABOR 16, ACRES 1
 A2000 A TAYLOR, LEAGUE 657, LABOR 12, ACRES 1
 A2000 A TAYLOR, LEAGUE 687, LABOR 10, ACRES 1
 A2000 A TAYLOR, LEAGUE 671, TRACT OUT OF E/2
 A2000 A TAYLOR, LEAGUE 671, LABOR 7, ACRES 17
 A2000 A TAYLOR, LEAGUE 671, TRACT OUT OF LABO
 A2000 A TAYLOR, LEAGUE 671, TRACT OUT OF LABO
 A2000 A TAYLOR, LEAGUE 671, LABOR 19, ACRES 1
 A2000 A TAYLOR, LEAGUE 671, LABOR 12, ACRES 1
 A2000 A TAYLOR, LEAGUE 671, LABOR 9, ACRES 17
 A2000 A TAYLOR, LEAGUE 666, E/2 LABOR 22, ACR
 A2000 A TAYLOR, LEAGUE 666, W/2 LABOR 22, ACR
 A2000 A TAYLOR, LEAGUE 666, S/PT LABOR 20, AC
 A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF LABO
 A2000 A TAYLOR, LEAGUE 666, LABOR 11, ACRES 1
 A2000 A TAYLOR, LEAGUE 671, LABOR 18, ACRES 1
 A2000 A TAYLOR, LEAGUE 671, LABOR 17, ACRES 1
 A2000 A TAYLOR, LEAGUE 671, LABOR 13, ACRES 1
 A2000 A TAYLOR, LEAGUE 671, LABOR 14, ACRES 1
 A2000 A TAYLOR, LEAGUE 671, LABOR 8, ACRES 17
 A2000 A TAYLOR, LEAGUE 671, LABOR 22, ACRES 1
 A2000 A TAYLOR, LEAGUE 642, TRACT OUT OF SE/C
 A2000 A TAYLOR, LEAGUE 642, TRACT OUT OF LABO
 A2000 A TAYLOR, LEAGUE 642, TRACT OUT OF E/PT
 A2000 A TAYLOR, LEAGUE 643, TRACT OUT OF LABO
 A2000 A TAYLOR, LEAGUE 657, LABOR 9, ACRES 17
 A2000 A TAYLOR, LEAGUE 666, SE/CORNER LABOR 4
 A2000 A TAYLOR, LEAGUE 666, SE/COR LABOR 10,
 A2000 A TAYLOR, LEAGUE 666, LABOR 10, ACRES 1
 A2000 A TAYLOR, LEAGUE 666, LABOR 14, ACRES 1
 A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF N/PT
 A2000 A TAYLOR, LEAGUE 666, E/PT LABOR 16, AC
 A2000 A TAYLOR, LEAGUE 666, E/2 LABOR 18, ACR
 A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF E/2
 A2000 A TAYLOR, LEAGUE 666, PT/NW/CORNER LABO
 A2000 A TAYLOR, LEAGUE 666, LABOR 23, ACRES 1
 A2000 A TAYLOR, LEAGUE 666, LABOR 24, ACRES 1
 A2000 A TAYLOR, LEAGUE 666, LABOR 24, ACRES 1
 A2000 A TAYLOR, LEAGUE 671, LABOR 11, ACRES 1
 A2000 A TAYLOR, LEAGUE 671, LABOR 20, ACRES 1

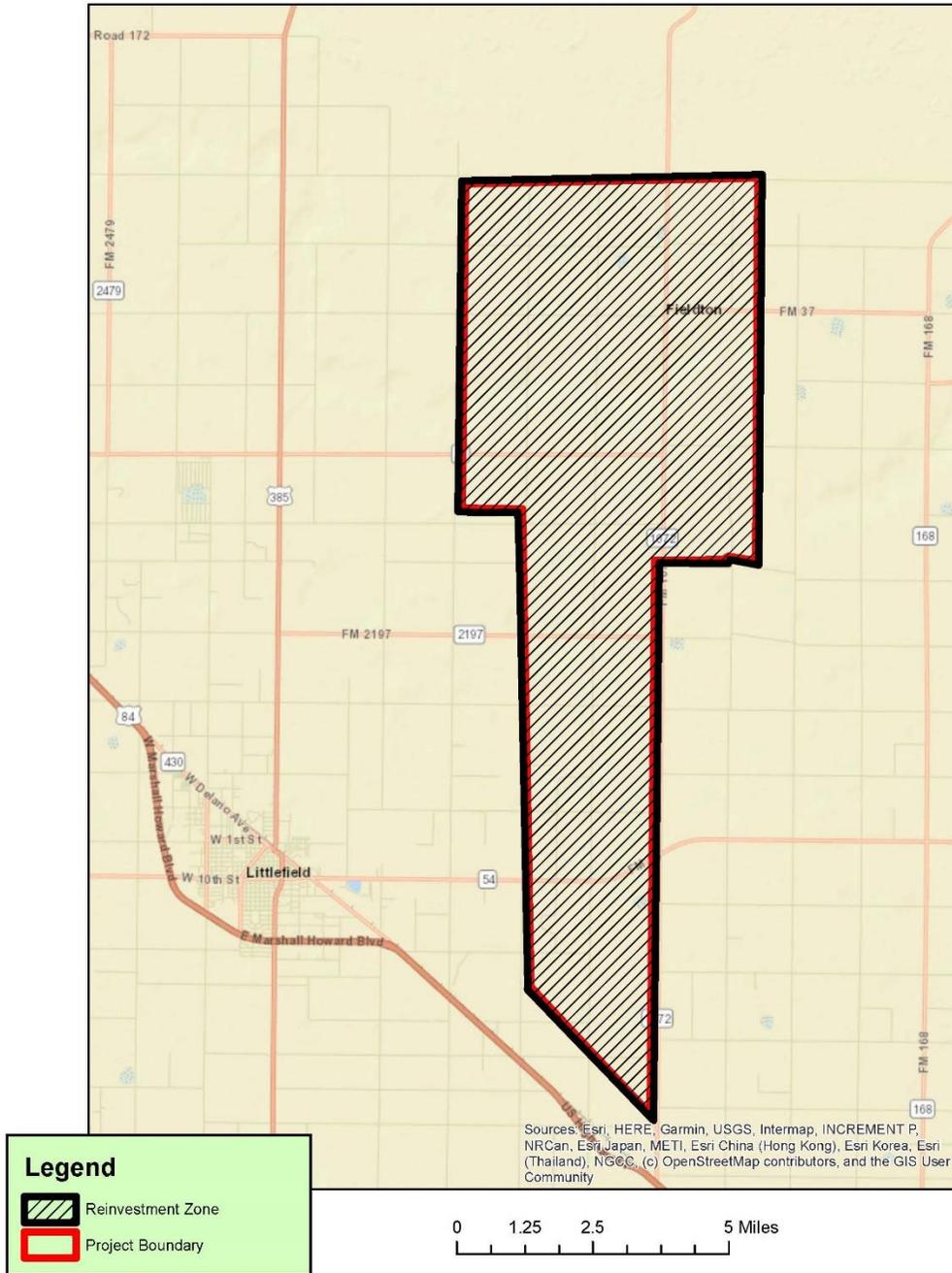
A2000 A TAYLOR, LEAGUE 671, SE CORNER OF LABO
 A4800 T A THOMSON BLK T, TRACT SE/4 SECTION 3
 A4800 T A THOMSON BLK T, TRACT S/PT OF NE/4
 A2000 A TAYLOR, LEAGUE 671, LABOR 23, ACRES 1
 A2000 A TAYLOR, LEAGUE 642, LABOR 11 LESS SE/
 A2000 A TAYLOR, LEAGUE 652, LABOR 9, ACRES 17
 A2000 A TAYLOR, LEAGUE 652, LABOR 19, ACRES 1
 FIELDTON, BLOCK 2, LOT 7-18
 A4800 T A THOMSON BLK T, TRACT S/2 SECTION 12
 A2000 A TAYLOR, LEAGUE 642, LABOR 5, ACRES 19
 A2000 A TAYLOR, LEAGUE 637, W/2 LABOR 21, ACR
 FIELDTON, BLOCK 3, LOT 1-18
 A4800 T A THOMSON BLK T, TRACT S/2 SECTION 24
 A4800 T A THOMSON BLK T, TRACT NE/4 SECTION 2
 A4800 T A THOMSON BLK T, NW/4 SECTION 23, ACR
 A4800 T A THOMSON BLK T, TRACT SW/4 SECTION 1
 A4800 T A THOMSON BLK T, TRACT NW/4 SECTION 1
 A4800 T A THOMSON BLK T, TRACT E/PT OF NW/4 S
 A4800 T A THOMSON BLK T, SW/4 SECTION 23, ACR
 A5400 ELLWOOD SUBD, SECTION 178, ACRES 181.0
 A5400 ELLWOOD SUBD, TRACT 175, ACRES 101.3
 A5400 ELLWOOD SUBD, BLOCK SECTION 176, ACRES
 A4800 T A THOMSON BLK T, TRACT S/2 SECTION 36
 A4800 T A THOMSON BLK T, TRACT W/2 OF NE/4 SE
 A4800 T A THOMSON BLK T, TRACT SW/4 SECTION 3
 A4800 T A THOMSON BLK T, TRACT SW/4 SECTION 3
 A4800 T A THOMSON BLK T, TRACT OUT OF NW/4 SE
 A2000 A TAYLOR, LEAGUE 657, LABORS 1-2, ACRES
 A2000 A TAYLOR, LEAGUE 652, LABOR 21, ACRES 2
 A2000 A TAYLOR, LEAGUE 652, LABOR 25, ACRES 2
 A2000 A TAYLOR, LEAGUE 652, W/PT LABOR 11, AC
 A2000 A TAYLOR, LEAGUE 652, LABOR 15, ACRES 1
 A2000 A TAYLOR, LEAGUE 652, E/2 LABOR 3, ACRE
 A2000 A TAYLOR, LEAGUE 652, LABOR 4, ACRES 17
 A2000 A TAYLOR, LEAGUE 651, LABOR 1, ACRES 17
 A2000 A TAYLOR, LEAGUE 642, W/PT LABOR 25, AC
 A2000 A TAYLOR, LEAGUE 666, LABOR 19, ACRES 1
 A2000 A TAYLOR, LEAGUE 666, LABOR 19, ACRES 1
 A2000 A TAYLOR, LEAGUE 666, LABOR 3, ACRES 18
 A2000 A TAYLOR, LEAGUE 666, LABOR 6, ACRES 19
 A2000 A TAYLOR, LEAGUE 671, W/2 LABOR 3, ACRE
 A2000 A TAYLOR, LEAGUE 687, LABOR 1, ACRES 17
 A2000 A TAYLOR, LEAGUE 642, SW/PT LABOR 16, A
 A2000 A TAYLOR, LEAGUE 642, TRACT OUT OF THE
 A2000 A TAYLOR, LEAGUE 642, LABOR 10, ACRES 1
 A4800 T A THOMSON BLK T, TRACT E/2 SECTION 11
 A2000 A TAYLOR, LEAGUE 657, LABOR 6, ACRES 19
 A2000 A TAYLOR, LEAGUE 657, LABOR 3, ACRES 19
 A2000 A TAYLOR, LEAGUE 637, S/PT LABOR 24, AC
 A2000 A TAYLOR, LEAGUE 637, LABOR 23, ACRES 1

A2000 A TAYLOR, LEAGUE 637, LABOR 25, ACRES 1
 A2000 A TAYLOR, LEAGUE 637, E/PT LABOR 22, AC
 A2000 A TAYLOR, LEAGUE 637, E/2 LABOR 21, ACR
 A4800 T A THOMSON BLK T, N/2 SECTION 24, ACRE
 A4800 T A THOMSON BLK T, TRACT NE/4 SECTION 1
 A2000 A TAYLOR, LEAGUE 657, S/2 LABOR 5, ACRE
 A2000 A TAYLOR, LEAGUE 657, N/2 LABOR 5, ACRE
 A2000 A TAYLOR, LEAGUE 652, LABOR 22, ACRES 2
 A2000 A TAYLOR, LEAGUE 652, LABOR 16, ACRES 1
 A2000 A TAYLOR, LEAGUE 652, LABOR 6, ACRES 19
 A2000 A TAYLOR, LEAGUE 652, LABOR 2, ACRES 17
 A2000 A TAYLOR, LEAGUE 652, W/2 LABOR 3, ACRE
 A2000 A TAYLOR, LEAGUE 652, LABOR 5, ACRES 19
 A2000 A TAYLOR, LEAGUE 642, LABOR 22, ACRES 1
 A2000 A TAYLOR, LEAGUE 642, N/PT LABOR 15, AC
 A2000 A TAYLOR, LEAGUE 642, S/PT LABOR 6, ACR
 A2000 A TAYLOR, LEAGUE 666, LABOR 2, ACRES 18
 A2000 A TAYLOR, LEAGUE 657, LABOR 25, ACRES 1
 A2000 A TAYLOR, LEAGUE 666, PT/LABOR 5, ACRES
 A2000 A TAYLOR, LEAGUE 657, LABORS 14-15, ACR
 A2000 A TAYLOR, LEAGUE 671, LABOR 2, ACRES 19
 A2000 A TAYLOR, TRACT LEAGUE 666, PT/LABOR 4,
 A2000 A TAYLOR, LEAGUE 666, LABOR 15, ACRES 1
 A2000 A TAYLOR, LEAGUE 671, LABOR 1 & N/PT LA
 A2000 A TAYLOR, LEAGUE 687, LABOR 2, ACRES 16
 A4800 T A THOMSON BLK T, TRACT W/2 SECTION 11
 A2000 A TAYLOR, LEAGUE 643, LABOR 1, ACRES 17
 A2000 A TAYLOR, LEAGUE 637, W/PT LABOR 22, AC
 A2000 A TAYLOR, LEAGUE 637, TRACT OUT OF E/2
 A2000 A TAYLOR, LEAGUE 671, S/PT LABOR 10, AC
 A2000 A TAYLOR, LEAGUE 642, TRACT OUT OF THE
 A2000 A TAYLOR, LEAGUE 642, SE/PT LABOR 20, A
 A2000 A TAYLOR, LEAGUE 642, PT/LABOR 20, ACRE
 A2000 A TAYLOR, LEAGUE 642, TRACT OUT OF E/PT
 A2000 A TAYLOR, LEAGUE 637, LABOR 20, ACRES 1
 A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF E/PT
 A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF SW/C
 A2000 A TAYLOR, LEAGUE 666, E/PT LABOR 7, ACR
 FIELDTON, BLOCK SCHOOL TRACT
 A2000 A TAYLOR, LEAGUE 657, LABOR 20, ACRES 1
 A2000 A TAYLOR, LEAGUE 666, E/2 LABOR 8, ACRE
 A2000 A TAYLOR, LEAGUE 666, LABOR 1 (LESS 20.
 A4800 T A THOMSON BLK T, TRACT NE/4 SECTION 2
 A4800 T A THOMSON BLK T, TRACT SE/4 SECTION 2
 A2000 A TAYLOR, LEAGUE 671, LABOR 21, ACRES 1

EXHIBIT B

MAP OF THE YELLOW HOUSE WIND REINVESTMENT ZONE

Yellow House Wind, LLC



*Tab 17: Signature and Certification Page, Signed and Dated by
Authorized School District Representative and Authorized
Company Representative (applicant)*

Please See Attached.

SECTION 16: Authorized Signatures and Applicant Certification

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

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

1. Authorized School District Representative Signature

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

print here Mike READ Superintendent
Print Name (Authorized School District Representative) Title
sign here Mike Read 10-19-21
Signature (Authorized School District Representative) 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.

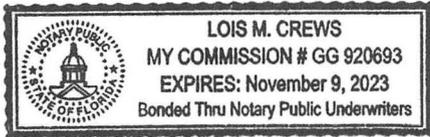
print here Anthony Pedroni Vice President
Print Name (Authorized Company Representative (Applicant)) Title
sign here Anthony Pedroni 10/13/2021
Signature (Authorized Company Representative (Applicant)) Date

GIVEN under my hand and seal of office this, the

13 day of October, 2021

Lois M. Crews
Notary Public in and for the State of Florida

My Commission expires: 11/9/2021



(Notary Seal)

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.



Franchise Tax Account Status

As of : 04/09/2022 15:28:19

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

| YELLOW HOUSE WIND, LLC | |
|--|--|
| Texas Taxpayer Number | 32081402466 |
| Mailing Address | 700 UNIVERSE BLVD JUNO BEACH, FL 33408-2657 |
| Right to Transact Business in Texas | ACTIVE |
| State of Formation | DE |
| Effective SOS Registration Date | 10/07/2021 |
| Texas SOS File Number | 0804268657 |
| Registered Agent Name | CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO |
| Registered Office Street Address | 211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701 |

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

January 24, 2022

Mike Read
Superintendent
Littlefield Independent School District
1207 East 14th Street
Littlefield, Texas 79339

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Littlefield Independent School District and Yellow House Wind, LLC, Application 1660

Dear Superintendent Read:

On December 14, 2021, the Comptroller issued written notice that Yellow House Wind, LLC (applicant) submitted a completed application (Application 1660) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on October 19, 2021, to the Littlefield 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 1660.

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, 2022.

Note that any building or improvement existing as of the application review start date of December 14, 2021, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

DocuSigned by:

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 Yellow House Wind, LLC (project) applying to Littlefield Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Yellow House Wind, LLC.

| | |
|---|-------------------------|
| Applicant | Yellow House Wind, LLC |
| Tax Code, 313.024 Eligibility Category | Renewable Energy - Wind |
| School District | Littlefield ISD |
| 2020-2021 Average Daily Attendance | 1,150 |
| County | Lamb |
| Proposed Total Investment in District | \$135,518,526 |
| Proposed Qualified Investment | \$135,518,526 |
| Limitation Amount | \$25,000,000 |
| Qualifying Time Period (Full Years) | 2024-2025 |
| 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 | \$898 |
| Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B) | \$898 |
| Minimum annual wage committed to by applicant for qualified jobs | \$46,720 |
| Minimum weekly wage required for non-qualifying jobs | \$870 |
| Minimum annual wage required for non-qualifying jobs | \$45,253 |
| Investment per Qualifying Job | \$67,759,263 |
| Estimated M&O levy without any limit (15 years) | \$10,084,313 |
| Estimated M&O levy with Limitation (15 years) | \$3,791,134 |
| Estimated gross M&O tax benefit (15 years) | \$6,293,179 |

* 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 Yellow House Wind, LLC (modeled).

| Year | Employment | | | Personal Income | | |
|------|------------|--------------------|-------|-----------------|--------------------|--------------|
| | Direct | Indirect + Induced | Total | Direct | Indirect + Induced | Total |
| 2024 | 250 | 275 | 525 | \$11,680,075 | \$30,189,925 | \$41,870,000 |
| 2025 | 2 | 23 | 24.62 | \$93,441 | \$5,066,559 | \$5,160,000 |
| 2026 | 2 | 16 | 18 | \$93,441 | \$3,736,559 | \$3,830,000 |
| 2027 | 2 | 4 | 6 | \$93,441 | \$2,206,559 | \$2,300,000 |
| 2028 | 2 | (2) | 0 | \$93,441 | \$1,266,559 | \$1,360,000 |
| 2029 | 2 | (4) | -2 | \$93,441 | \$756,559 | \$850,000 |
| 2030 | 2 | (4) | -2 | \$93,441 | \$536,559 | \$630,000 |
| 2031 | 2 | (2) | 0 | \$93,441 | \$516,559 | \$610,000 |
| 2032 | 2 | (0) | 2 | \$93,441 | \$596,559 | \$690,000 |
| 2033 | 2 | 1 | 3 | \$93,441 | \$736,559 | \$830,000 |
| 2034 | 2 | 3 | 5 | \$93,441 | \$886,559 | \$980,000 |
| 2035 | 2 | 4 | 6 | \$93,441 | \$1,006,559 | \$1,100,000 |
| 2036 | 2 | 5 | 7 | \$93,441 | \$1,126,559 | \$1,220,000 |
| 2037 | 2 | 5 | 7 | \$93,441 | \$1,226,559 | \$1,320,000 |
| 2038 | 2 | 6 | 8 | \$93,441 | \$1,306,559 | \$1,400,000 |
| 2039 | 2 | 6 | 8 | \$93,441 | \$1,376,559 | \$1,470,000 |

Source: CPA REMI, Yellow House Wind, LLC

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

| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | Tax Rate* | Littlefield ISD I&S Tax Levy | Littlefield ISD M&O Tax Levy | Littlefield M&O and I&S Tax Levies | Lamb County Tax Levy | High Plains Water District Tax Levy | Estimated Total Property Taxes |
|------|---------------------------------|---------------------------------|--------------|------------------------------|------------------------------|------------------------------------|----------------------|-------------------------------------|--------------------------------|
| | | | | 0.0000 | 0.9664 | | 0.7943 | 0.0055 | |
| 2025 | \$135,518,526 | \$135,518,526 | | \$0 | \$1,309,651 | \$1,309,651 | \$1,076,424 | \$7,454 | \$2,393,528 |
| 2026 | \$126,032,229 | \$126,032,229 | | \$0 | \$1,217,975 | \$1,217,975 | \$1,001,074 | \$6,932 | \$2,225,981 |
| 2027 | \$115,190,747 | \$115,190,747 | | \$0 | \$1,113,203 | \$1,113,203 | \$914,960 | \$6,335 | \$2,034,499 |
| 2028 | \$105,704,450 | \$105,704,450 | | \$0 | \$1,021,528 | \$1,021,528 | \$839,610 | \$5,814 | \$1,866,952 |
| 2029 | \$94,862,968 | \$94,862,968 | | \$0 | \$916,756 | \$916,756 | \$753,497 | \$5,217 | \$1,675,470 |
| 2030 | \$85,376,671 | \$85,376,671 | | \$0 | \$825,080 | \$825,080 | \$678,147 | \$4,696 | \$1,507,923 |
| 2031 | \$74,535,189 | \$74,535,189 | | \$0 | \$720,308 | \$720,308 | \$592,033 | \$4,099 | \$1,316,441 |
| 2032 | \$65,048,892 | \$65,048,892 | | \$0 | \$628,632 | \$628,632 | \$516,683 | \$3,578 | \$1,148,894 |
| 2033 | \$54,207,410 | \$54,207,410 | | \$0 | \$523,860 | \$523,860 | \$430,569 | \$2,981 | \$957,411 |
| 2034 | \$44,721,114 | \$44,721,114 | | \$0 | \$432,185 | \$432,185 | \$355,220 | \$2,460 | \$789,864 |
| 2035 | \$33,879,632 | \$33,879,632 | | \$0 | \$327,413 | \$327,413 | \$269,106 | \$1,863 | \$598,382 |
| 2036 | \$27,103,705 | \$27,103,705 | | \$0 | \$261,930 | \$261,930 | \$215,285 | \$1,491 | \$478,706 |
| 2037 | \$27,103,705 | \$27,103,705 | | \$0 | \$261,930 | \$261,930 | \$215,285 | \$1,491 | \$478,706 |
| 2038 | \$27,103,705 | \$27,103,705 | | \$0 | \$261,930 | \$261,930 | \$215,285 | \$1,491 | \$478,706 |
| 2039 | \$27,103,705 | \$27,103,705 | | \$0 | \$261,930 | \$261,930 | \$215,285 | \$1,491 | \$478,706 |
| | | | Total | \$0 | \$10,084,313 | \$10,084,313 | \$8,288,462 | \$57,392 | \$18,430,167 |

Source: CPA, Yellow House Wind, LLC

*Tax Rate per \$100 Valuation

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

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

| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | | Littlefield ISD I&S Tax Levy | Littlefield ISD M&O Tax Levy | Littlefield M&O and I&S Tax Levies | Lamb County Tax Levy | High Plains Water District Tax Levy | Estimated Total Property Taxes |
|---|---------------------------------|---------------------------------|------------------|------------------------------|------------------------------|------------------------------------|----------------------|-------------------------------------|--------------------------------|
| | | | Tax Rate* | 0.0000 | 0.9664 | | 0.7943 | 0.0055 | |
| 2025 | \$135,518,526 | \$25,000,000 | | \$0 | \$241,600 | \$241,600 | \$376,748 | \$7,454 | \$625,802 |
| 2026 | \$126,032,229 | \$25,000,000 | | \$0 | \$241,600 | \$241,600 | \$350,376 | \$6,932 | \$598,908 |
| 2027 | \$115,190,747 | \$25,000,000 | | \$0 | \$241,600 | \$241,600 | \$320,236 | \$6,335 | \$568,172 |
| 2028 | \$105,704,450 | \$25,000,000 | | \$0 | \$241,600 | \$241,600 | \$293,864 | \$5,814 | \$541,277 |
| 2029 | \$94,862,968 | \$25,000,000 | | \$0 | \$241,600 | \$241,600 | \$263,724 | \$5,217 | \$510,541 |
| 2030 | \$85,376,671 | \$25,000,000 | | \$0 | \$241,600 | \$241,600 | \$237,351 | \$4,696 | \$483,647 |
| 2031 | \$74,535,189 | \$25,000,000 | | \$0 | \$241,600 | \$241,600 | \$207,212 | \$4,099 | \$452,911 |
| 2032 | \$65,048,892 | \$25,000,000 | | \$0 | \$241,600 | \$241,600 | \$180,839 | \$3,578 | \$426,017 |
| 2033 | \$54,207,410 | \$25,000,000 | | \$0 | \$241,600 | \$241,600 | \$150,699 | \$2,981 | \$395,281 |
| 2034 | \$44,721,114 | \$25,000,000 | | \$0 | \$241,600 | \$241,600 | \$124,327 | \$2,460 | \$368,387 |
| 2035 | \$33,879,632 | \$33,879,632 | | \$0 | \$327,413 | \$327,413 | \$269,106 | \$1,863 | \$598,382 |
| 2036 | \$27,103,705 | \$27,103,705 | | \$0 | \$261,930 | \$261,930 | \$215,285 | \$1,491 | \$478,706 |
| 2037 | \$27,103,705 | \$27,103,705 | | \$0 | \$261,930 | \$261,930 | \$215,285 | \$1,491 | \$478,706 |
| 2038 | \$27,103,705 | \$27,103,705 | | \$0 | \$261,930 | \$261,930 | \$215,285 | \$1,491 | \$478,706 |
| 2039 | \$27,103,705 | \$27,103,705 | | \$0 | \$261,930 | \$261,930 | \$215,285 | \$1,491 | \$478,706 |
| | | | | | | | | | |
| | | | Total | \$0 | \$3,791,134 | \$3,791,134 | \$3,635,621 | \$57,392 | \$7,484,147 |
| | | | | | | | | | |
| | | | Diff | \$0 | \$6,293,179 | \$6,293,179 | \$4,652,841 | \$0 | \$10,946,021 |
| Assumes School Value Limitation and Tax Abatements with the County. | | | | | | | | | |

Source: CPA, Yellow House 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 Yellow House 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 | 2022 | \$0 | \$0 | \$0 | \$0 |
| | 2023 | \$0 | \$0 | \$0 | \$0 |
| | 2024 | \$0 | \$0 | \$0 | \$0 |
| Limitation Period (10 Years) | 2025 | \$241,600 | \$241,600 | \$1,068,051 | \$1,068,051 |
| | 2026 | \$241,600 | \$483,200 | \$976,375 | \$2,044,426 |
| | 2027 | \$241,600 | \$724,800 | \$871,603 | \$2,916,030 |
| | 2028 | \$241,600 | \$966,400 | \$779,928 | \$3,695,958 |
| | 2029 | \$241,600 | \$1,208,000 | \$675,156 | \$4,371,113 |
| | 2030 | \$241,600 | \$1,449,600 | \$583,480 | \$4,954,594 |
| | 2031 | \$241,600 | \$1,691,200 | \$478,708 | \$5,433,302 |
| | 2032 | \$241,600 | \$1,932,800 | \$387,032 | \$5,820,334 |
| | 2033 | \$241,600 | \$2,174,400 | \$282,260 | \$6,102,595 |
| | 2034 | \$241,600 | \$2,416,000 | \$190,585 | \$6,293,179 |
| Maintain Viable Presence (5 Years) | 2035 | \$327,413 | \$2,743,413 | \$0 | \$6,293,179 |
| | 2036 | \$261,930 | \$3,005,343 | \$0 | \$6,293,179 |
| | 2037 | \$261,930 | \$3,267,273 | \$0 | \$6,293,179 |
| | 2038 | \$261,930 | \$3,529,203 | \$0 | \$6,293,179 |
| | 2039 | \$261,930 | \$3,791,134 | \$0 | \$6,293,179 |
| Additional Years as Required by 313.026(c)(1) (10 Years) | 2040 | \$261,930 | \$4,053,064 | \$0 | \$6,293,179 |
| | 2041 | \$261,930 | \$4,314,994 | \$0 | \$6,293,179 |
| | 2042 | \$261,930 | \$4,576,924 | \$0 | \$6,293,179 |
| | 2043 | \$261,930 | \$4,838,854 | \$0 | \$6,293,179 |
| | 2044 | \$261,930 | \$5,100,785 | \$0 | \$6,293,179 |
| | 2045 | \$261,930 | \$5,362,715 | \$0 | \$6,293,179 |
| | 2046 | \$261,930 | \$5,624,645 | \$0 | \$6,293,179 |
| | 2047 | \$261,930 | \$5,886,575 | \$0 | \$6,293,179 |
| | 2048 | \$261,930 | \$6,148,505 | \$0 | \$6,293,179 |
| | 2049 | \$261,930 | \$6,410,436 | \$0 | \$6,293,179 |
| | | \$6,410,436 | is greater than | \$6,293,179 | |
| 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, Yellow House 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 Yellow House 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 NextEra in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Renewable energy developers face many challenges in the determination of project location—one of these factors being the selection of an area where the greatest return on investment can be achieved. There are several factors that contribute to Texas favorability for development, one however that does not is the state’s notoriously high property tax burden—ranking in the top 10 across the United States.”
 - B. “An appraised value limitation on qualified property allows developers to significantly diminish the property tax liability that composes a substantial ongoing cost of operation that directly impacts the economic rate of return for the project. In the absence of an appraised value limitation, the development of renewable energy facilities becomes financially uncertain as the rate of return often fails to meet the minimum return required to proceed. In the event an appraised value limitation agreement is not received by Yellow House Wind, LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where either the property tax burden is lower or economic incentives can be secured, namely locations where NextEra Energy is currently active including Oklahoma, Colorado, and California. Thus, an appraised value limitation agreement between Yellow House Wind, LLC and Littlefield Independent School District is the determining factor in the decision to locate this facility within the state of Texas.”
- Per email on December 17, 2021, “The project has formerly been known as Tolk Wind Project, and there is no IGNR# because the project is in SPP.”

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

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 Q1 2022
 2. Estimated commencement of construction January 1, 2024
 3. Beginning of qualifying time period (MM/DD/YYYY) January 1, 2024
 4. First year of limitation (YYYY) January 1, 2025
- 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 December 31, 2024

SECTION 10: The Property

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

| | |
|--|---|
| M&O (ISD): <u>Littlefield ISD, .9664; 100%</u> <small>(Name, tax rate and percent of project)</small> | I&S (ISD): <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |
| County: <u>Lamb County, .7943; 100%</u> <small>(Name, tax rate and percent of project)</small> | City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |
| Hospital District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small> | Water District: <u>High Plains Water Dist., .0055; 100%</u> <small>(Name, tax rate and percent of project)</small> |
| Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small> | Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |

Supporting Information

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

Tab 5: Documentation to Assist in Determining if Limitation is a Determining Factor

Throughout the United States the production of renewable energy has been increasing as the cost of these systems has decreased and technological advancements have improved efficiency. In 2020, Texas ranked 1st in installed wind capacity.¹ The state's geographic position and containment of several large population centers has made Texas a favorable location for renewable energy development.

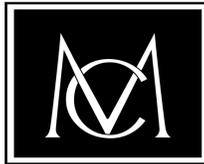
Renewable energy developers face many challenges in the determination of project location—one of these factors being the selection of an area where the greatest return on investment can be achieved. There are several factors that contribute to Texas favorability for development, one however that does not is the state's notoriously high property tax burden—ranking in the top 10 across the United States.

An appraised value limitation on qualified property allows developers to significantly diminish the property tax liability that composes a substantial ongoing cost of operation that directly impacts the economic rate of return for the project. In the absence of an appraised value limitation, the development of renewable energy facilities becomes financially uncertain as the rate of return often fails to meet the minimum return required to proceed. In the event an appraised value limitation agreement is not received by Yellow House Wind, LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where either the property tax burden is lower or economic incentives can be secured, namely locations where NextEra Energy is currently active including Oklahoma, Colorado, and California. Thus, an appraised value limitation agreement between Yellow House Wind, LLC and Littlefield Independent School District is the determining factor in the decision to locate this facility within the state of Texas.

¹ EIA

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Yellow House Wind, LLC**

March 27, 2022



MCDOWELL
School Finance
CONSULTING

**Summary of Littlefield ISD Financial Impact
of the
Limited Appraised Value Application
from
Yellow House Wind, LLC**

Introduction

Yellow House Wind applied for a property value limitation from Littlefield Independent School District under Chapter 313 of the Tax Code. The application was submitted on October 19, 2021 and subsequently approved for consideration by the Littlefield ISD Board of Trustees. Yellow House Wind, LLC (“Yellow House Wind”), is requesting the property value limitation as a “renewable energy electric generation” project as listed in Sec. 313.024.(b) of the Tax Code.

“The Economic Development Act “, Tax Code Chapter 313, was created by House Bill 1200 of the 77th Texas Legislature in 2001. Further amendments were made to Chapter 313 as a result of House Bill 1470 from the 80th Texas Legislative Session in 2007 and additionally House Bill 3390 from the 83rd Legislative Session.

The Economic Development Act was created to attract qualifying businesses to Texas by allowing school districts the option of approving a property value limitation to these qualifying entities. The purpose of the property value limitation is to reduce the maintenance and operations taxes paid by the company, to a school district during the applicable years as displayed below:

Littlefield ISD Financial Impact of Chapter 313 Agreement

The company must file an application with the school district to qualify for consideration of a Limited Appraised Value Agreement (“LAVA” or “Agreement”) to begin the following tax year or a later year if agreed upon by the District and the Company.

Years Prior to Start of Value Limitation Period:

The tax years prior to the start of the value limitation period are considered the “Prior to Start of Value Limitation Period” and the company’s school district taxes will be levied at one-hundred percent of the appraised value. The applicant has requested that tax year 2024 is the year that is Prior to the Start of Value Limitation Period.

Value Limitation Period:

During the ten years of the Value Limitation Period, the qualifying entity’s taxable value will be reduced to the Minimum Limitation Amount for the applicable school district as determined by the State Comptroller’s Office. Littlefield ISD is considered a Rural category 2 District as categorized with total taxable value of industrial property of at least \$90 million but less than \$200 million. Thus, Littlefield ISD has a Minimum Qualified Investment amount of \$20 million and a Minimum Limitation Amount of \$25 million. A qualifying entity’s taxable value would be reduced to \$25 million during this ten year period of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Littlefield ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy. The applicant has requested that the Value Limitation Period to begin in tax year 2025 and continue through tax year 2034.

Final Five Years of the Agreement – Continue to Maintain a Viable Presence:

Tax years 2035 through 2039 will be the final five years of the agreement and the applicant agrees to maintain a viable presence with this project during this time.

Littlefield ISD Financial Impact of Chapter 313 Agreement

Taxable Value Projections from Application

The following data shows the projected taxable values that Yellow House Wind reported in the application to the District:

| | Year | School Year | Tax Year | Projected Taxable Value | Actual Taxable Value with Agreement |
|---|------|-------------|----------|-------------------------|-------------------------------------|
| Each Year Prior to Start of Value Limitation Period | | | | | |
| | 0 | 2024-2025 | 2024 | \$0 | \$0 |
| Value Limitation Period | 1 | 2025-2026 | 2025 | \$135,518,526 | \$25,000,000 |
| | 2 | 2026-2027 | 2026 | \$126,032,229 | \$25,000,000 |
| | 3 | 2027-2028 | 2027 | \$115,190,747 | \$25,000,000 |
| | 4 | 2028-2029 | 2028 | \$105,704,450 | \$25,000,000 |
| | 5 | 2029-2030 | 2029 | \$94,862,968 | \$25,000,000 |
| | 6 | 2030-2031 | 2030 | \$85,376,671 | \$25,000,000 |
| | 7 | 2031-2032 | 2031 | \$74,535,189 | \$25,000,000 |
| | 8 | 2032-2033 | 2032 | \$65,048,892 | \$25,000,000 |
| | 9 | 2033-2034 | 2033 | \$54,207,410 | \$25,000,000 |
| | 10 | 2034-2035 | 2034 | \$44,721,114 | \$25,000,000 |
| Continue to Maintain Viable Presence | 11 | 2035-2036 | 2035 | \$33,879,632 | \$33,879,632 |
| | 12 | 2036-2037 | 2036 | \$27,103,705 | \$27,103,705 |
| | 13 | 2037-2038 | 2037 | \$27,103,705 | \$27,103,705 |
| | 14 | 2038-2039 | 2038 | \$27,103,705 | \$27,103,705 |
| | 15 | 2039-2040 | 2039 | \$27,103,705 | \$27,103,705 |
| Additional Years for 25 Year Economic Impact Study | 16 | 2040-2041 | 2040 | \$27,103,705 | \$27,103,705 |
| | 17 | 2041-2042 | 2041 | \$27,103,705 | \$27,103,705 |
| | 18 | 2042-2043 | 2042 | \$27,103,705 | \$27,103,705 |
| | 19 | 2043-2044 | 2043 | \$27,103,705 | \$27,103,705 |
| | 20 | 2044-2045 | 2044 | \$27,103,705 | \$27,103,705 |
| | 21 | 2045-2046 | 2045 | \$27,103,705 | \$27,103,705 |
| | 22 | 2046-2047 | 2046 | \$27,103,705 | \$27,103,705 |
| | 23 | 2047-2048 | 2047 | \$27,103,705 | \$27,103,705 |
| | 24 | 2048-2049 | 2048 | \$27,103,705 | \$27,103,705 |
| | 25 | 2049-2050 | 2049 | \$27,103,705 | \$27,103,705 |

Littlefield ISD Financial Impact of Chapter 313 Agreement

Taxable Value Impact from LAVA

The “Additional Value from Yellow House Wind” represents the values that the company estimated as their taxable values in the application that was filed with the district. During tax years 2025 through 2034, the company’s taxable value will be limited to the \$25,000,000 Minimum Limitation Amount of Littlefield ISD.

TABLE I- Calculation of Taxable Value:

| Tax Year | Additional Value From Yellow House Wind | Minimum Limitation Amount | Abated Value | Taxable Value |
|--------------|---|---------------------------|--------------|---------------|
| Jan. 1, 2022 | 0 | n/a | 0 | 0 |
| Jan. 1, 2023 | 0 | n/a | 0 | 0 |
| Jan. 1, 2024 | 0 | n/a | 0 | 0 |
| Jan. 1, 2025 | 135,518,526 | (25,000,000) | 110,518,526 | 25,000,000 |
| Jan. 1, 2026 | 126,032,229 | (25,000,000) | 101,032,229 | 25,000,000 |
| Jan. 1, 2027 | 115,190,747 | (25,000,000) | 90,190,747 | 25,000,000 |
| Jan. 1, 2028 | 105,704,450 | (25,000,000) | 80,704,450 | 25,000,000 |
| Jan. 1, 2029 | 94,862,968 | (25,000,000) | 69,862,968 | 25,000,000 |
| Jan. 1, 2030 | 85,376,671 | (25,000,000) | 60,376,671 | 25,000,000 |
| Jan. 1, 2031 | 74,535,189 | (25,000,000) | 49,535,189 | 25,000,000 |
| Jan. 1, 2032 | 65,048,892 | (25,000,000) | 40,048,892 | 25,000,000 |
| Jan. 1, 2033 | 54,207,410 | (25,000,000) | 29,207,410 | 25,000,000 |
| Jan. 1, 2034 | 44,721,114 | (25,000,000) | 19,721,114 | 25,000,000 |
| Jan. 1, 2035 | 33,879,632 | n/a | 0 | 33,879,632 |
| Jan. 1, 2036 | 27,103,705 | n/a | 0 | 27,103,705 |
| Jan. 1, 2037 | 27,103,705 | n/a | 0 | 27,103,705 |
| Jan. 1, 2038 | 27,103,705 | n/a | 0 | 27,103,705 |
| Jan. 1, 2039 | 27,103,705 | n/a | 0 | 27,103,705 |

Littlefield ISD Financial Impact of Chapter 313 Agreement

Yellow House Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Yellow House Wind is \$4.75 million over the life of the Agreement. This net savings is after all tax savings and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement.

Littlefield ISD projected tax rates for maintenance & operations (M&O) and interest & sinking (I&S) are based on the following assumptions:

- The District has not held a tax ratification election and the study projects that it will maintain the maximum M&O tax rate allowable that doesn't require an additional voter election for the life of this agreement.
- The district current does not have outstanding bonds and currently have no I&S tax rate. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

| Fiscal Year | Projected M&O Tax Rate | Projected I&S Tax Rate | Taxes w/o Agreement | Tax Savings with Agreement | Payment of District's Revenue Losses | Net Tax Savings |
|-------------|------------------------|------------------------|---------------------|----------------------------|--------------------------------------|-----------------|
| 2022-2023 | 0.9189 | 0.000 | 0 | 0 | 0 | 0 |
| 2023-2024 | 0.9189 | 0.000 | 0 | 0 | 0 | 0 |
| 2024-2025 | 0.9189 | 0.000 | 0 | 0 | 0 | 0 |
| 2025-2026 | 0.9189 | 0.000 | 1,245,280 | 1,015,555 | (1,225,174) | (209,619) |
| 2026-2027 | 0.9189 | 0.000 | 1,158,110 | 928,385 | 0 | 928,385 |
| 2027-2028 | 0.9189 | 0.000 | 1,058,488 | 828,763 | 0 | 828,763 |
| 2028-2029 | 0.9189 | 0.000 | 971,318 | 741,593 | 0 | 741,593 |
| 2029-2030 | 0.9189 | 0.000 | 871,696 | 641,971 | 0 | 641,971 |
| 2030-2031 | 0.9171 | 0.000 | 784,526 | 554,801 | 0 | 554,801 |
| 2031-2032 | 0.9129 | 0.000 | 683,545 | 454,275 | 0 | 454,275 |
| 2032-2033 | 0.9087 | 0.000 | 593,810 | 365,593 | 0 | 365,593 |
| 2033-2034 | 0.9045 | 0.000 | 492,571 | 265,401 | 0 | 265,401 |
| 2034-2035 | 0.9004 | 0.000 | 404,507 | 178,379 | 0 | 178,379 |
| 2035-2036 | 0.8962 | 0.000 | 305,039 | 0 | 0 | 0 |
| 2036-2037 | 0.8921 | 0.000 | 242,913 | 0 | 0 | 0 |
| 2037-2038 | 0.8880 | 0.000 | 241,799 | 0 | 0 | 0 |
| 2038-2039 | 0.8840 | 0.000 | 240,691 | 0 | 0 | 0 |
| 2039-2040 | 0.8799 | 0.000 | 239,589 | 0 | 0 | 0 |
| Totals | | | 9,533,881 | 5,974,717 | (1,225,174) | 4,749,543 |

Littlefield ISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Littlefield ISD. First, a seventeen year financial forecast was prepared to establish a baseline without the added values of the renewable energy electric generation company. Second, a seventeen year financial forecast was prepared that incorporated the additional taxable value of the company without a LAVA in effect. Third, a seventeen year financial forecast was prepared that incorporates the additional taxable value of the company with an approved LAVA. These three forecasts are detailed in the “Calculation of LAVA Impact on District’s Finances” section. The following assumptions were used to compare the financial impact of the LAVA:

- The current state funding formulas were used for state aid and recapture calculation purposes
 - Tier I - Basic Allotment of \$6,160 multiplied by the number of students in average daily attendance (ADA).
 - Level 1 of Tier II yield - \$98.56 - per weighted student in average daily attendance (WADA) per penny of tax effort
 - Level 2 of Tier II yield - \$49.28 – per WADA per penny of tax effort
- Use of current year property values for state funding calculations.
- Use of prior year property values for revenue protection payment calculations in accordance with Article IV of the Agreement.
- The district’s tax rate for maintenance & operations (M&O) for 2021-2022 of \$.9189 is projected to decrease based on estimated local and statewide property tax growth. No future tax ratification elections are projected in the calculations.
- An annual taxable value increase of 1.0% was used to project the district’s taxable value, except as it related to the requested LAVA. The district’s 2021 taxable value was used as a baseline for all projections.
- The district’s enrollment is projected to decrease; therefore, the projected ADA and WADA for school year 21-22 was decreased by .25% per year for the life of the agreement.

Although these assumptions were used to develop a baseline scenario for comparison purposes, many of these factors will not remain constant for the years of this proposed agreement. Also, Legislative changes to the school finance formulas are almost certain during the life of this agreement.

Littlefield ISD Financial Impact of Chapter 313 Agreement

Calculation of LAVA Impact on District's Finances

The tables displayed below (Table III, IV, V) show the different impacts on the school district's finances. These scenarios were computed to compare the District's revenue without the additional taxable value of Yellow House Wind (Table III), the addition of Yellow House Wind taxable values without a Chapter 313 Agreement (Table IV), and the addition of Yellow House Wind taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* Yellow House Wind:

| Fiscal Year | Total Taxable Value | Total M&O Taxes | State | State | Total State Revenue | Recapture Payment | Total District Revenue |
|-------------|---------------------|-----------------|----------------|-----------------|---------------------|-------------------|------------------------|
| | | | Revenue Tier I | Revenue Tier II | | | |
| 2022-2023 | 274,895,360 | 2,495,493 | 9,376,269 | 791,685 | 10,167,954 | 0 | 12,663,447 |
| 2023-2024 | 277,444,313 | 2,518,447 | 9,322,288 | 787,910 | 10,110,198 | 0 | 12,628,645 |
| 2024-2025 | 280,018,756 | 2,541,631 | 9,272,272 | 784,453 | 10,056,725 | 0 | 12,598,356 |
| 2025-2026 | 282,618,944 | 2,565,046 | 9,219,220 | 780,761 | 9,999,981 | 0 | 12,565,027 |
| 2026-2027 | 285,245,133 | 2,588,695 | 9,167,203 | 777,156 | 9,944,359 | 0 | 12,533,054 |
| 2027-2028 | 287,897,585 | 2,612,581 | 9,113,609 | 773,431 | 9,887,040 | 0 | 12,499,621 |
| 2028-2029 | 290,576,561 | 2,636,706 | 9,062,515 | 769,909 | 9,832,424 | 0 | 12,469,130 |
| 2029-2030 | 426,987,025 | 3,857,580 | 7,859,219 | 701,840 | 8,561,059 | 0 | 12,418,639 |
| 2030-2031 | 425,108,707 | 3,823,201 | 7,862,678 | 701,721 | 8,564,399 | 0 | 12,387,600 |
| 2031-2032 | 423,396,052 | 3,790,452 | 7,863,260 | 695,899 | 8,559,159 | 0 | 12,349,611 |
| 2032-2033 | 421,845,183 | 3,759,278 | 7,864,834 | 694,340 | 8,559,174 | 0 | 12,318,452 |
| 2033-2034 | 420,452,349 | 3,730,038 | 7,866,375 | 694,222 | 8,560,597 | 0 | 12,290,635 |
| 2034-2035 | 419,213,926 | 3,701,855 | 7,866,451 | 692,616 | 8,559,067 | 0 | 12,260,922 |
| 2035-2036 | 418,126,407 | 3,675,504 | 7,861,972 | 692,082 | 8,554,054 | 0 | 12,229,558 |
| 2036-2037 | 417,186,403 | 3,650,523 | 7,863,457 | 687,958 | 8,551,415 | 0 | 12,201,938 |
| 2037-2038 | 416,390,637 | 3,627,275 | 7,856,248 | 687,301 | 8,543,549 | 0 | 12,170,824 |
| 2038-2039 | 415,735,941 | 3,604,899 | 7,850,532 | 685,394 | 8,535,926 | 0 | 12,140,825 |
| 2039-2040 | 415,219,257 | 3,584,167 | 7,844,849 | 684,899 | 8,529,748 | 0 | 12,113,915 |

Littlefield ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues *with* Yellow House Wind *without* Chpt. 313 Agreement:

| Fiscal Year | Total Taxable Value | Total M&O Taxes | State Revenue | | Total State Revenue | Recapture Payment | Total District Revenue |
|-------------|---------------------|-----------------|---------------|---------|---------------------|-------------------|------------------------|
| | | | Tier I | Tier II | | | |
| 2022-2023 | 274,895,360 | 2,495,493 | 9,376,269 | 791,685 | 10,167,954 | 0 | 12,663,447 |
| 2023-2024 | 277,444,313 | 2,518,447 | 9,322,288 | 787,910 | 10,110,198 | 0 | 12,628,645 |
| 2024-2025 | 280,018,756 | 2,541,631 | 9,272,272 | 784,453 | 10,056,725 | 0 | 12,598,356 |
| 2025-2026 | 418,137,470 | 3,485,465 | 8,348,612 | 715,260 | 9,063,872 | 0 | 12,549,337 |
| 2026-2027 | 411,277,363 | 3,428,609 | 8,373,164 | 713,449 | 9,086,613 | 0 | 12,515,222 |
| 2027-2028 | 403,088,332 | 3,360,740 | 8,407,777 | 715,076 | 9,122,853 | 0 | 12,483,593 |
| 2028-2029 | 396,281,011 | 3,304,322 | 8,434,126 | 716,238 | 9,150,364 | 0 | 12,454,686 |
| 2029-2030 | 521,849,993 | 4,345,020 | 7,408,409 | 650,914 | 8,059,323 | 0 | 12,404,343 |
| 2030-2031 | 510,485,379 | 4,250,831 | 7,467,734 | 654,057 | 8,121,791 | 0 | 12,372,622 |
| 2031-2032 | 497,931,241 | 4,146,784 | 7,536,923 | 657,817 | 8,194,740 | 0 | 12,341,524 |
| 2032-2033 | 486,894,075 | 4,055,310 | 7,595,285 | 660,928 | 8,256,213 | 0 | 12,311,523 |
| 2033-2034 | 474,659,760 | 3,953,914 | 7,664,614 | 664,741 | 8,329,355 | 0 | 12,283,269 |
| 2034-2035 | 463,935,040 | 3,865,029 | 7,721,889 | 669,166 | 8,391,055 | 0 | 12,256,084 |
| 2035-2036 | 452,006,039 | 3,766,163 | 7,785,566 | 672,583 | 8,458,149 | 0 | 12,224,312 |
| 2036-2037 | 444,290,108 | 3,702,214 | 7,824,263 | 674,596 | 8,498,859 | 0 | 12,201,073 |
| 2037-2038 | 443,494,342 | 3,695,619 | 7,799,645 | 672,547 | 8,472,192 | 0 | 12,167,811 |
| 2038-2039 | 442,839,647 | 3,690,193 | 7,776,634 | 670,644 | 8,447,278 | 0 | 12,137,471 |
| 2039-2040 | 442,322,963 | 3,685,347 | 7,753,751 | 666,056 | 8,419,807 | 0 | 12,105,154 |

TABLE V – District Revenues *with* Yellow House Wind *with* Chapter 313 Agreement:

| Fiscal Year | Total Taxable Value | Total M&O Taxes | State Revenue | | Total State Revenue | Payment | | Total District Revenue |
|-------------|---------------------|-----------------|---------------|---------|---------------------|-------------------|---------------------|------------------------|
| | | | Tier I | Tier II | | Recapture Payment | for District Losses | |
| 2022-2023 | 274,895,360 | 2,495,493 | 9,376,269 | 791,685 | 10,167,954 | 0 | 0 | 12,663,447 |
| 2023-2024 | 277,444,313 | 2,518,447 | 9,322,288 | 787,910 | 10,110,198 | 0 | 0 | 12,628,645 |
| 2024-2025 | 280,018,756 | 2,541,631 | 9,272,272 | 784,453 | 10,056,725 | 0 | 0 | 12,598,356 |
| 2025-2026 | 307,618,944 | 2,614,723 | 9,181,029 | 768,411 | 9,949,440 | 0 | 1,225,174 | 13,789,337 |
| 2026-2027 | 310,245,133 | 2,636,874 | 9,130,540 | 764,806 | 9,895,346 | 0 | 0 | 12,532,220 |
| 2027-2028 | 312,897,585 | 2,659,247 | 9,078,490 | 761,081 | 9,839,571 | 0 | 0 | 12,498,818 |
| 2028-2029 | 315,576,561 | 2,681,844 | 9,028,955 | 757,559 | 9,786,514 | 0 | 0 | 12,468,358 |
| 2029-2030 | 451,987,025 | 3,832,447 | 7,896,511 | 686,680 | 8,583,191 | 0 | 0 | 12,415,638 |
| 2030-2031 | 450,108,707 | 3,816,604 | 7,880,634 | 685,152 | 8,565,786 | 0 | 0 | 12,382,390 |
| 2031-2032 | 448,396,052 | 3,802,158 | 7,863,815 | 683,574 | 8,547,389 | 0 | 0 | 12,349,547 |
| 2032-2033 | 446,845,183 | 3,789,077 | 7,846,928 | 682,015 | 8,528,943 | 0 | 0 | 12,318,020 |
| 2033-2034 | 445,452,349 | 3,777,328 | 7,830,199 | 680,492 | 8,510,691 | 0 | 0 | 12,288,019 |
| 2034-2035 | 444,213,926 | 3,766,882 | 7,812,178 | 678,889 | 8,491,067 | 0 | 0 | 12,257,949 |
| 2035-2036 | 452,006,039 | 3,832,608 | 7,717,765 | 672,583 | 8,390,348 | 0 | 0 | 12,222,956 |
| 2036-2037 | 444,290,108 | 3,767,525 | 7,757,619 | 674,596 | 8,432,215 | 0 | 0 | 12,199,740 |
| 2037-2038 | 443,494,342 | 3,760,813 | 7,733,120 | 672,547 | 8,405,667 | 0 | 0 | 12,166,480 |
| 2038-2039 | 442,839,647 | 3,755,290 | 7,710,208 | 670,644 | 8,380,852 | 0 | 0 | 12,136,142 |
| 2039-2040 | 442,322,963 | 3,750,932 | 7,687,403 | 668,770 | 8,356,173 | 0 | 0 | 12,107,105 |

Littlefield ISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 3 of the 86th Legislative Session and became effective for the 2019-2020 school year. The primary intent of the new legislation is to reduce maintenance & operations “M&O” tax rate and cooperatively reduce district’s recapture payments; thus, increasing the State’s share of school district funding. The maximum M&O tax rate prior to the Legislative Session was \$1.17 and that rate was reduced to a maximum rate of \$1.06835 for the 2019-2020 school year. The maximum tax rate is expected to continue to be compressed lower when statewide property values increase at a rate greater than 2.5% per year or also when a school district’s property values increase by more than 2.5%. However, a school district’s M&O tax rate can’t be reduced to a rate lower than 90% of the maximum allowable Tier I rate for the respective year.

Prior to the 86th Legislative Session and the passage of House Bill 3, school finance law required the use of a district’s prior year property values for the calculation of property wealth. House Bill 3 changed school finance law and now requires a district’s current year property values for the property wealth calculation; however, it also contains language for the calculation of revenue protection payments for Chapter 313 Agreements using prior year values in Section 48.256(d) as follows:

(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.

Littlefield ISD Financial Impact of Chapter 313 Agreement

Supplemental Payments

Assuming that the District and Yellow House Wind mutually agree in the LAVA that the greater of \$100 per student in average daily attendance (ADA) or \$50,000, the projected amount of these payments over the life of the agreement is \$1,610,000 of the \$4.75 million net tax savings amount. This amount will be computed annually according to Section VI of the Agreement.

TABLE VI - Calculation of the Supplemental Payments:

| Fiscal Year | Net Tax Savings | Littlefield ISD Supplemental | Yellow House Wind Share |
|------------------|------------------|---------------------------------|----------------------------|
| 2022-2023 | 0 | 0 | 0 |
| 2023-2024 | 0 | 0 | 0 |
| 2024-2025 | 0 | 115,000 | (115,000) |
| 2025-2026 | (209,619) | 115,000 | (324,619) |
| 2026-2027 | 928,385 | 115,000 | 813,385 |
| 2027-2028 | 828,763 | 115,000 | 713,763 |
| 2028-2029 | 741,593 | 115,000 | 626,593 |
| 2029-2030 | 641,971 | 115,000 | 526,971 |
| 2030-2031 | 554,801 | 115,000 | 439,801 |
| 2031-2032 | 454,275 | 115,000 | 339,275 |
| 2032-2033 | 365,593 | 115,000 | 250,593 |
| 2033-2034 | 265,401 | 115,000 | 150,401 |
| 2034-2035 | 178,379 | 115,000 | 63,379 |
| 2035-2036 | 0 | 115,000 | (115,000) |
| 2036-2037 | 0 | 115,000 | (115,000) |
| 2037-2038 | 0 | 115,000 | (115,000) |
| 2038-2039 | 0 | 0 | 0 |
| 2039-2040 | 0 | 0 | 0 |
| Totals | 4,749,543 | 1,610,000 | 3,139,543 |

Littlefield ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

| Campus Name | Grade Level | # of Regular Classrooms | Building Capacity | Current Enrollment | Enrollment Growth Available |
|-------------------------|-------------|-------------------------|-------------------|--------------------|-----------------------------|
| Littlefield Primary | EE-2 | 23 | 506 | 311 | 195 |
| Littlefield Elementary | 3-5 | 18 | 396 | 279 | 117 |
| Littlefield Junior High | 6-8 | 18 | 396 | 291 | 105 |
| Littlefield High | 9-12 | 26 | 572 | 354 | 218 |
| Total | | 85 | 1,870 | 1,235 | 635 |

The building capacities are based on 22 students per classroom for early education through 12th grade. Littlefield ISD is an early-education through 12th grade district.

Yellow House Wind provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that one new employee. It is not known whether this would be a new employee to the Littlefield ISD, or if current resident would occupy this position; however, it is assumed that this employee would be a new resident to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new one position equates to 1 new student.

This projected student growth can be accommodated with the current facilities of Littlefield ISD as displayed in Table VII above.

Littlefield ISD Financial Impact of Chapter 313 Agreement

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Yellow House Wind, LLC, would be beneficial to both Yellow House Wind and Littlefield ISD under the current school finance system.

Yellow House Wind would benefit from reduced property taxes during the ten years of the Value Limitation Period. Although some of the tax savings would be used to offset district's revenue losses and supplemental payments to the District, Yellow House Wind is projected to benefit from a 72% tax savings during that ten year period of this Agreement. Yellow House Wind also has the option of terminating the Agreement if the amount paid to the District during a tax year following the first year of the Limitation Period is greater than the amount of taxes that would have been paid without the Agreement; therefore, there is limited risk for the company from entering into the Agreement.

Littlefield ISD would have no inherent risk under the current school finance system and with the provisions in the LAVA that require Yellow House I to offset any district losses caused by the LAVA. An annual calculation will be performed each year to determine if a loss to the District has been incurred. The revenue impact to the District will be computed by comparing the District's revenues with and without the LAVA in effect.



MCDOWELL
School Finance
CONSULTING

Estimated Financial Impact of Chapter 313 Agreement with Yellow House Wind, LLC
As Submitted in Chapter 313 Application

| | Year of Agreement | School Year | Tax Year | Project's M&O Taxable Value w/o 313 Agreement | Project's M&O Taxable Value with 313 Agreement | Estimated M&O Tax Rate | Yellow House Wind M&O Tax Savings | Littlefield ISD Estimated Revenue Protection Payments | Estimated Net Tax Benefit under 313 Agreement | Estimated Supplemental Payments \$100/ADA | Estimated Net Savings to Company under 313 Agreement |
|---------------------------------|-------------------|-------------|----------|---|--|------------------------|-----------------------------------|---|---|---|--|
| Qualifying Time Period | 0 | 2024-2025 | 2024 | \$0 | \$0 | 0.9189 | \$0 | \$0 | \$0 | \$115,000 | (\$115,000) |
| | 1 | 2025-2026 | 2025 | \$135,518,526 | \$25,000,000 | 0.9189 | \$1,015,555 | \$1,225,174 | (\$209,619) | \$115,000 | (\$324,619) |
| Value Limitation Period | 2 | 2026-2027 | 2026 | \$126,032,229 | \$25,000,000 | 0.9189 | \$928,385 | \$0 | \$928,385 | \$115,000 | \$813,385 |
| | 3 | 2027-2028 | 2027 | \$115,190,747 | \$25,000,000 | 0.9189 | \$828,763 | \$0 | \$828,763 | \$115,000 | \$713,763 |
| | 4 | 2028-2029 | 2028 | \$105,704,450 | \$25,000,000 | 0.9189 | \$741,593 | \$0 | \$741,593 | \$115,000 | \$626,593 |
| | 5 | 2029-2030 | 2029 | \$94,862,968 | \$25,000,000 | 0.9189 | \$641,971 | \$0 | \$641,971 | \$115,000 | \$526,971 |
| | 6 | 2030-2031 | 2030 | \$85,376,671 | \$25,000,000 | 0.9189 | \$554,801 | \$0 | \$554,801 | \$115,000 | \$439,801 |
| | 7 | 2031-2032 | 2031 | \$74,535,189 | \$25,000,000 | 0.9171 | \$454,275 | \$0 | \$454,275 | \$115,000 | \$339,275 |
| | 8 | 2032-2033 | 2032 | \$65,048,892 | \$25,000,000 | 0.9129 | \$365,593 | \$0 | \$365,593 | \$115,000 | \$250,593 |
| | 9 | 2033-2034 | 2033 | \$54,207,410 | \$25,000,000 | 0.9087 | \$265,401 | \$0 | \$265,401 | \$115,000 | \$150,401 |
| | 10 | 2034-2035 | 2034 | \$44,721,114 | \$25,000,000 | 0.9045 | \$178,379 | \$0 | \$178,379 | \$115,000 | \$63,379 |
| Maintain Viable Presence Period | 11 | 2035-2036 | 2035 | \$33,879,632 | \$33,879,632 | 0.9004 | \$0 | \$0 | \$0 | \$115,000 | (\$115,000) |
| | 12 | 2036-2037 | 2036 | \$27,103,705 | \$27,103,705 | 0.8962 | \$0 | \$0 | \$0 | \$115,000 | (\$115,000) |
| | 13 | 2037-2038 | 2037 | \$27,103,705 | \$27,103,705 | 0.8921 | \$0 | \$0 | \$0 | \$115,000 | (\$115,000) |
| | 14 | 2038-2039 | 2038 | \$27,103,705 | \$27,103,705 | 0.8880 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 15 | 2039-2040 | 2039 | \$27,103,705 | \$27,103,705 | 0.8840 | \$0 | \$0 | \$0 | \$0 | \$0 |

Totals \$5,974,717 \$1,225,174 \$4,749,543 \$1,610,000 \$3,139,543



IMPORTANT: You must provide a copy of this letter to the law firm working on the value limitation agreement. Please keep this letter with your district's records.

December 16, 2021

Lance Broadhurst, President
Board of Trustees
Littlefield Independent School District
1207 E 14th St
Littlefield, TX 79339-4207

Dear President Broadhurst:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Yellow House Wind, LLC project #1660 on the number and size of school facilities in Littlefield Independent School District (LISD). Based on an examination of LISD enrollment and the number of potential new jobs, the TEA has determined that the Yellow House Wind, LLC project should not have a significant impact on the number or size of school facilities in LISD.

Please feel free to contact me by phone at (512) 463-8732 or by email at amy.copeland@tea.texas.gov if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Amy Copeland". The signature is written in a cursive, flowing style.

Amy Copeland
Director of State Funding

Cc: Mike Read, Superintendent



Taxes

Property Tax Assistance

2020 ISD Summary Worksheet

140-Lamb /Lamb County

140-904/Littlefield ISD

| Category | Local Tax Roll Value | 2020 WTD Mean Ratio | 2020 PTAD Value Estimate | 2020 Value Assessed |
|---|-----------------------------|----------------------------|---------------------------------|----------------------------|
| A - SINGLE-FAMILY | 113,841,889 | 0.8336 | 136,566,565 | 136,566,565 |
| B - MULTIFAMILY | 3,131,740 | N/A | 3,131,740 | 3,131,740 |
| C1 - VACANT LOTS | 1,146,500 | N/A | 1,146,500 | 1,146,500 |
| C2 - COLONIAL LOTS | 0 | N/A | 0 | 0 |
| D1 ACRES - QUALIFIED OPEN-SPACE LAND | 28,928,008 | 1.1985 | 24,137,035 | 24,137,035 |
| D2 - FARM & RANCH IMP | 1,467,030 | N/A | 1,467,030 | 1,467,030 |
| E - NON-AG LAND AND IMPROVEMENTS | 17,175,265 | 0.6998 | 24,543,105 | 24,543,105 |
| F1 - COMMERCIAL REAL | 23,424,166 | 0.9422 | 24,861,140 | 24,861,140 |
| F2 - INDUSTRIAL REAL | 197,932,750 | N/A | 197,932,750 | 197,932,750 |
| G - ALL MINERALS | 2,222,430 | N/A | 2,222,430 | 2,222,430 |
| J - ALL UTILITIES | 34,409,401 | 0.9489 | 36,262,410 | 36,262,410 |

| | | | | |
|---|-------------|--------|-------------|-------------|
| L1 - COMMERCIAL PERSONAL | 14,444,830 | 0.9975 | 14,481,033 | 14,481,033 |
| L2 - INDUSTRIAL PERSONAL | 10,910,600 | N/A | 10,910,600 | 10,910,600 |
| M1 - MOBILE HOMES | 1,145,960 | N/A | 1,145,960 | 1,145,960 |
| N - INTANGIBLE PERSONAL PROPERTY | 0 | N/A | 0 | 0 |
| O - RESIDENTIAL INVENTORY | 22,320 | N/A | 22,320 | 22,320 |
| S - SPECIAL INVENTORY | 2,212,940 | N/A | 2,212,940 | 2,212,940 |
| Subtotal | 452,415,829 | 0 | 481,043,558 | 481,043,558 |
| Less Total Deductions | 214,080,426 | 0 | 220,892,561 | 220,892,561 |
| Total Taxable Value | 238,335,403 | 0 | 260,150,997 | 260,150,997 |

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 |
|-------------|-------------|-------------|-------------|
| 268,682,310 | 260,150,997 | 268,682,310 | 260,150,997 |

| | |
|--|---|
| Loss To the Additional \$10,000 Homestead Exemption | 50% of the loss to the Local Optional Percentage Homestead Exemption |
| 8,531,313 | 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 |
|-------------|-------------|-------------|-------------|
| 422,218,520 | 413,687,207 | 422,218,520 | 413,687,207 |

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 TAXABLE VALUE TO BE INVALID, AND STATE VALUE WAS CERTIFIED BECAUSE YOUR LOCAL VALUE DID NOT EXCEED THE STATE VALUE AND: 1) WAS INVALID IN ONE OR MORE OF THE PREVIOUS TWO YEARS OR 2) IS LESS THAN 90% OF THE LOWER END OF THE MARGIN OF ERROR RANGE OR 3) THE APPRAISAL DISTRICT THAT APPRAISES

PROPERTY FOR THE SCHOOL DISTRICT WAS NOT IN COMPLIANCE WITH THE SCORING REQUIREMENT OF THE COMPTROLLER'S MOST RECENT REVIEW OF THE APPRAISAL DISTRICT CONDUCTED UNDER SECTION 5.102, TAX CODE (MAP REVIEW)

140-904-02/Littlefield ISD

| Category | Local Tax Roll Value | 2020 WTD Median Ratio | 2020 PTAD Value Estimate | 2020 Value Assigned |
|---|-----------------------------|------------------------------|---------------------------------|----------------------------|
| A - SINGLE-FAMILY | 113,841,889 | 0.8336 | 136,566,565 | 136,566,565 |
| B - MULTIFAMILY | 3,131,740 | N/A | 3,131,740 | 3,131,740 |
| C1 - VACANT LOTS | 1,146,500 | N/A | 1,146,500 | 1,146,500 |
| C2 - COLONIAL LOTS | 0 | N/A | 0 | 0 |
| D1 ACRES - QUALIFIED OPEN-SPACE LAND | 28,928,008 | 1.1985 | 24,137,035 | 24,137,035 |
| D2 - FARM & RANCH IMP | 1,467,030 | N/A | 1,467,030 | 1,467,030 |
| E - NON-AG LAND AND IMPROVEMENTS | 17,175,265 | 0.6998 | 24,543,105 | 24,543,105 |
| F1 - COMMERCIAL REAL | 23,424,166 | 0.9422 | 24,861,140 | 24,861,140 |
| F2 - INDUSTRIAL REAL | 197,932,750 | N/A | 197,932,750 | 197,932,750 |
| G - ALL MINERALS | 2,222,430 | N/A | 2,222,430 | 2,222,430 |
| J - ALL UTILITIES | 34,409,401 | 0.9489 | 36,262,410 | 36,262,410 |
| L1 - COMMERCIAL PERSONAL | 14,444,830 | 0.9975 | 14,481,033 | 14,481,033 |
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| | | | | |
|---|-------------|-----|-------------|-------------|
| M1 - MOBILE HOMES | 1,145,960 | N/A | 1,145,960 | 1,145,960 |
| N - INTANGIBLE PERSONAL PROPERTY | 0 | N/A | 0 | 0 |
| O - RESIDENTIAL INVENTORY | 22,320 | N/A | 22,320 | 22,320 |
| S - SPECIAL INVENTORY | 2,212,940 | N/A | 2,212,940 | 2,212,940 |
| Subtotal | 452,415,829 | | 481,043,558 | 481,043,558 |
| Less Total Deductions | 214,080,426 | | 220,892,561 | 220,892,561 |
| Total Taxable Value | 238,335,403 | | 260,150,997 | 260,150,997 |

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| T1 | T2 | T3 | T4 |
|-------------|-------------|-------------|-------------|
| 268,682,310 | 260,150,997 | 268,682,310 | 260,150,997 |

| | |
|--|--|
| Loss To the Additional \$10,000 Homestead Exemption | 50 % of the loss to the Local Optional Percentage Homestead Exemption |
| 8,531,313 | 0 |

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

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Value Taxable For I & S Purposes

| T7 | T8 | T9 | T10 |
|-------------|-------------|-------------|-------------|
| 422,218,520 | 413,687,207 | 422,218,520 | 413,687,207 |

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

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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

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

by and between

LITTLEFIELD INDEPENDENT SCHOOL DISTRICT

and

YELLOW HOUSE WIND, LLC

(Texas Taxpayer ID #32081402466)

Comptroller Application #1660

Dated

April 21, 2022

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

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

STATE OF TEXAS

§

COUNTY OF LAMB

§

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 **LITTLEFIELD 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 **YELLOW HOUSE WIND, LLC**, Texas Taxpayer Identification Number 32081402466 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 October 19, 2021, the Superintendent of Schools of the Littlefield 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 October 19, 2021, 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 CCGB (LOCAL), and agreed to consider the Application;

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

WHEREAS, the District and the Texas Comptroller’s Office have determined that the Application is complete and December 14, 2021 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 Lamb County Appraisal District established in Lamb County, Texas (the “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 January 24, 2022, 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 April 21, 2022, 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 April 21, 2022, 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 April 21, 2022, 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 April 8, 2022, 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 April 21, 2022, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I **DEFINITIONS**

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS 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 **YELLOW HOUSE WIND, LLC**, (Texas Taxpayer ID # 32081402466), 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 October 19, 2021. 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 Lamb County Appraisal District.

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

“Commercial Operation” means, solely for purposes of this Agreement, the date on which a material portion of Qualified Property has been installed or constructed on the Land and is capable of generating electricity.

“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 Lamb County, Texas.

“District” or “School District” means the Littlefield 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, pandemics, 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 this Agreement, the conflict shall be resolved by reference to Section 10.9.C.

“Additional Loss” shall have the same meaning as assigned to such term in Section 4.4 of this Agreement.

“Applicable School Finance Law” means Chapters 48 and 49 of the TEXAS EDUCATION CODE, and other applicable provisions 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 the District; and, the Constitution and general laws of the State applicable to the school districts of the State, including specifically, the applicable rules, regulations, and interpretations 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 also includes any amendments or successor statutes that may be adopted in the future which impact or alter the calculation of the Applicant's ad valorem tax obligation or the M&O Amount in Section 4.2 of this Agreement to the District, either with or without the limitation of property values made pursuant to this Agreement.

“Consultant” shall have the same meaning as assigned to such term in Section 4.5 of this Agreement.

“M&O Amount” means the revenue protection payment required as part of this Agreement as set out in TEXAS EDUCATION CODE Section 48.256(d) and shall have the meaning assigned to such term in Section 4.2 of this Agreement.

“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, or other lawful authority, and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under the applicable provisions of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable, less (iii) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 49 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable.

“New M&O Revenue” shall have the same meaning as assigned to such term in Section 4.2.A.ii of this Agreement.

“*Original M&O Revenue*” shall have the same meaning as assigned to such term in Section 4.2.A.i of this Agreement.

“*Project*” means an approximately 498 MW wind electric generation facility, 125 MW of which will be located in eastern Lamb County, described in this Agreement and constituting the Qualified Investment and Qualified Property.

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

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

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

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is December 14, 2021, 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 April 21, 2022.

C. The Qualifying Time Period for this Agreement:

- i. Starts on January 1, 2024, a date not later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by §313.027(h) of the TEXAS TAX CODE; and
- ii. Ends on December 31, 2025, 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, 2025, the first complete Tax Year that begins after the date of the commencement of Commercial Operation; and,
- ii. Ends on December 31, 2034.

E. The Final Termination Date for this Agreement is December 31, 2039.

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

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

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

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 \$20,000,000 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 \$870.00 for all New Non-Qualifying Jobs created by the Applicant.

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

- A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. provide payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project, as more fully specified in Article V;
- C. provide such Supplemental Payments as more fully specified in Article VI;

D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and

E. no additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III **QUALIFIED PROPERTY**

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

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

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

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

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

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject to the limitations contained in this Agreement (including Section 6.5), it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE and Section 48.256(d) of the TEXAS EDUCATION CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue resulting substantially because or on account of entering into this Agreement and application of the Tax Limitation set out in Section 2.4 to Applicant's Qualified Property. Payments for such loss shall be independent of, and in addition to, such other payments as set forth in Articles V and VI in this Agreement. Subject to the limitations contained in this Agreement, IT IS THE INTENT OF THE PARTIES THAT THE RISK OF ANY NEGATIVE FINANCIAL CONSEQUENCES TO DISTRICT IN MAKING THE DECISION TO ENTER INTO THIS AGREEMENT WILL BE BORNE SOLELY BY APPLICANT AND NOT BY DISTRICT. Applicant recognizes and acknowledges the calculations relating to the District's loss of Maintenance and Operations Revenue under this Agreement will be affected by changes to the timing of construction of the Project and any change to the Qualified Property. As such, Applicant acknowledges that it will bear any and all losses of Maintenance and Operations Revenue suffered by the District as a result of this Agreement, including without limitation any increase in the M&O Amount calculated under Section 4.2 to be paid to the District for losses in Maintenance and Operations Revenue resulting from any change in the timing of construction and/or any change to the Qualified Property.

The Parties expressly understand and agree that, for all Tax Years to which the Tax Limitation amount set out in Section 2.4 is applied to Applicant's Qualified Property that is the subject of this Agreement, the calculation of negative financial consequences will be defined for each applicable Tax Year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may periodically change in accordance with changes in Applicable School Finance Law. The Parties further agree that 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; (ii) based upon current Applicable School Finance Law which is subject to change by statute, by administrative regulation (or interpretation thereof), or by judicial decision at any time; and (iii) may change in future years to reflect changes in Applicable School Finance Law.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject to the provisions of Section 6.5, 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 Approval Date and ending on the Final Termination Date (as set out in EXHIBIT 5), the "M&O Amount" shall be determined in compliance with Applicable School Finance Law in effect for such year and according to the following formula:

A. The M&O Amount owed by Applicant to District (also known as the revenue protection payment as set out in TEXAS EDUCATION CODE Section 48.256(d)) means the Original M&O Revenue *minus* the New M&O Revenue; based on the following definitions:

- i. “Original M&O Revenue” means the total State and local Maintenance and Operations Revenue that the District would have received for such school year, calculated in accordance with TEXAS EDUCATION CODE Section 48.256(d), had this Agreement not been entered into by the Parties and the Applicant’s Qualified Property had been subject to the District’s ad valorem maintenance and operations tax without any limitation on value at the rate applicable for such Tax Year. For purposes of this calculation, the Consultant (as defined in Section 4.5) will base its calculations upon (1) the total Taxable Values for each applicable Tax Year as certified by the Appraisal District for all taxable accounts in the District for the District’s maintenance and operations ad valorem tax purposes, save and except for the Applicant’s Qualified Property subject to this Agreement, plus (2) the total Taxable Values for such applicable Tax Year as certified by the Appraisal District for the Applicant’s Qualified Property subject to this Agreement for the District’s debt service (interest and sinking fund) ad valorem tax purposes (which total Taxable Values for the Applicant’s Qualified Property subject to this Agreement shall be used in lieu of the total Taxable Values for such applicable Tax Year as certified by the Appraisal District for the Applicant’s Qualified Property subject to this Agreement for the District’s maintenance and operations ad valorem tax purposes).
- ii. “New M&O Revenue” means the total State and local Maintenance and Operations Revenue that the District would have received for such school year, calculated in accordance with TEXAS EDUCATION CODE Section 48.256(d), with the Limitation Amount specified in Section 2.4 applied to Applicant’s Qualified Property.

B. In making the calculations for the M&O Amount required by this Section 4.2 of this Agreement:

- i. The Taxable Value of property for each school year will be determined under Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant’s Qualified Property will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 4.2 results in a negative number, the negative number will be considered to be zero.
- iv. For all calculations made for any year during the Tax Limitation Period under this Section 4.2, the New M&O Revenue will reflect the Tax Limitation Amount stated in Section 2.4 for such year.
- v. As applicable, the methodology for the calculations made under this Section 4.2 shall include the limited values as set forth in other existing limitation agreements, if any.

Section 4.3. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 6.5 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, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State or another school district, pursuant to Chapter 49 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable, because of the District's participation in this Agreement, Applicant shall make payments to District up to the M&O Amount set forth in this Agreement that are necessary to offset any negative impact on the District as a result of its participation in this Agreement.

Section 4.4. COMPENSATION FOR LOSS OF OTHER REVENUES. To the extent not included in the amounts calculated pursuant to Section 4.2 above, Applicant shall also pay to or on behalf of the District on an annual basis all M&O Revenue losses, and other costs as they are incurred by the District that arise from entering this Agreement (the "Additional Loss"), including but not limited to: (a) any loss incurred by the District resulting from a judicial challenge to this Agreement; (b) any reasonable attorneys' fees or other costs incurred by the District due to any amendment, audit, legal defense, or enforcement of this Agreement brought by or against either Party or person or entity, irrespective of whether or not this Agreement or any interpretation thereof by the District is ultimately determined to be valid; and (c) any non-reimbursed reasonable costs or fees incurred by the District and related to this Agreement, either directly or indirectly, including costs paid to the Appraisal District based on the values of the Qualified Property used for the District's debt service (interest and sinking fund) that exceeds the Tax Limitation Amount provided in Section 2.4 herein. Notwithstanding anything to the contrary in Section 4.8, payment for such Additional Loss shall be made by Applicant no later than 30 days following notice that such Additional Loss is due and owing. To the extent not protected by the attorney-client or other privilege, the District's notice of an Additional Loss shall include commercially reasonable evidence of the amount of the Additional Loss and an explanation, with evidence, of the manner in which each amount claimed as an Additional Loss falls within the definition of "Additional Loss."

Section 4.5. THIRD PARTY CALCULATIONS. All calculations made pursuant to this Agreement shall be verified annually by one or more independent third parties ("Consultant") selected by the District. Applicant will be solely responsible for the payment of Consultant's fees up to Six Thousand Dollars (\$6,000.00) for each year before and after the Tax Limitation Period and (ii) Twelve Thousand Dollars (\$12,000.00) for each year during the Limitation Period. All calculations shall initially be based upon good-faith estimates using all available information and shall be adjusted to reflect "near final" or "actual" data for the applicable year as the data becomes available.

Section 4.6. DATA FOR CALCULATIONS. The initial calculations for any payments owing under this Agreement shall be based upon the valuations placed upon the Qualified Property by the Appraisal District in its annual certified appraisal roll submitted to the District pursuant to § 26.01 of the TEXAS TAX CODE in or about July of each year of this Agreement. The certified appraisal

roll data shall form the basis from which any and all amounts due under this Agreement are calculated, and the data utilized by the Consultant will be adjusted as necessary to reflect any subsequent adjustments by the Appraisal District to the District's appraisal roll. Any estimates used by the Consultant to make calculations as required by this Agreement shall be based on the best and most current information available. The Consultant shall from time to time adjust the data utilized to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified appraisal roll, or any other relevant changes to material items such as student counts or tax collections.

Section 4.7. DELIVERY OF CALCULATIONS.

A. All calculations required under Articles IV, V, or VI shall be made by the Consultant on or before December 1 of each year for which this Agreement is effective. The Consultant shall forward such calculations to the Parties in sufficient detail to allow the Parties to understand the manner in which the calculations were made and shall respond within thirty (30) days to a request by a Party for additional detail or clarification regarding the manner in which the calculations were made. The Consultant shall maintain supporting data consistent with generally accepted accounting practices. The Consultant shall preserve all documents and data related to all calculations required under this Agreement for a period of three (3) years. Employees and agents of the Parties shall have reasonable access to the Consultant's offices, personnel, books, and records pertaining to all calculations and fees.

B. In the event the District receives an invoice from its Consultant, attorney or for other costs in accordance with Section 4.4 for services rendered, the District shall forward to Applicant such invoice, which Applicant shall pay within thirty (30) days of receipt (but subject to the limitation in Section 4.5 where applicable).

Section 4.8. PAYMENT BY APPLICANT. On or before the January 31 next following the tax levy for each year for which this Agreement is effective, and subject to the limitations contained in Section 6.5, the Applicant shall pay all amounts determined to be due and owing to the District, all amounts billed by the Consultant pursuant to Section 4.5, and any unpaid amount due and owing under Section 4.4. Payment for (i) all amounts due and owing not made on or before the January 31 due date or (ii) any amount invoiced by or on behalf of the District and not paid within 30 days, shall be considered delinquent. For delinquent payments, the Applicant shall be subject to penalty and interest in accordance with Chapter 33 of the TEXAS TAX CODE. 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 4.9. CHALLENGING CALCULATION RESULTS. The Applicant may appeal the Consultant's results, in writing, within thirty (30) days of receipt of such results. The Consultant will issue a final determination of the calculations within fifteen (15) District business days of receiving Applicant's appeal. The Applicant may appeal the final determination of the Consultant to the District within fifteen (15) District business days of its receipt, pursuant to District Policy

GF (LOCAL). Applicant shall timely make all payments as required by this Agreement. Applicant's obligation under Section 4.8 to make payments to District pursuant to the Consultant's final determination shall not abate during an appeal of Consultant's final determination under this Section 4.9; provided, the District shall within thirty (30) days reimburse to Applicant the amount of any overpayment established by a final determination.

Section 4.10. EFFECT OF PROPERTY VALUE APPEAL OR ADJUSTMENT. In the event that the Taxable Value of the Qualified Property is changed after an appeal of its valuation, or the Taxable Value is otherwise altered for any reason, the calculations required under Article IV of this Agreement shall be recalculated by the Consultant at Applicant's sole expense using the revised property values. The Consultant shall transmit the revised calculations to the Parties and any Party owing funds to the other Party shall pay such funds within thirty (30) days after receipt of the new calculations.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Article IV or Article VI of this Agreement, 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 proposed by the Applicant that are not directly funded in state aid formulas, including, without limitation, expenses for the purchase or lease of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the Project.

Section 5.2. PAYMENTS. Payments of amounts due under this Article shall be made as set forth in Section 4.8 above.

ARTICLE VI

SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS. Applicant shall make annual Supplemental Payments in an amount equal to, but not to exceed, the limit of the annual Supplemental Payment as set out in Section 6.2 below, starting with the first complete or partial year of the Qualifying Time Period, and accruing on January 1 for each year thereafter, and continuing through the third year following the end of the Tax Limitation Period.

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 48.005 of the

TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Applicant.

B. Supplemental Payments may only be made during the period starting with 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 48.005 of the TEXAS EDUCATION CODE, based upon the District's 2020-21 Average Daily Attendance of 1,150, rounded to the whole number.

Section 6.3. INTENTIONALLY DELETED.

Section 6.4. PAYMENT BY APPLICANT. Payment of amounts due under this Article shall be made as set forth in Section 4.8 of this Agreement and is subject to the limitations contained in Section 6.5.

Section 6.5. ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning with the second Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then such excess amount of payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be deferred and carried forward from year to year until paid in full.

Section 6.6. OPTION TO TERMINATE AGREEMENT. In the event any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to a deferral in accordance with the provisions of Section 6.5, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year with respect to which a deferral under Section 6.5

is applicable. Any termination of this Agreement under the foregoing provisions of this Section 6.6 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the deferral giving rise to the option occurred.

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate, pursuant to Section 6.5 regarding the annual limitation of payments and Section 6.6 regarding the option to terminate, this Agreement shall terminate and be of no further force or effect; provided, however, that:

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

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

ARTICLE VIII
ADDITIONAL OBLIGATIONS OF APPLICANT

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

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

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

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

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

A. All inspections will be made at a mutually agreeable time after the giving of not less than ninety-six (96) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

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

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

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

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

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

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

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

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

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

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

C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is

subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

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

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

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;

- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and,

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

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

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

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee’s Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have thirty (30) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within thirty (30) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Lamb 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 Lamb County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the thirty (30) days provided for such payment in Section 9.3.A, and if the Applicant

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

Section 9.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Sections 6.6 and 7.1 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

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

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

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

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance

with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

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

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$20,000,000 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:

To the District:

Littlefield Independent School District
Attn: Mike Read, Superintendent
(or the successor Superintendent)
1207 East 14th Street
Littlefield, Texas 79339
Phone #: (806) 385-4150
Fax #: (806) 385-4195
Email: mread@lfdisd.org

With a copy to:

Underwood Law Firm, P.C.
Attn: Fred Stormer
500 S. Taylor, LB 233, Suite 1200
Amarillo, Texas 79101
Phone #: (806) 379-0306
Fax #: (806) 379-0316
Email: fred.stormer@uwlaw.com

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

To Applicant:

Yellow House Wind, LLC
Attn: Anthony Pedroni, VP of Development
700 Universe Blvd.
Juno Beach, Florida 33408
Phone #: (561) 691-7171
Email: anthony.pedroni@nexteraenergy.com

With a Copy To:

Yellow House Wind, LLC
Attn: Ian Evans, Project Manager
700 Universe Blvd.
Juno Beach, Florida 33408
Phone #: (561) 353-3216
Email: ian.evans@nee.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.

F. The Applicant shall amend the Application and this Agreement to identify the changes in the information that was provided in the Application and was approved by the District and as considered by the Comptroller no earlier than 180 days and no later than 90 days prior to the start of the Qualifying Time Period as identified in Section 2.3.C.i of this Agreement.

- i. The Applicant shall comply with written requests from the District or the Comptroller to provide additional information necessary to prepare a Comptroller certificate for a limitation for the conditions prior to the start of the Qualifying Time Period; and
- ii. If the Comptroller provides its certificate for a limitation with conditions different from the existing agreement, the District shall hold a meeting and determine whether to amend this Agreement to include the conditions required by the Comptroller or terminate this Agreement; or
- iii. If the Comptroller withdraws its certificate for a limitation based on the revised Application, the District shall terminate this Agreement.

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement

for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

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

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

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

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

[signatures follow on next page]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this ___ day of _____, 2022.

YELLOW HOUSE WIND, LLC

LITTLEFIELD INDEPENDENT SCHOOL DISTRICT

BY: _____

NAME: _____

TITLE: _____

BY: _____

NAME: _____

TITLE: _____

ATTEST:

BY: _____

NAME: _____

TITLE: _____

DRIFT

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

Littlefield Independent School District created the Yellow House Wind Reinvestment Zone, by Resolution dated February 17, 2022, which is more particularly described and depicted as follows:

A4800 T A THOMSON BLK T, TRACT NW/4 SECTION 1
A4800 T A THOMSON BLK T, TRACT SW/4 SECTION 1
A5400 ELLWOOD SUBD, BLOCK SECTION 179, ACRES
A5400 ELLWOOD SUBD, BLOCK SECTION 177, ACRES
A4800 T A THOMSON BLK T, TRACT W/2 SECTION 37
A4800 T A THOMSON BLK T, TRACT E/2 OF NE/4 SE
A4800 T A THOMSON BLK T, TRACT NW/4 SECTION 3
A4800 T A THOMSON BLK T, TRACT N/2 SECTION 35
A4800 T A THOMSON BLK T, TRACT OUT OF SW/COR
A4800 T A THOMSON BLK T, TRACT S/2 SECTION 25
A4800 T A THOMSON BLK T, TRACT OUT OF SW/4 SE
A4800 T A THOMSON BLK T, TRACT N/PT OF NE/4 S
FIELDTON, BLOCK 13, LOT 1
A2000 A TAYLOR, LEAGUE 637, LABOR 19, ACRES 1
A2000 A TAYLOR, LEAGUE 637, LABOR 18, ACRES 1
A2000 A TAYLOR, LEAGUE 652, TRACT OUT OF LABO
A2000 A TAYLOR, LEAGUE 652, TRACTS 9-10 & N/2
A2000 A TAYLOR, LEAGUE 652, TRACTS 7-8 OUT OF
A2000 A TAYLOR, LEAGUE 652, TRACTS 5-6 OUT OF
A2000 A TAYLOR, LEAGUE 652, TRACTS 2-4 OUT OF
A2000 A TAYLOR, LEAGUE 652, TRACT #1 OUT OF N
A2000 A TAYLOR, LEAGUE 652, LABOR 10 LESS THE
A2000 A TAYLOR, LEAGUE 652, SE/CORNER LABOR 1
A2000 A TAYLOR, LEAGUE 652, TRACT OUT OF SE/C
A2000 A TAYLOR, LEAGUE 652, SE/COR LABOR 20,
A2000 A TAYLOR, LEAGUE 657, TRACT OUT OF LABO
A2000 A TAYLOR, LEAGUE 657, E/PT LABOR 8, ACR
A2000 A TAYLOR, LEAGUE 657, LABOR 10, ACRES 1
A2000 A TAYLOR, LEAGUE 657, LABOR 10, ACRES 1
A2000 A TAYLOR, LEAGUE 657, TRACT OUT OF N/2
A2000 A TAYLOR, TRACT LEAGUE 657, N/2 LABOR 1
A2000 A TAYLOR, LEAGUE 657, S/2 LABOR 11, ACR
A2000 A TAYLOR, LEAGUE 657, TRACT OUT OF NE/C
A2000 A TAYLOR, LEAGUE 657, PT LABOR 13, ACRE
A2000 A TAYLOR, LEAGUE 657, PT LABOR 13, ACRE
A2000 A TAYLOR, LEAGUE 657, TRACT OUT OF LABO
FIELDTON, BLOCK 8, LOT 1-4
FIELDTON, BLOCK 13, S/29.05' OF E/77.49' LOT
A4800 T A THOMSON BLK T, TRACT NE/4 SECTION 1
A4800 T A THOMSON BLK T, TRACT NW/4 SECTION 3

Agreement for Limitation on Appraised Value
Between Littlefield ISD and Yellow House Wind, LLC
(App No. 1660), April 21, 2022
Exhibit 1

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

A4800 T A THOMSON BLK T, TRACT W/2 SECTION 26
A4800 T A THOMSON BLK T, TRACT NW/4 SECTION 2
A5400 ELLWOOD SUBD, TRACT 174, ACRES 92.2
A2000 A TAYLOR, LEAGUE 657, LABOR 4, ACRES 19
A2000 A TAYLOR, LEAGUE 652, LABOR 12, ACRES 1
A2000 A TAYLOR, LEAGUE 652, E/2 LABOR 1, ACRE
A2000 A TAYLOR, LEAGUE 642, S/PT LABOR 15, AC
A2000 A TAYLOR, LEAGUE 642, N/PT LABOR 6, ACR
A2000 A TAYLOR, LEAGUE 671, E/2 LABOR 3, ACRE
A2000 A TAYLOR, LEAGUE 671, LABOR 4, ACRES 19
A2000 A TAYLOR, LEAGUE 642, LABOR 16, ACRES 1
FIELDTON, BLOCK 12, LOT 5-6
FIELDTON, BLOCK 11, PT/LOT 13 & ALL LOTS 14-1
FIELDTON, BLOCK 12, LOT 1-4
FIELDTON, BLOCK 11, LOT 16-17
FIELDTON, BLOCK 11, E/90' LOTS 5-8
FIELDTON, BLOCK 11, W/50' LOTS 5-8
FIELDTON, BLOCK 11, LOT 18
FIELDTON, BLOCK 10, LOT 13
FIELDTON, BLOCK 9, LOT 1
FIELDTON, BLOCK 10, LOT 14-15
FIELDTON, BLOCK 9, LOT 2-3
FIELDTON, BLOCK 14, S/15' LOT 5 & ALL LOTS 6-
FIELDTON, BLOCK 14, LOTS 1-4 & N/10' LOT 5
FIELDTON, BLOCK 11, LOT 9-12, SE/CORNER LOT 1
FIELDTON, BLOCK 11, LOT 2-4
FIELDTON, BLOCK 11, LOT 1
FIELDTON, BLOCK 10, LOT 10-12
FIELDTON, BLOCK 10, LOT 5-9
FIELDTON, BLOCK 10, LOT 1-4
FIELDTON, BLOCK 7, LOT 9-16 & CLOSED STREET 6
FIELDTON, BLOCK 7, LOT 1-8
FIELDTON, BLOCK 3, LOT 1-18
FIELDTON, BLOCK 4, LOT 1-12
A2000 A TAYLOR, LEAGUE 642, LABOR 2, ACRES 177
A2000 A TAYLOR, LEAGUE 636, LABOR 21, ACRES 1
A2000 A TAYLOR, LEAGUE 637, TRACT OUT OF N/CO
A2000 A TAYLOR, LEAGUE 637, N/PT LABOR 24, AC
FIELDTON, BLOCK 11, LOT 9-12, SE/CORNER LOT 1
FIELDTON, BLOCK 4, LOT 1-12
A4800 T A THOMSON BLK T, TRACT SE/4 SECTION 2
A4800 T A THOMSON BLK T, SE/4 SECTION 14, ACR
A4800 T A THOMSON BLK T, TRACT OUT OF SE/4 SE
A4800 T A THOMSON BLK T, TRACT SE/4 SECTION 1
A4800 T A THOMSON BLK T, TRACT OUT OF SW/4 SE
A2000 A TAYLOR, LEAGUE 642, TRACT OUT OF SE/P
A2000 A TAYLOR, LEAGUE 642, LABOR 1, ACRES 17
A2000 A TAYLOR, LEAGUE 642, TRACT OUT OF LABO

A2000 A TAYLOR, LEAGUE 642, LABOR 4, ACRES 17
A4800 T A THOMSON BLK T, TR OUT OF S/PT OF SW
A4800 T A THOMSON BLK T, TRACT SE/4 SECTION 3
A4800 T A THOMSON BLK T, TRACT NE/4 SECTION 2
A4800 T A THOMSON BLK T, TRACT SE/COR OF SE/4
A2000 A TAYLOR, LEAGUE 652, E/2 LABOR 23, ACR
A2000 A TAYLOR, LEAGUE 652, W/2 LABOR 23, ACR
A2000 A TAYLOR, LEAGUE 652, LABOR 24, ACRES 2
A2000 A TAYLOR, LEAGUE 652, LABOR 18, ACRES 1
A2000 A TAYLOR, LEAGUE 652, LABOR 17, ACRES 1
A2000 A TAYLOR, LEAGUE 651, E/PT LABOR 20, AC
A2000 A TAYLOR, LEAGUE 651, W/PT LABOR 20, AC
A2000 A TAYLOR, LEAGUE 652, LABOR 13, ACRES 1
A2000 A TAYLOR, LEAGUE 652, LABOR 14, ACRES 1
A2000 A TAYLOR, LEAGUE 651, LABOR 11, ACRES 1
A2000 A TAYLOR, LEAGUE 652, LABOR 7-8, ACRES
A2000 A TAYLOR, LEAGUE 651, LABOR 10, ACRES 1
A2000 A TAYLOR, LEAGUE 652, W/2 LABOR 1, ACRE
A2000 A TAYLOR, LEAGUE 642, LABOR 23, ACRES 1
A2000 A TAYLOR, TRACT LEAGUE 642, LABOR 24, A
A2000 A TAYLOR, LEAGUE 642, E/PT OF E/100 AC
A2000 A TAYLOR, LEAGUE 642, W/PT OF E/100 AC
A2000 A TAYLOR, LEAGUE 657, PT/LABORS 7-8, AC
A2000 A TAYLOR, LEAGUE 642, LABOR 19 (LESS TH
A2000 A TAYLOR, LEAGUE 642, LABOR 18, ACRES 1
A2000 A TAYLOR, LEAGUE 642, LABOR 17, ACRES 1
A2000 A TAYLOR, LEAGUE 643, LABOR 20, ACRES 1
A2000 A TAYLOR, LEAGUE 642, LABOR 12, ACRES 1
A2000 A TAYLOR, LEAGUE 642, LABOR 13, ACRES 1
A2000 A TAYLOR, LEAGUE 642, LABOR 14, ACRES 1
A2000 A TAYLOR, LEAGUE 643, LABOR 11, ACRES 1
A2000 A TAYLOR, LEAGUE 642, LABOR 9, ACRES 17
A2000 A TAYLOR, LEAGUE 642, LABOR 8, ACRES 17
A2000 A TAYLOR, LEAGUE 642, LABOR 7, ACRES 17
A2000 A TAYLOR, LEAGUE 643, LABOR 10, ACRES 1
A2000 A TAYLOR, LEAGUE 642, LABOR 3, ACRES 17
A2000 A TAYLOR, LEAGUE 642, E/PT LABOR 19, AC
A2000 A TAYLOR, LEAGUE 652, S/2 TRACT 11 & AL
A2000 A TAYLOR, LEAGUE 652, LABOR 20, ACRES 1
A2000 A TAYLOR, LEAGUE 657, W/PT LABOR 7, ACR
A2000 A TAYLOR, LEAGUE 657, LABOR 21, ACRES 1
A2000 A TAYLOR, LEAGUE 657, LABOR 22, ACRES 1
A2000 A TAYLOR, LEAGUE 657, LABORS 23-24, ACR
A2000 A TAYLOR, LEAGUE 666, N/2 LABOR 20, ACR
A2000 A TAYLOR, LEAGUE 666, LABOR 17, ACRES 1
A2000 A TAYLOR, LEAGUE 666, LABOR 12, ACRES 1
A2000 A TAYLOR, LEAGUE 666, LABOR 13, ACRES 1
A2000 A TAYLOR, LEAGUE 666, LABOR 9, ACRES 17

A2000 A TAYLOR, LEAGUE 666, SW/COR OF E/2 LAB
A2000 A TAYLOR, LEAGUE 666, W/2 LABOR 8, ACRE
A2000 A TAYLOR, LEAGUE 666, E/PT LABOR 7, ACR
A2000 A TAYLOR, LEAGUE 666, W/PT LABOR 7, ACR
A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF SW/P
A2000 A TAYLOR, LEAGUE 643, LABOR 21, ACRES 1
A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF LABO
A2000 A TAYLOR, LEAGUE 666, W/2 LABOR 18, ACR
A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF SW/C
A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF LABO
A2000 A TAYLOR, LEAGUE 666, LABOR 21 (LESS 50
A2000 A TAYLOR, LEAGUE 657, LABOR 19, ACRES 1
A2000 A TAYLOR, LEAGUE 657, LABOR 18, ACRES 1
A2000 A TAYLOR, TRACT LEAGUE 657, E/2 LABOR 1
A2000 A TAYLOR, LEAGUE 657, W/2 LABOR 17, ACR
A2000 A TAYLOR, LEAGUE 657, LABOR 16, ACRES 1
A2000 A TAYLOR, LEAGUE 657, LABOR 12, ACRES 1
A2000 A TAYLOR, LEAGUE 687, LABOR 10, ACRES 1
A2000 A TAYLOR, LEAGUE 671, TRACT OUT OF E/2
A2000 A TAYLOR, LEAGUE 671, LABOR 7, ACRES 17
A2000 A TAYLOR, LEAGUE 671, TRACT OUT OF LABO
A2000 A TAYLOR, LEAGUE 671, TRACT OUT OF LABO
A2000 A TAYLOR, LEAGUE 671, LABOR 19, ACRES 1
A2000 A TAYLOR, LEAGUE 671, LABOR 12, ACRES 1
A2000 A TAYLOR, LEAGUE 671, LABOR 9, ACRES 17
A2000 A TAYLOR, LEAGUE 666, E/2 LABOR 22, ACR
A2000 A TAYLOR, LEAGUE 666, W/2 LABOR 22, ACR
A2000 A TAYLOR, LEAGUE 666, S/PT LABOR 20, AC
A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF LABO
A2000 A TAYLOR, LEAGUE 666, LABOR 11, ACRES 1
A2000 A TAYLOR, LEAGUE 671, LABOR 18, ACRES 1
A2000 A TAYLOR, LEAGUE 671, LABOR 17, ACRES 1
A2000 A TAYLOR, LEAGUE 671, LABOR 13, ACRES 1
A2000 A TAYLOR, LEAGUE 671, LABOR 14, ACRES 1
A2000 A TAYLOR, LEAGUE 671, LABOR 8, ACRES 17
A2000 A TAYLOR, LEAGUE 671, LABOR 22, ACRES 1
A2000 A TAYLOR, LEAGUE 642, TRACT OUT OF SE/C
A2000 A TAYLOR, LEAGUE 642, TRACT OUT OF LABO
A2000 A TAYLOR, LEAGUE 642, TRACT OUT OF E/PT
A2000 A TAYLOR, LEAGUE 643, TRACT OUT OF LABO
A2000 A TAYLOR, LEAGUE 657, LABOR 9, ACRES 17
A2000 A TAYLOR, LEAGUE 666, SE/CORNER LABOR 4
A2000 A TAYLOR, LEAGUE 666, SE/COR LABOR 10,
A2000 A TAYLOR, LEAGUE 666, LABOR 10, ACRES 1
A2000 A TAYLOR, LEAGUE 666, LABOR 14, ACRES 1
A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF N/PT
A2000 A TAYLOR, LEAGUE 666, E/PT LABOR 16, AC
A2000 A TAYLOR, LEAGUE 666, E/2 LABOR 18, ACR

A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF E/2
A2000 A TAYLOR, LEAGUE 666, PT/NW/CORNER LABO
A2000 A TAYLOR, LEAGUE 666, LABOR 23, ACRES 1
A2000 A TAYLOR, LEAGUE 666, LABOR 24, ACRES 1
A2000 A TAYLOR, LEAGUE 666, LABOR 24, ACRES 1
A2000 A TAYLOR, LEAGUE 671, LABOR 11, ACRES 1
A2000 A TAYLOR, LEAGUE 671, LABOR 20, ACRES 1
A2000 A TAYLOR, LEAGUE 671, SE CORNER OF LABO
A4800 T A THOMSON BLK T, TRACT SE/4 SECTION 3
A4800 T A THOMSON BLK T, TRACT S/PT OF NE/4
A2000 A TAYLOR, LEAGUE 671, LABOR 23, ACRES 1
A2000 A TAYLOR, LEAGUE 642, LABOR 11 LESS SE/
A2000 A TAYLOR, LEAGUE 652, LABOR 9, ACRES 17
A2000 A TAYLOR, LEAGUE 652, LABOR 19, ACRES 1
FIELDTON, BLOCK 2, LOT 7-18
A4800 T A THOMSON BLK T, TRACT S/2 SECTION 12
A2000 A TAYLOR, LEAGUE 642, LABOR 5, ACRES 19
A2000 A TAYLOR, LEAGUE 637, W/2 LABOR 21, ACR
FIELDTON, BLOCK 3, LOT 1-18
A4800 T A THOMSON BLK T, TRACT S/2 SECTION 24
A4800 T A THOMSON BLK T, TRACT NE/4 SECTION 2
A4800 T A THOMSON BLK T, NW/4 SECTION 23, ACR
A4800 T A THOMSON BLK T, TRACT SW/4 SECTION 1
A4800 T A THOMSON BLK T, TRACT NW/4 SECTION 1
A4800 T A THOMSON BLK T, TRACT E/PT OF NW/4 S
A4800 T A THOMSON BLK T, SW/4 SECTION 23, ACR
A5400 ELLWOOD SUBD, SECTION 178, ACRES 181.0
A5400 ELLWOOD SUBD, TRACT 175, ACRES 101.3
A5400 ELLWOOD SUBD, BLOCK SECTION 176, ACRES
A4800 T A THOMSON BLK T, TRACT S/2 SECTION 36
A4800 T A THOMSON BLK T, TRACT W/2 OF NE/4 SE
A4800 T A THOMSON BLK T, TRACT SW/4 SECTION 3
A4800 T A THOMSON BLK T, TRACT SW/4 SECTION 3
A4800 T A THOMSON BLK T, TRACT OUT OF NW/4 SE
A2000 A TAYLOR, LEAGUE 657, LABORS 1-2, ACRES
A2000 A TAYLOR, LEAGUE 652, LABOR 21, ACRES 2
A2000 A TAYLOR, LEAGUE 652, LABOR 25, ACRES 2
A2000 A TAYLOR, LEAGUE 652, W/PT LABOR 11, AC
A2000 A TAYLOR, LEAGUE 652, LABOR 15, ACRES 1
A2000 A TAYLOR, LEAGUE 652, E/2 LABOR 3, ACRE
A2000 A TAYLOR, LEAGUE 652, LABOR 4, ACRES 17
A2000 A TAYLOR, LEAGUE 651, LABOR 1, ACRES 17
A2000 A TAYLOR, LEAGUE 642, W/PT LABOR 25, AC
A2000 A TAYLOR, LEAGUE 666, LABOR 19, ACRES 1
A2000 A TAYLOR, LEAGUE 666, LABOR 19, ACRES 1
A2000 A TAYLOR, LEAGUE 666, LABOR 3, ACRES 18
A2000 A TAYLOR, LEAGUE 666, LABOR 6, ACRES 19
A2000 A TAYLOR, LEAGUE 671, W/2 LABOR 3, ACRE

A2000 A TAYLOR, LEAGUE 687, LABOR 1, ACRES 17
A2000 A TAYLOR, LEAGUE 642, SW/PT LABOR 16, A
A2000 A TAYLOR, LEAGUE 642, TRACT OUT OF THE
A2000 A TAYLOR, LEAGUE 642, LABOR 10, ACRES 1
A4800 T A THOMSON BLK T, TRACT E/2 SECTION 11
A2000 A TAYLOR, LEAGUE 657, LABOR 6, ACRES 19
A2000 A TAYLOR, LEAGUE 657, LABOR 3, ACRES 19
A2000 A TAYLOR, LEAGUE 637, S/PT LABOR 24, AC
A2000 A TAYLOR, LEAGUE 637, LABOR 23, ACRES 1
A2000 A TAYLOR, LEAGUE 637, LABOR 25, ACRES 1
A2000 A TAYLOR, LEAGUE 637, E/PT LABOR 22, AC
A2000 A TAYLOR, LEAGUE 637, E/2 LABOR 21, ACR
A4800 T A THOMSON BLK T, N/2 SECTION 24, ACRE
A4800 T A THOMSON BLK T, TRACT NE/4 SECTION 1
A2000 A TAYLOR, LEAGUE 657, S/2 LABOR 5, ACRE
A2000 A TAYLOR, LEAGUE 657, N/2 LABOR 5, ACRE
A2000 A TAYLOR, LEAGUE 652, LABOR 22, ACRES 2
A2000 A TAYLOR, LEAGUE 652, LABOR 16, ACRES 1
A2000 A TAYLOR, LEAGUE 652, LABOR 6, ACRES 19
A2000 A TAYLOR, LEAGUE 652, LABOR 2, ACRES 17
A2000 A TAYLOR, LEAGUE 652, W/2 LABOR 3, ACRE
A2000 A TAYLOR, LEAGUE 652, LABOR 5, ACRES 19
A2000 A TAYLOR, LEAGUE 642, LABOR 22, ACRES 1
A2000 A TAYLOR, LEAGUE 642, N/PT LABOR 15, AC
A2000 A TAYLOR, LEAGUE 642, S/PT LABOR 6, ACR
A2000 A TAYLOR, LEAGUE 666, LABOR 2, ACRES 18
A2000 A TAYLOR, LEAGUE 657, LABOR 25, ACRES 1
A2000 A TAYLOR, LEAGUE 666, PT/LABOR 5, ACRES
A2000 A TAYLOR, LEAGUE 657, LABORS 14-15, ACR
A2000 A TAYLOR, LEAGUE 671, LABOR 2, ACRES 19
A2000 A TAYLOR, TRACT LEAGUE 666, PT/LABOR 4,
A2000 A TAYLOR, LEAGUE 666, LABOR 15, ACRES 1
A2000 A TAYLOR, LEAGUE 671, LABOR 1 & N/PT LA
A2000 A TAYLOR, LEAGUE 687, LABOR 2, ACRES 16
A4800 T A THOMSON BLK T, TRACT W/2 SECTION 11
A2000 A TAYLOR, LEAGUE 643, LABOR 1, ACRES 17
A2000 A TAYLOR, LEAGUE 637, W/PT LABOR 22, AC
A2000 A TAYLOR, LEAGUE 637, TRACT OUT OF E/2
A2000 A TAYLOR, LEAGUE 671, S/PT LABOR 10, AC
A2000 A TAYLOR, LEAGUE 642, TRACT OUT OF THE
A2000 A TAYLOR, LEAGUE 642, SE/PT LABOR 20, A
A2000 A TAYLOR, LEAGUE 642, PT/LABOR 20, ACRE
A2000 A TAYLOR, LEAGUE 642, TRACT OUT OF E/PT
A2000 A TAYLOR, LEAGUE 637, LABOR 20, ACRES 1
A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF E/PT
A2000 A TAYLOR, LEAGUE 666, TRACT OUT OF SW/C
A2000 A TAYLOR, LEAGUE 666, E/PT LABOR 7, ACR
FIELDTON, BLOCK SCHOOL TRACT

A2000 A TAYLOR, LEAGUE 657, LABOR 20, ACRES 1
A2000 A TAYLOR, LEAGUE 666, E/2 LABOR 8, ACRE
A2000 A TAYLOR, LEAGUE 666, LABOR 1 (LESS 20.
A4800 T A THOMSON BLK T, TRACT NE/4 SECTION 2
A4800 T A THOMSON BLK T, TRACT SE/4 SECTION 2
A2000 A TAYLOR, LEAGUE 671, LABOR 21, ACRES 1

Draft

Agreement for Limitation on Appraised Value
Between Littlefield ISD and Yellow House Wind, LLC
(App No. 1660), April 21, 2022
Exhibit 1

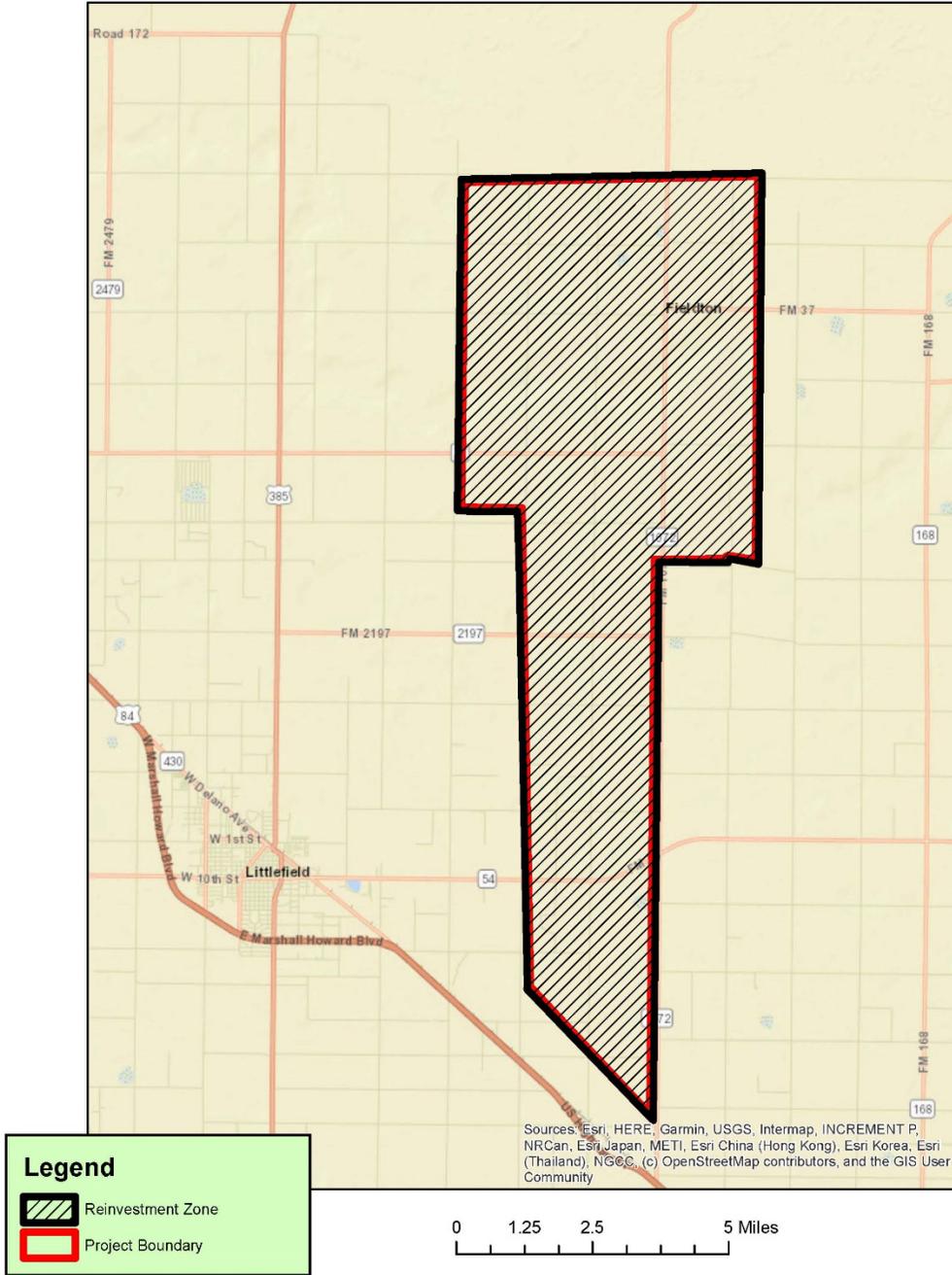
*Texas Economic Development Act Agreement
Comptroller Form 50-826 (October 2020)*

EXHIBIT 1

App. 1660 FOF 125

Map of Yellow House Wind Reinvestment Zone

Yellow House Wind, LLC



Agreement for Limitation on Appraised Value
Between Littlefield ISD and Yellow House Wind, LLC
(App No. 1660), April 21, 2022
Exhibit 1

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

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

Yellow House Wind, LLC, will be located within the boundaries of Littlefield Independent School District, the Yellow House Wind Reinvestment Zone and Lamb County, and which is more particularly described and depicted in **EXHIBITS 1, 3 and 4.**

Draft

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Yellow House Wind, LLC is a 125 MW wind energy generation facility that will be located in eastern Lamb County in Littlefield Independent School District. The project will consist of approximately 41 turbines.

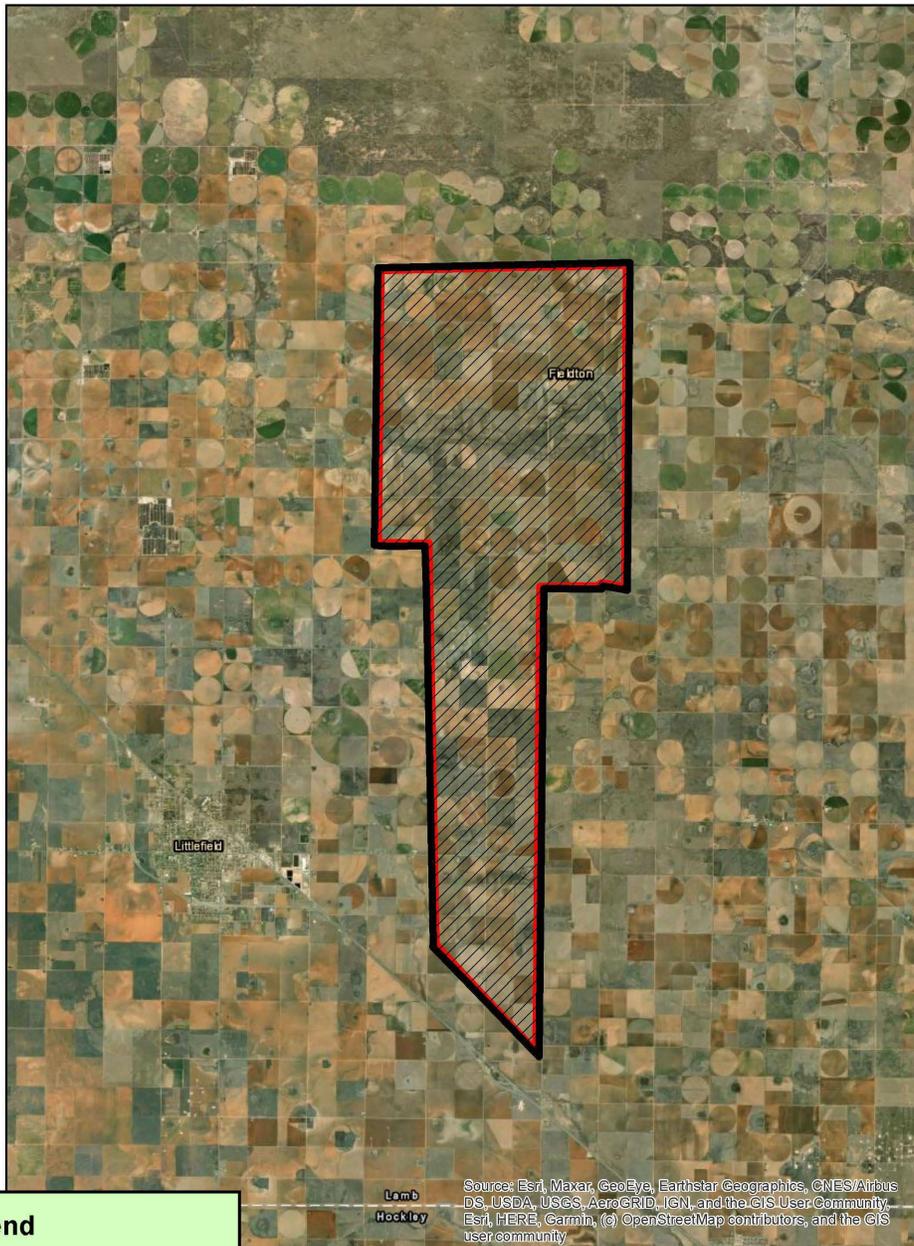
Yellow House Wind, LLC requests that the limitation covers all qualified investment and qualified property located within Littlefield ISD. It is our request that the limitation includes all eligible and ancillary equipment including the following:

- Turbines
- Substation
- Transmission Line
- Operation & Maintenance Building
- Interconnection Facilities
- Underground Electrical Collection Cables
- Meteorological & Associated Towers
- Access Roads to Turbines
- Foundations, Roadways, Pavings, & Fencing

Please Note: This Agreement covers all qualified property in the reinvestment zone and project boundary within Littlefield ISD.

MAP OF QUALIFIED INVESTMENT

Yellow House Wind, LLC



Legend

-  Reinvestment Zone Project
-  Boundary

Agreement for Limitation on Appraised Value
Between Littlefield ISD and Yellow House Wind, LLC
(App No. 1660), April 21, 2022
Exhibit 3

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

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Yellow House Wind, LLC is a 125 MW wind energy generation facility that will be located in eastern Lamb County in Littlefield Independent School District. The project will consist of approximately 41 turbines.

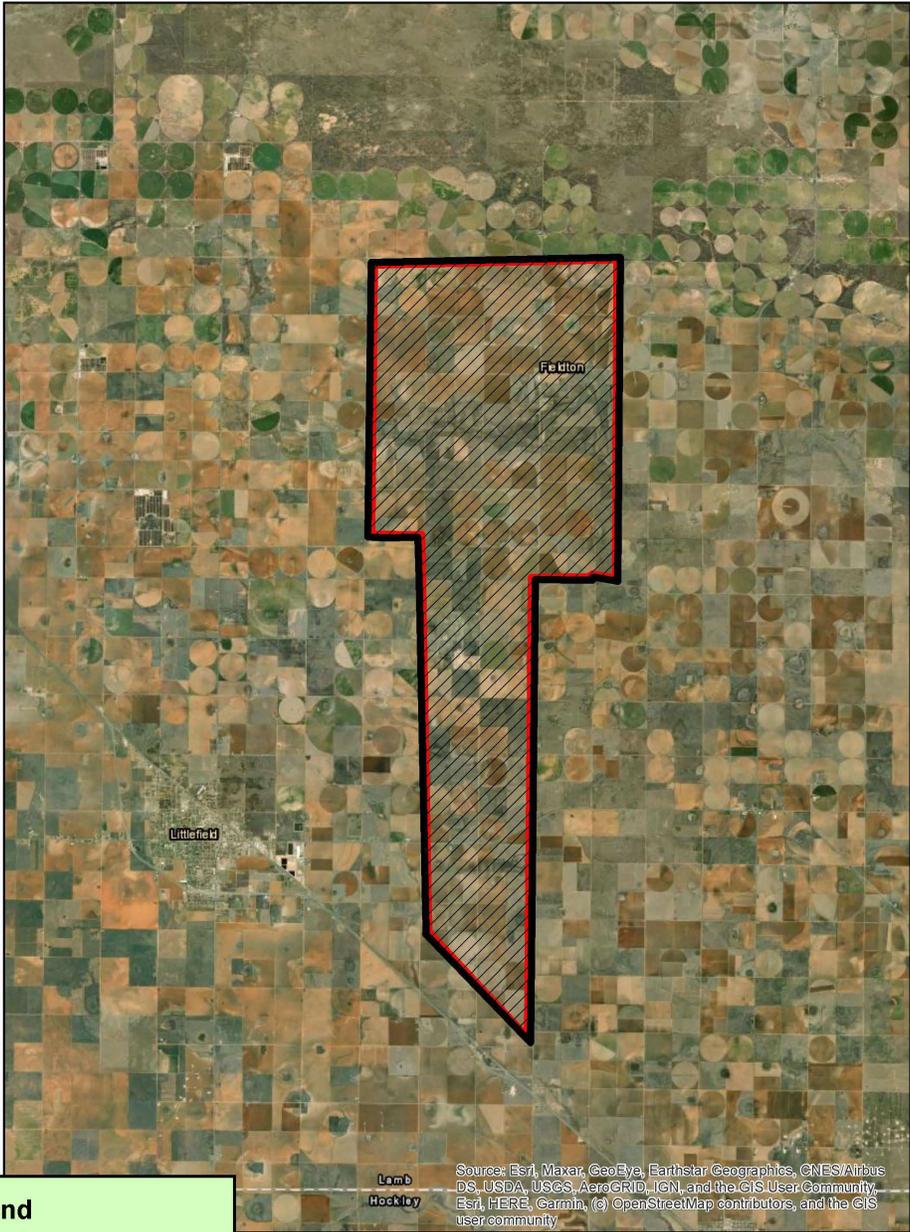
Yellow House Wind, LLC requests that the limitation covers all qualified investment and qualified property located within Littlefield ISD. It is our request that the limitation includes all eligible and ancillary equipment including the following:

- Turbines
- Substation
- Transmission Line
- Operation & Maintenance Building
- Interconnection Facilities
- Underground Electrical Collection Cables
- Meteorological & Associated Towers
- Access Roads to Turbines
- Foundations, Roadways, Pavings, & Fencing

Please Note: This Agreement covers all qualified property in the reinvestment zone and project boundary within Littlefield ISD.

MAP OF QUALIFIED PROPERTY

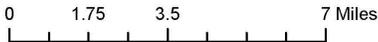
Yellow House Wind, LLC



Legend

-  Reinvestment Zone Project
-  Boundary

Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community



Agreement for Limitation on Appraised Value
Between Littlefield ISD and Yellow House Wind, LLC
(App No. 1660), April 21, 2022
Exhibit 4

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

EXHIBIT 5

AGREEMENT SCHEDULE

| | <u>Year of Agreement</u> | <u>Date of Appraisal</u> | <u>School Year</u> | <u>Tax Year</u> | <u>Summary Description</u> |
|--------------------------------------|--------------------------|--------------------------|--------------------|-----------------|---|
| Limitation Pre-Years | Pre-Year | January 1, 2021 | 2021-22 | 2021 | Pre-Year |
| | Pre-Year | January 1, 2022 | 2022-23 | 2022 | Pre-Year |
| | Pre-Year | January 1, 2023 | 2023-24 | 2023 | Pre-Year |
| | QTP 1 | January 1, 2024 | 2024-25 | 2024 | 1 st full year of QTP, begins January 1, 2024 |
| Limitation Period (10 Years) | QTP 2/ LP1 | January 1, 2025 | 2025-26 | 2025 | \$25 million appraisal limitation; QTP ends December 31, 2025 |
| | 2 | January 1, 2026 | 2026-27 | 2026 | \$25 million appraisal limitation |
| | 3 | January 1, 2027 | 2027-28 | 2027 | \$25 million appraisal limitation |
| | 4 | January 1, 2028 | 2028-29 | 2028 | \$25 million appraisal limitation |
| | 5 | January 1, 2029 | 2029-30 | 2029 | \$25 million appraisal limitation |
| | 6 | January 1, 2030 | 2030-31 | 2030 | \$25 million appraisal limitation |
| | 7 | January 1, 2031 | 2031-32 | 2031 | \$25 million appraisal limitation |
| | 8 | January 1, 2032 | 2032-33 | 2032 | \$25 million appraisal limitation |
| | 9 | January 1, 2033 | 2033-34 | 2033 | \$25 million appraisal limitation |
| | 10 | January 1, 2034 | 2034-35 | 2034 | \$25 million appraisal limitation |
| Maintain a Viable Presence (5 Years) | 11 | January 1, 2035 | 2035-36 | 2035 | No appraisal limitation; must maintain a viable presence |
| | 12 | January 1, 2036 | 2036-37 | 2036 | No appraisal limitation; must maintain a viable presence |
| | 13 | January 1, 2037 | 2037-38 | 2037 | No appraisal limitation; must maintain a viable presence |
| | 14 | January 1, 2038 | 2038-39 | 2038 | No appraisal limitation; must maintain a viable presence |
| | 15 | January 1, 2039 | 2039-40 | 2039 | No appraisal limitation; must maintain a viable presence |

Agreement for Limitation on Appraised Value
 Between Littlefield ISD and Yellow House Wind, LLC
 (App No. 1660), April 21, 2022
 Exhibit 5

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



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

April 8, 2022

Mike Read
Superintendent
Littlefield Independent School District
1207 East 14th Street
Littlefield, Texas 79339

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Littlefield Independent School District and Yellow House Wind, LLC, Application 1660

Dear Superintendent Read:

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 Littlefield Independent School District and Yellow House 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 Ginger Flowers with our office. She can be reached by email at ginger.flowers@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-0552, or at 512-475-0552.

Sincerely,

DocuSigned by:

8FDFC70F5753487...
Will Counihan
Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Anthony Pedroni, NexEra Energy Resources
Ian Evans, NexEra Energy Resources
Mike Fry, KE Andrews

Littlefield Independent School District
ATT: Mike Read
1207 East 14th Street
Littlefield, Texas 79371

October 11, 2021

RE: Yellow House Wind, LLC Application for Appraised Value Limitation on Qualified Property Job Waiver Request

Dear Superintendent Read:

Yellow House Wind, LLC is requesting that Littlefield ISD's Board of Trustees waive the job requirement provision as allowed by Section 313.025 (f-1) of the Texas Property Tax Code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of this facility.

Yellow House Wind, LLC requests that Littlefield ISD makes such finding and waive the job creation requirement for 10 permanent jobs. Yellow House Wind, LLC has committed to create 2 full time permanent position for the operation and maintenance of the facility. The qualifying position will be compensated at the rate of 110% of the regional manufacturing wage as well as offer company benefits. Such positions shall be employed by Yellow House Wind, LLC or by the contractor it employs to operate and maintain the facility.

Renewable energy project create many jobs during the development of the facility. It is anticipated that 200-300 construction jobs will be created by Yellow House Wind, LLC; however, once construction is complete the facility will require a relatively low number of permanent workers. The current industry standard for wind energy sites is 1 worker per 15-20 turbines.

Yellow House Wind, LLC kindly requests that you consider the approval of the job waiver request for this project. Undoubtedly, the establishment of this facility will be very beneficial to Littlefield ISD, Lamb County, and the advancement of renewable energy in Texas.

Your consideration of this request is greatly appreciated. If you have any questions, please contact us.

Sincerely,



Mike Fry
Director, Energy Services
mfry@keatax.com