

FINDINGS OF THE OLNEY  
INDEPENDENT SCHOOL DISTRICT BOARD  
OF TRUSTEES  
UNDER THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
ON THE  
APPLICATION SUBMITTED  
BY  
BP WIND ENERGY NORTH AMERICA INC.



December 15, 2010

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**FINDINGS  
OF THE  
OLNEY INDEPENDENT  
SCHOOL DISTRICT BOARD OF TRUSTEES  
UNDER THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
ON THE APPLICATION SUBMITTED BY  
BP WIND ENERGY NORTH AMERICA INC.  
(BP WIND)**

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**DECEMBER 15, 2010**

Board Findings of the Olney Independent School District

FINDINGS OF THE OLNEY INDEPENDENT SCHOOL  
DISTRICT BOARD OF TRUSTEES UNDER THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
ON THE APPLICATION SUBMITTED BY  
BP WIND ENERGY NORTH AMERICA INC.

*STATE OF TEXAS* §

*COUNTY OF ARCHER* §

*COUNTY OF YOUNG* §

On the 15<sup>th</sup> day of December, 2010, a public meeting of the Board of Trustees of the Olney Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of the BP Wind Energy North America Inc. (BP Wind) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Olney Independent School District makes the following findings with respect to the application of BP Wind, and the economic impact of that application:

On November 18, 2010, the Superintendent of Schools of the Olney Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received a completed Application from BP Wind for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, BP Wind (Texas Taxpayer Id. 32037301283) is an entity subject to Chapter 171, Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

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

Board Findings of the Olney Independent School District

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

A copy of the Application was delivered to the Archer and Young County Appraisal Districts for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a favorable recommendation was issued on December 3, 2010. A copy of the Comptroller's letter is attached to the findings as **Attachment C**.

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

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

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

After receipt of the Application, the District entered into negotiations with BP Wind over the specific language to be included in the Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. This form of the Agreement has been submitted to the Comptroller's Office pursuant to 34 Tex. Admin. Code § 9.1055 (c)(1). The proposed Agreement is attached to these findings as **Attachment G**.

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

Board Findings of the Olney Independent School District

**Board Finding Number 1.**

**There is a relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plan of this State as described in the strategic plan for economic development (ED Plan) submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Texas Government Code.**

In support of Finding 1, the economic impact evaluation states:

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the BP Wind Energy project requires appear to be in line with the focus and themes of the plan. Texas identified energy as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the energy industry.

**Board Finding Number 2.**

**The economic condition of Archer and Young Counties are in need of long-term improvement.**

Based on information provided by the Comptroller's Office, Archer County is the 173<sup>rd</sup> largest county and Young County is 127<sup>th</sup> largest county in the state in terms of population. The state population grew by 2.0 percent between 2008 and 2009, while the populations of Archer County decreased by 0.7 percent and Young County increased by 1.0 percent over the same period.

September 2010 employment growth for Archer County increased by 2.5 percent from September 2009 and Young County decreased by 0.3 percent, while the state total employment increased by 1.2 percent during the same period. The unemployment rate in Archer and Young County was 5.7 and 6.7 percent, respectively, in September 2010, lower than the current state average of 8.1 percent.

Board Findings of the Olney Independent School District

In terms of per capita income, Archer County's \$39,054 and Young County's \$39,423 in 2008 ranked 32<sup>nd</sup> and 30th among the 254 counties in Texas, while the Texas average was \$37,809 for the same period. These data are more than two years old and the recession that has occurred during that period would be expected to slow the growth in personal income in Archer and Young County and throughout the state.

In the first quarter 2010, taxable sales totaled \$12.07 million and \$36.85 million in Archer and Young County. These figures reflect a 3.8 percent and 15.2 percent decrease, respectively, from the same year-earlier quarter and are consistent with the general trend in taxable sales across the state.

Archer and Young County will benefit from economic activity like that associated with the BP Wind project. Major capital investments like this project are beneficial to the community on a number of fronts, including direct and indirect employment, expanded opportunities for existing businesses and increased local tax bases.

**Board Finding Number 3.**

**The average salary level of qualifying jobs is expected to be at least \$44,845 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of the regional manufacturing wage. BP Wind indicates that total employment will be approximately six (6) new qualifying jobs.**

In support of Finding 3, the economic impact evaluation states:

After construction, the project will create six new jobs when fully operational. All six jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the NORTEX Regional Planning Commission Region, where Archer County and Young County are located was \$40,768 in 2009. The annual average manufacturing wage for 2009 for Archer and Young County is \$44,285. That same year, the county annual average wage for all industries was

Board Findings of the Olney Independent School District

\$33,924. In addition to a salary of \$44,845, each qualifying position will receive benefits such as medical, dental, vision, life, and short & long term disability insurance, a 401(k) with 100% match up to 6%, and a retirement fund based upon age and years of service. The project's total investment is \$320 million, resulting in a relative level of investment per qualifying job of \$53.3 million.

**Board Finding Number 4.**

**The level of the applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$320 million on the basis of the goal of six (6) new qualifying positions for the entire BP Wind project located in Olney ISD.**

In support of Finding 4, the economic impact evaluation states:

The project's total investment is \$320 million, resulting in a relative level of investment per qualifying job of \$53.3 million.

**Board Finding Number 5.**

**Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region.**

Table 1 depicts BP Wind Energy's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 15 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

Board Findings of the Olney Independent School District

**Table 1: Estimated Statewide Economic Impact of Investment and Employment in BP Wind Project**

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2011	150	217	367	\$7,800,000	\$16,100,000	\$23,900,000
2012	6	20	26	\$269,070	\$3,130,930	\$3,400,000
2013	6	23	29	\$269,070	\$3,530,930	\$3,800,000
2014	6	17	23	\$269,070	\$3,130,930	\$3,400,000
2015	6	16	22	\$269,070	\$3,030,930	\$3,300,000
2016	6	15	21	\$269,070	\$3,030,930	\$3,300,000
2017	6	12	18	\$269,070	\$2,630,930	\$2,900,000
2018	6	15	21	\$269,070	\$2,630,930	\$2,900,000
2019	6	12	18	\$269,070	\$2,930,930	\$3,200,000
2020	6	15	21	\$269,070	\$2,930,930	\$3,200,000
2021	6	15	21	\$269,070	\$3,130,930	\$3,400,000
2022	6	10	16	\$269,070	\$3,030,930	\$3,300,000
2023	6	10	16	\$269,070	\$3,030,930	\$3,300,000
2024	6	8	14	\$269,070	\$2,630,930	\$2,900,000
2025	6	10	16	\$269,070	\$3,130,930	\$3,400,000

Source: CPA, REMI, BP Wind Energy North America Inc.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Archer County, Young County, and Olney-Hamilton Hospital District with all property tax incentives sought being granted using estimated market value from BP Wind Energy's application. BP Wind Energy has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the counties and the hospital district. Table 3 illustrates the estimated tax impact of the BP Wind Energy project on the region if all taxes are assessed.

Board Findings of the Olney Independent School District

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate <sup>1</sup>	Olney ISD I&S Levy	Olney ISD M&O Levy	Olney ISD M&O and I&S Tax Levies (Before Credit Credited)	Olney ISD M&O and I&S Tax Levies (After Credit Credited)	Archer County (72% of Project)	Young County (28% of Project)	Olney-Hamilton Hospital District (80% of Project)	Estimated Total Property Taxes
				0.2050	1.1700			0.6759	0.6505	0.2500	
2010	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2011	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2012	\$320,000,000	\$320,000,000		\$656,000	\$3,744,000	\$4,400,000	\$4,400,000	\$0	\$0	\$0	\$4,400,000
2013	\$307,142,400	\$10,000,000		\$629,642	\$117,000	\$746,642	\$746,642	\$0	\$0	\$0	\$746,642
2014	\$294,856,704	\$10,000,000		\$604,456	\$117,000	\$721,456	\$525,848	\$0	\$0	\$0	\$525,848
2015	\$283,062,436	\$10,000,000		\$580,278	\$117,000	\$697,278	\$504,323	\$0	\$0	\$0	\$504,323
2016	\$271,739,938	\$10,000,000		\$557,067	\$117,000	\$674,067	\$485,132	\$0	\$0	\$0	\$485,132
2017	\$260,870,341	\$10,000,000		\$534,784	\$117,000	\$651,784	\$465,458	\$0	\$0	\$0	\$465,458
2018	\$250,435,527	\$10,000,000		\$513,393	\$117,000	\$630,393	\$446,675	\$0	\$0	\$0	\$446,675
2019	\$240,418,106	\$10,000,000		\$492,857	\$117,000	\$609,857	\$428,744	\$0	\$0	\$0	\$428,744
2020	\$230,801,382	\$10,000,000		\$473,143	\$117,000	\$590,143	\$411,626	\$0	\$0	\$0	\$411,626
2021	\$221,569,327	\$221,569,327		\$454,217	\$2,592,361	\$3,046,578	\$726,751	\$1,078,263	\$403,566	\$443,139	\$2,651,718
2022	\$212,706,554	\$212,706,554		\$436,048	\$2,488,667	\$2,924,715	\$2,924,715	\$1,035,132	\$387,424	\$425,413	\$4,772,684
2023	\$204,198,291	\$204,198,291		\$418,606	\$2,389,120	\$2,807,727	\$2,807,727	\$993,727	\$371,927	\$408,397	\$4,581,777
2024	\$196,030,360	\$196,030,360		\$401,862	\$2,293,555	\$2,695,417	\$2,695,417	\$953,978	\$357,050	\$392,061	\$4,398,506
2025	\$188,189,145	\$188,189,145		\$385,788	\$2,201,813	\$2,587,601	\$2,587,601	\$915,819	\$342,768	\$376,378	\$4,222,565
						<b>Total</b>	<b>\$20,156,658</b>	<b>\$4,976,918</b>	<b>\$1,862,734</b>	<b>\$2,045,387</b>	<b>\$29,041,698</b>

Assumes School Value Limitation and Tax Abatements

Source: CPA, BP Wind Energy North America Inc.

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

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate <sup>1</sup>	Olney ISD I&S Levy	Olney ISD M&O Levy	Olney ISD M&O and I&S Tax Levies	Archer County (72% of Project)	Young County (28% of Project)	Olney-Hamilton Hospital District (80% of Project)	Estimated Total Property Taxes	
				0.2050	1.1700		0.6759	0.6505	0.2500		
2010	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2011	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2012	\$320,000,000	\$320,000,000		\$656,000	\$3,744,000	\$4,400,000	\$1,557,274	\$582,848	\$640,000	\$7,180,122	
2013	\$307,142,400	\$307,142,400		\$629,642	\$3,593,566	\$4,223,208	\$1,494,702	\$559,429	\$614,285	\$6,891,624	
2014	\$294,856,704	\$294,856,704		\$604,456	\$3,449,823	\$4,054,280	\$1,434,914	\$537,052	\$589,713	\$6,615,959	
2015	\$283,062,436	\$283,062,436		\$580,278	\$3,311,831	\$3,892,108	\$1,377,518	\$515,570	\$566,125	\$6,351,321	
2016	\$271,739,938	\$271,739,938		\$557,067	\$3,179,357	\$3,736,424	\$1,322,417	\$494,947	\$543,480	\$6,097,268	
2017	\$260,870,341	\$260,870,341		\$534,784	\$3,052,183	\$3,586,967	\$1,269,520	\$475,149	\$521,741	\$5,853,377	
2018	\$250,435,527	\$250,435,527		\$513,393	\$2,930,096	\$3,443,488	\$1,218,739	\$456,143	\$500,871	\$5,619,242	
2019	\$240,418,106	\$240,418,106		\$492,857	\$2,812,892	\$3,305,749	\$1,169,990	\$437,898	\$480,836	\$5,394,473	
2020	\$230,801,382	\$230,801,382		\$473,143	\$2,700,376	\$3,173,519	\$1,123,190	\$420,382	\$461,603	\$5,178,694	
2021	\$221,569,327	\$221,569,327		\$454,217	\$2,592,361	\$3,046,578	\$1,078,263	\$403,566	\$443,139	\$4,971,546	
2022	\$212,706,554	\$212,706,554		\$436,048	\$2,488,667	\$2,924,715	\$1,035,132	\$387,424	\$425,413	\$4,772,684	
2023	\$204,198,291	\$204,198,291		\$418,606	\$2,389,120	\$2,807,727	\$993,727	\$371,927	\$408,397	\$4,581,777	
2024	\$196,030,360	\$196,030,360		\$401,862	\$2,293,555	\$2,695,417	\$953,978	\$357,050	\$392,061	\$4,398,506	
2025	\$188,189,145	\$188,189,145		\$385,788	\$2,201,813	\$2,587,601	\$915,819	\$342,768	\$376,378	\$4,222,565	
						<b>Total</b>	<b>\$47,877,782</b>	<b>\$16,945,183</b>	<b>\$6,342,152</b>	<b>\$6,964,041</b>	<b>\$78,129,158</b>

Source: CPA, BP Wind Energy North America Inc.

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

Board Findings of the Olney Independent School District

**Board Finding Number 6.**

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$320 million to the tax base for debt service purposes at the peak investment level for the 2010-11 school year. The BP Wind project remains fully taxable for debt services taxes, with OISD currently levying a \$0.205 I&S rate. The additional value is expected to help reduce the District's I&S tax rate to \$0.074 in 2012-13~about thirteen cents of tax effort~with the rate reduction diminishing as the project value depreciates.

**Board Finding Number 7.**

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

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

**Board Finding Number 8.**

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

Board Findings of the Olney Independent School District

In support of Finding 8, the economic impact evaluation states:

According to BP Wind Energy's application, "Wind farms are currently being developed, built, and installed in numerous other states, including but not limited to Colorado, Kansas, New Mexico, California, and Minnesota. Within Texas, at least 20 other counties currently have wind farms proposed, under construction, or are currently operating with potential new sites that are growing yearly. The Company could invest its resources in any of these locations."

**Board Finding Number 9.**

**During the past two years, four projects in the NORTEX Regional Planning Commission Region applied for value limitation agreements under Tax Code, Chapter 313.**

**Board Finding Number 10.**

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

Formal notification letters of the completion of due diligence research from the firms of O'Hanlon, McCollom & Demerath and Moak, Casey & Associates have been attached to these Findings.

**Board Finding Number 11.**

**The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Ten Million Dollars, which is consistent with the minimum values currently set out by Tax Code, §§ 313.022(b).**

According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2009 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2009 Olney value for Olney ISD is \$44,665,160. Olney ISD is categorized as a Subchapter C school district, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but

Board Findings of the Olney Independent School District

at a rate of not more than three percent per annum. Given that the value of Olney property in Olney ISD is between \$1 million and \$90 million, it is classified as a Category III district which can offer a minimum value limitation of \$10 million.

**Board Finding Number 12.**

**The Applicant (Taxpayer Id. 32037301283) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its “good standing” certification as a franchise-tax paying entity.**

**Board Finding Number 13.**

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

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in each year the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. Additional revenue protection measures are also in place for the duration of the Agreement.

**Board Finding Number 14.**

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

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

Board Findings of the Olney Independent School District

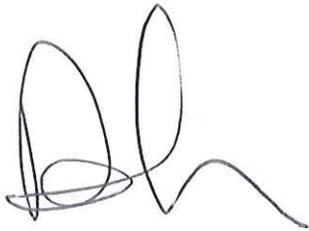
Dated the 15th day of December 2010.

*OLNEY INDEPENDENT SCHOOL DISTRICT*

By:   
David Ickert, President Board of Trustees

ATTEST:

By:   
Jamie Kulhanek, Secretary Board of Trustees

  
DARREL THURSON  
VICE-PRESIDENT



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

December 10, 2010

President and Members  
Board of Trustees  
Olney Independent School District  
809 West Hamilton  
Olney, Texas 76374

*Re: Recommendations and Findings of the firm Concerning Application of BP Wind Energy North America, Inc. for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*

Dear President Ickert and Members of the Board of Trustees:

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

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

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of BP Wind Energy North America, Inc. for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Dan Casey

[www.moakcasey.com](http://www.moakcasey.com)

Phone 512-485-7878

400 W. 15<sup>th</sup> Street★Suite 1410★Austin, TX 78701-1648

Fax 512-485-7888

# O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

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

**LESLIE McCOLLOM**  
CERTIFIED, CIVIL APPELLATE  
CERTIFIED, LABOR AND EMPLOYMENT  
TEXAS BOARD OF LEGAL SPECIALIZATION

**JUSTIN DEMERATH**

December 9, 2010

President and Members  
Board of Trustees  
Olney Independent School District  
809 West Hamilton  
Olney, Texas 76374

*Re: Recommendations and Findings of the firm Concerning Application of BP Wind Energy North America, Inc. for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*

Dear President Ickert and Members of the Board of Trustees:

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

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

Letter to Industrial ISD  
December 9, 2010  
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5. The proposed Agreement contains adequate legal provisions so as to protect the Interests of the District.

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of BP Wind Energy North America, Inc. for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin O'Hanlon', written in a cursive style.

Kevin O'Hanlon  
For the Firm

Attachment A

Application



# Application for Appraised Value Limitation on Qualified Property

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

**Form 50-296**  
(Revised May 2010)

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

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

- notify the Comptroller that the school board has elected to consider the application.

This notice must include:

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

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

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its Web site. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules as explained in the Confidentiality Notice below.

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. 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, make a recommendation to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application before the 151st day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to complete the recommendation, economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's Web site to find out more about the program at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/index.html>. There are links on this Web page to the Chapter 313 statute, rules and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

## SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

<b>Authorized School District Representative</b>		Date application received by district 8-23-10
First Name Tom	Last Name Bailey	
Title Superintendent		
School District Name Olney Independent School District		
Street Address 809 W HAMILTON		
Mailing Address 809 W HAMILTON		
City Olney	State TX	ZIP 76374
Phone Number (940) 564-3519	Fax Number (940) 564-5205	
Mobile Number (optional)	E-mail Address tom.bailey@esc9.net	

I authorize the consultant to provide and obtain information related to this application.....  Yes  No

Will consultant be primary contact? .....  Yes  No



Application for Appraised Value Limitation on Qualified Property

SCHOOL DISTRICT INFORMATION, CERTIFICATION OF APPLICATION (continued)

Authorized School District Consultant (If Applicable)

First Name Kevin Last Name O'Hanlon

Title Special Counsel

Firm Name O'Hanlon, McCollom & Demearth

Street Address 808 West Avenue

Mailing Address 808 West Avenue

City Austin State TX ZIP 78701

Phone Number (512) 494-9949 Fax Number (512) 494-9919

Mobile Number (Optional) E-mail Address kohanlon@808west.com; mhanley@808west.com

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.

Signature (Authorized School District Representative) Date 8-25-10

Has the district determined this application complete? [X] Yes [ ] No

If yes, date determined complete. 8-25-10

Have you completed the school finance documents required by TAC 9.1054(c)(3)? [ ] Yes [X] No

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

Table with 3 columns: Checklist, Page X of 16, Check Completed. Rows include: 1 Date application received by the ISD (1 of 16, X), 2 Certification page signed and dated by authorized school district representative (2 of 16, checkmark), 3 Date application deemed complete by ISD (2 of 16, checkmark), 4 Certification pages signed and dated by applicant or authorized business representative of applicant (4 of 16, checkmark), 5 Completed company checklist (12 of 16, checkmark), 6 School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application) (2 of 16, Not yet)



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name <b>Sam</b>		Last Name <b>Gregson</b>	
Title <b>Manager, Property Tax</b>			
Organization <b>BP Wind Energy North America Inc</b>			
Street Address <b>700 Louisiana, 33rd Floor</b>			
Mailing Address <b>P.O. Box 3092</b>			
City <b>Houston</b>	State <b>TX</b>	ZIP <b>77002</b>	
Phone Number <b>(281) 366-3418</b>	Fax Number <b>(281) 504-8593</b>		
Mobile Number (optional)	Business e-mail Address <b>Sam.Gregson@BP.com</b>		

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

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

First Name <b>Kerry</b>		Last Name <b>Albright</b>	
Title <b>Property Tax Representative</b>			
Organization <b>BP Wind Energy North America Inc</b>			
Street Address <b>700 Louisiana, 33rd Floor</b>			
Mailing Address <b>P.O. Box 3092</b>			
City <b>Houston</b>	State <b>TX</b>	ZIP <b>77002</b>	
Phone Number <b>(281) 366-3418</b>	Fax Number <b>(281) 504-8593</b>		
Mobile Number (optional)	E-mail Address <b>Kerry.Albright@BP.com</b>		

I authorize the consultant to provide and obtain information related to this application... N/a  Yes  No

Will consultant be primary contact? N/a  Yes  No



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name

N/A

Last Name

Title

Firm Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Business email Address

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 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.

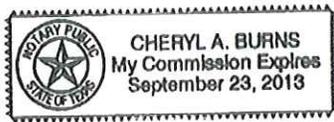
Signature (Authorized Business Representative (Applicant))

Date

Sam A. Greshm

7/21/10

GIVEN under my hand and seal of office this 21ST day of JULY, 2010



(Notary Seal)

Cheryl A. Burns
Notary Public, State of TEXAS

My commission expires 9/23/13

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 § 37.10.



**FEES AND PAYMENTS**

Enclosed is proof of application fee paid to the school district.

For the purpose of this question, "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.

Please answer only either A OR B:

A. 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

B. 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

**BUSINESS APPLICANT INFORMATION**

Legal Name under which application is made

BP Wind Energy North America Inc

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

32037301283

NAICS code

221119

Is the applicant a party to any other Chapter 313 agreements?  Yes  No

If yes, please list name of school district and year of agreement.

Prior project cancelled (first qualifying year 2009)

**APPLICANT BUSINESS STRUCTURE**

Registered to do business in Texas with the Texas Secretary of State?  Yes  No

Identify business organization of applicant (corporation, limited liability corporation, etc.)

Corporation

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)?  Yes  No  
If so, please attach documentation of the combined group membership and contact information.

2. Is the applicant current on all tax payments due to the State of Texas?  Yes  No

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas?  NA  Yes  No

If the answer to either question is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (Use attachment if necessary.)

**ELIGIBILITY UNDER TAX CODE CHAPTER 313.024**

- Are you an entity to which Tax Code, Chapter 171 applies?  Yes  No
- The property will be used as an integral part, or as a necessary auxiliary part, in 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
- Are you requesting that any of the land be classified as qualified investment?  Yes  No
- Will any of the proposed qualified investment be leased under a capitalized lease?  Yes  No
- Will any of the proposed qualified investment be leased under an operating lease?  Yes  No
- Are you including property that is owned by a person other than the applicant?  Yes  No
- 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

**PROJECT DESCRIPTION**

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

**See Attachment 4**

Describe the ability of your company to locate or relocate in another state or another region of the state.

**See Attachment 4**

**PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)**

- New Jobs
- Construct New Facility
- New Business / Start-up
- Expand Existing Facility
- Relocation from Out-of-State
- Expansion
- Purchase Machinery & Equipment
- Consolidation
- Relocation within Texas

**PROJECTED TIMELINE**

Begin Construction Q1, 2011      Begin Hiring New Employees Q4 2011  
 Construction Complete Q4, 2011      Fully Operational Q4, 2011  
 Purchase Machinery & Equipment Q2, 2011

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)?  Yes  No  
**Note:** Improvements made before that time may not be considered qualified property.

When do you anticipate the new buildings or improvements will be placed in service? Q4, 2011

**ECONOMIC INCENTIVES**

Identify state programs the project will apply for:

State Source	Amount
N/A	
Total	

Will other incentives be offered by local units of government?  Yes  No

Please use the following box for additional details regarding incentives. (Use attachments if necessary.)

Applicant will be requesting abatement agreements from Archer County, Young County and the Olney-Hamilton Hospital District. The terms of the abatement are listed in Schedule D.

**THE PROPERTY**

Identify county or counties in which the proposed project will be located Archer and Young

Central Appraisal District (CAD) that will be responsible for appraising the property Archer CAD, Young CAD

Will this CAD be acting on behalf of another CAD to appraise this property?  Yes  No

List all taxing entities that have jurisdiction for the property and the portion of project within each entity

County: Archer ( 72 %) City: \_\_\_\_\_  
(Name and percent of project) (Name and percent of project)

Hospital District: Olney-Hamilton Hospital District (80%) Water District: \_\_\_\_\_  
(Name and percent of project) (Name and percent of project)

Other (describe): Young County ( 28%) Other (describe): \_\_\_\_\_  
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD?  Yes  No

If not, please provide additional information on the project scope and size to assist in the economic analysis.



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 rural, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's Web site at www.window.state.tx.us/taxinfo/proptax/hb1200/values.html.

At the time of application, what is the estimated minimum qualified investment required for this school district? 10 million

What is the amount of appraised value limitation for which you are applying? 10 million

What is your total estimated qualified investment? 320 million

NOTE: See 313.021(1) for full definition. Generally, Qualified Investment is the sum of the investment in tangible personal property and buildings and new improvements made between beginning of the qualifying time period (date of application final approval by the school district) and the end of the second complete tax year.

What is the anticipated date of application approval? December 2010

What is the anticipated date of the beginning of the qualifying time period? January 1, 2011

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? 320 million

Describe the qualified investment.[See 313.021(1).]

Attach the following items to this application:

- (1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment and
(3) a map of the qualified investment showing location of new buildings or new improvements with vicinity map.

Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category during the qualifying time period? Yes No

Except for new equipment described in Tax Code §151.318(q) or (q-1), is the proposed tangible personal property to be placed in service for the first time:

- (1) in or on the new building or other new improvement for which you are applying? Yes No
(2) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement? Yes No
(3) on the same parcel of land as the building for which you are applying for an appraised value limitation? Yes No

("First placed in service" means the first use of the property by the taxpayer.)

Will the investment in real or personal property you propose be counted toward the minimum qualified investment required by Tax Code §313.023, (or 313.053 for rural school districts) be first placed in service in this state during the applicable qualifying time period? Yes No

Does the investment in tangible personal property meet the requirements of Tax Code §313.021(1)? Yes No

If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property? Yes No

QUALIFIED PROPERTY

Describe the qualified property. [See 313.021(2)] (If qualified investment describes qualified property exactly you may skip items (1), (2) and (3) below.)

Attach the following items to this application:

- (1) 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,
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and
(3) a map of the qualified property showing location of new buildings or new improvements – with vicinity map.

Land

Is the land on which you propose new construction or improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? Yes No

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements?

Will the applicant own the land by the date of agreement execution? Yes No

Will the project be on leased land? Yes No

## Application for Appraised Value Limitation on Qualified Property

**QUALIFIED PROPERTY (CONTINUED)**

If the land upon which the new building or new improvement is to be built is part of the qualified property described by §313.021(2)(A), please attach complete documentation, including:

1. Legal description of the land
2. Each existing appraisal parcel number of the land on which the improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property
3. Owner
4. The current taxable value of the land. Attach estimate if land is part of larger parcel.
5. A detailed map (with a vicinity map) showing the location of the land

Attach a map of the reinvestment zone boundaries, certified to be accurate by either the governmental entity creating the zone, the local appraisal district, or a licensed surveyor. (With vicinity map)

Attach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone, if applicable.

**Miscellaneous**

Is the proposed project a building or new improvement to an existing facility?  Yes  No

Attach a description of any existing improvements and include existing appraisal district account numbers.

List current market value of existing property at site as of most recent tax year. N/A (Market Value) (Tax Year)

Is any of the existing property subject to a value limitation agreement under Tax Code 313?  Yes  No

Will all of the property for which you are requesting an appraised value limitation be free of a tax abatement agreement entered into by a school district for the duration of the limitation?  Yes  No

**WAGE AND EMPLOYMENT INFORMATION**

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

The last complete calendar quarter before application review start date is the:  
 First Quarter  Second Quarter  Third Quarter  Fourth Quarter of \_\_\_\_\_ (year)

What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the TWC?  
0

**Note:** For job definitions see TAC §9.1051(14) and Tax Code 313.021(3). If the applicant intends to apply a definition for "new job" other than TAC §9.1051(14)(C), then please provide the definition of "new job" as used in this application. N/A

Total number of new jobs that will have been created when fully operational 6

Do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts) on the land and in connection with the new building or other improvement?  Yes  No

Do you intend to request that the governing body waive the minimum new job creation requirement, as provided under Tax Code §313.025(f-1)?  Yes  No

If you answered "yes" to the question above, attach evidence documenting that the new job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards. **Note: Even if a minimum new job waiver is provided, 80% of all new jobs must be qualifying jobs pursuant to Texas Tax Code, §313.024(d).**

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 6

If this project creates more than 1,000 new jobs, the minimum required wage for this project is 110% of the average county weekly wage for all jobs as described by 313.021(3)(E)(ii).

If this project creates less than 1,000 new jobs, does this district have territory in a county that meets the demographic characteristics of 313.051(2)? (see table of information showing this district characteristic at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/values.html>)

If yes, the applicant must meet wage standard described in 313.051(b) (110% of the regional average weekly wage for manufacturing)

If no, the applicant shall designate one of the wage standards set out in §§313.021(5)(A) or 313.021(5)(B).



WAGE AND EMPLOYMENT INFORMATION (CONTINUED)

For the following three wage calculations please include on an attachment the four most recent quarters of data for each wage calculation. Show the average and the 110% calculation. Include documentation from TWC Web site. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(7).

110% of the county average weekly wage for all jobs (all industries) in the county is 717.62
110% of the county average weekly wage for manufacturing jobs in the county is 936.79
110% of the county average weekly wage for manufacturing jobs in the region is 862.40

Please identify which Tax Code section you are using to estimate the wage standard required for this project:

Sections 313.021(5)(A), (B), (3)(E)(ii), and 313.051(b) checkboxes

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? 44,844.80

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? 44,844.80

- Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)? Yes/No
Will each qualifying job require at least 1,600 of work a year? Yes/No
Will any of the qualifying jobs be jobs transferred from one area of the state to another? Yes/No
Will any of the qualifying jobs be retained jobs? Yes/No
Will any of the qualifying jobs be created to replace a previous employee? Yes/No
Will any required qualifying jobs be filled by employees of contractors? Yes/No
If yes, what percent? 50%

Does the applicant or contractor of the applicant offer to pay at least 80% of the employee's health insurance premium for each qualifying job? Yes/No

Describe each type of benefits to be offered to qualifying jobholders. (Use attachments as necessary.)

See attachment 15

ECONOMIC IMPACT

- Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)? N/A Yes/No
Is Schedule A completed and signed for all years and attached? Yes/No
Is Schedule B completed and signed for all years and attached? Yes/No
Is Schedule C (Application) completed and signed for all years and attached? Yes/No
Is Schedule D completed and signed for all years and attached? Yes/No

Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.

If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, please attach a separate schedule showing the amount for each year affected, including an explanation.

**CONFIDENTIALITY NOTICE**

**Property Tax Limitation Agreement Applications**  
**Texas Government Code Chapter 313**  
**Confidential Information Submitted to the Comptroller**

Generally, an application for property tax value limitation, the information provided therein, and documents submitted in support thereof, are considered public information subject to release under the Texas Public Information Act.

There is an exception, outlined below, by which information will be withheld from disclosure.

The Comptroller's office will withhold information from public release if:

- 1) it describes the specific processes or business activities to be conducted or the specific tangible personal property to be located on real property covered by the application;
- 2) the information has been segregated in the application from other information in the application; and
- 3) the party requesting confidentiality provides the Comptroller's office a list of the documents for which confidentiality is sought and for each document lists the specific reasons, including any relevant legal authority, stating why the material is believed to be confidential.

All applications and parts of applications which are not segregated and marked as confidential as outlined above will be considered public information and will be posted on the internet.

Such information properly identified as confidential will be withheld from public release unless and until the governing body of the school district acts on the application, or we are directed to do so by a ruling from the Attorney General.

Other information in the custody of a school district or the comptroller submitted in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under Texas Tax Code, Chapter 313, such as

the nature and amount of the projected investment, employment, wages, and benefits, will not be considered confidential business information and will be posted on the internet.

All documents submitted to the Comptroller, as well as all information in the application once the school district acts thereon, are subject to public release unless specific parts of the application or documents submitted with the application are identified as confidential. Any person seeking to limit disclosure of such submitted records is advised to consult with their legal counsel regarding disclosure issues and also to take the appropriate precautions to safeguard copyrighted material, trade secrets, or any other proprietary information. The Comptroller assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by respondents. A person seeking to limit disclosure of information must submit in writing specific detailed reasons, including any relevant legal authority, stating why that person believes the material to be confidential.

The following outlines how the Comptroller's office will handle requests for information submitted under the Texas Public Information Act for application portions and submitted records appropriately identified as confidential.

- This office shall forward the request for records and a copy of the documents at issue to the Texas Attorney General's office for an opinion on whether such information may be withheld from disclosure under the Texas Public Information Act.
- The Comptroller will notify the person who submitted the application/documents when the information is forwarded to the Attorney General's office.
- Please be aware that this Office is obligated to comply with an Attorney General's decision, including release of information ruled public even if it was marked confidential.

**COMPANY CHECKLIST AND REQUESTED ATTACHMENTS**

	Checklist	Page X of 16	Check Completed
1	Certification pages signed and dated by Authorized Business Representative (applicant)	4 of 16	✓
2	Proof of Payment of Application Fee (Attachment)	5 of 16	✓
3	For applicant members, documentation of Combined Group membership under Texas Tax Code 171.0001(7) (if Applicable) (Attachment)	5 of 16	N/A
4	Detailed description of the project	6 of 16	✓
5	If project is located in more than one district, name other districts and list percentage in each district (Attachment)	7 of 16	N/A
6	Description of Qualified Investment (Attachment)	8 of 16	✓
7	Map of qualified investment showing location of new buildings or new improvements with vicinity map.	8 of 16	✓
8	Description of Qualified Property (Attachment)	8 of 16	✓
9	Map of qualified property showing location of new buildings or new improvements with vicinity map	8 of 16	✓
10	Description of Land (Attachment)	9 of 16	✓
11	A detailed map showing location of the land with vicinity map.	9 of 16	✓
12	A description of all existing (if any) improvements (Attachment)	9 of 16	N/A
13	Request for Waiver of Job Creation Requirement (if applicable) (Attachment)	9 of 16	✓
14	Calculation of three possible wage requirements with TWC documentation. (Attachment)	10 of 16	✓
15	Description of Benefits	10 of 16	✓
16	Economic Impact (if applicable)	10 of 16	N/A
17	Schedule A completed and signed	13 of 16	✓
18	Schedule B completed and signed	14 of 16	✓
19	Schedule C (Application) completed and signed	15 of 16	✓
20	Schedule D completed and signed	16 of 16	✓
21	Map of Reinvestment Zone (Attachment) (Showing the actual or proposed boundaries and size, Certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor, with vicinity map)*	9 of 16	✓
22	Order, Resolution, or Ordinance Establishing the Zone (Attachment)*	9 of 16	✓
23	Legal Description of Reinvestment Zone (Attachment)*	9 of 16	✓
24	Guidelines and Criteria for Reinvestment Zone(Attachment)*	9 of 16	N/A

\*To be submitted with application or before date of final application approval by school board.

*Olney Independent School District*

*Tom Bailey*

*Superintendent*

Phone (940) 564-3519

Fax (940) 564-5205

809 West Hamilton

Olney, TX 76374

August 17, 2010

**INVOICE**

BP America, Inc.

P. O. Box 3092

Houston, TX 77253-3092

Fax Number: 281-504-8593

Attn: Kerry Albright

Legal Services for Kevin O'Hanlon regarding Olney ISD Wind Project    \$75,000.00

ATTACHMENT 3

N/A

#### ATTACHMENT 4

BP Wind Energy North America Inc ("the Company") is requesting an appraised value limitation from Olney ISD for a proposed renewable energy project using wind turbines (wind farm) in Archer and Young County. The wind farm will be constructed within a reinvestment zone established by the Olney Independent School District. A map showing the location of the wind farm is included as Attachment 9. The resolution establishing the reinvestment zone is included as Attachment 22.

The wind farm will have a capacity of 225 megawatts. To construct the wind farm, the Company will install an estimated ninety (90) wind turbines in the Olney ISD that will have a rated capacity of 2.5 megawatts each. In addition to the wind turbines, electrical connections will be installed to permit the interconnection and transmission of electricity generated by the wind turbines.

Construction of the wind farm is proposed to begin in the second quarter of 2011 and will take approximately twelve (12) months. The wind farm is slated to begin commercial operations in the 4<sup>th</sup> quarter of 2011. At the peak of construction, an estimated one hundred and fifty (150) construction workers will be employed at the project site.

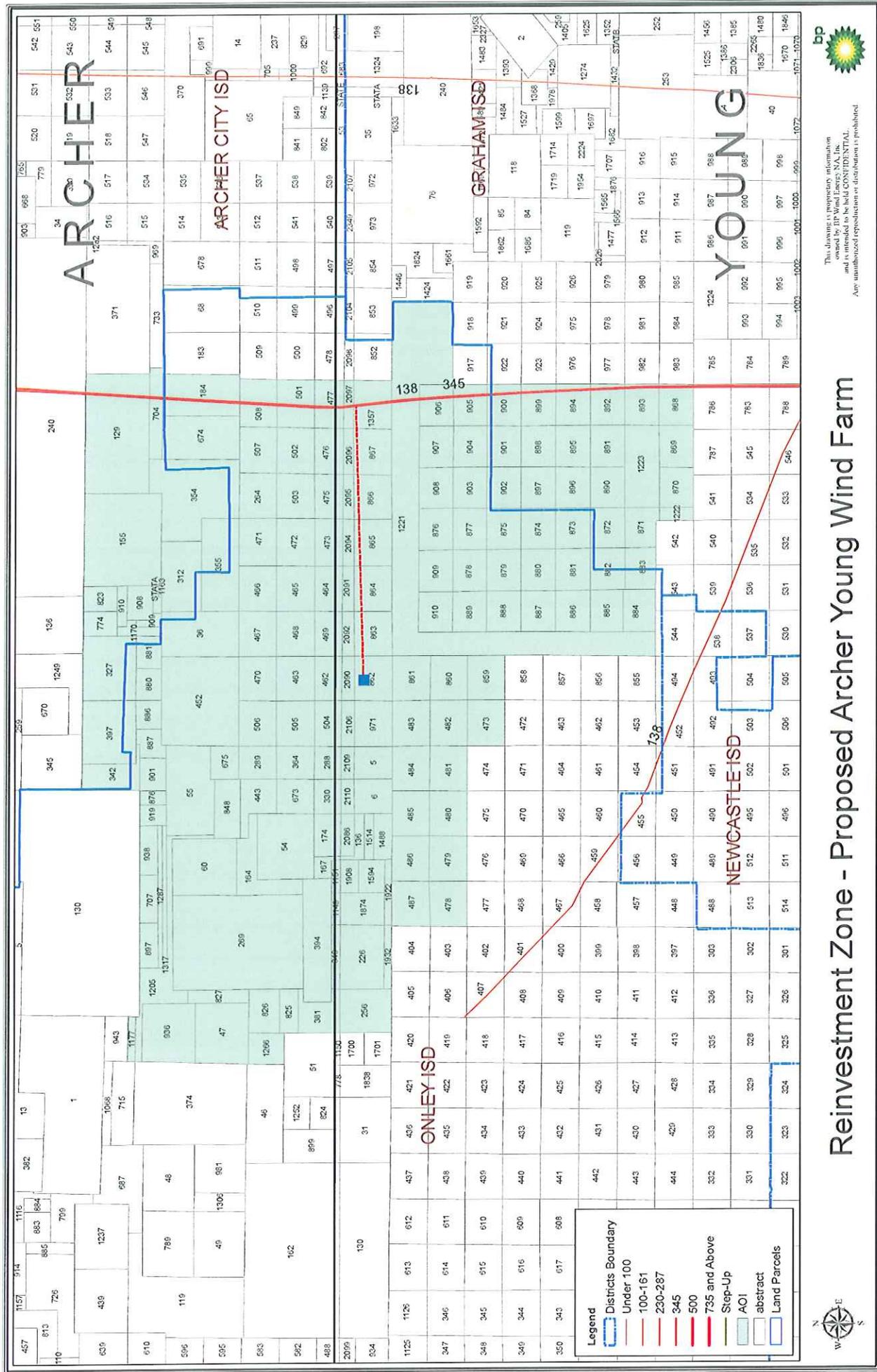
Wind farms are currently being developed, built, and installed in numerous other states, including but not limited to Colorado, Kansas, New Mexico, California, and Minnesota. Within Texas, at least 20 other counties currently have wind farms proposed, under construction, or are currently operating with potential new sites are growing yearly. The Company could invest its resources in any of these locations.

ATTACHMENT 5

N/A

## ATTACHMENT 6

The qualified investment will consist of an estimated ninety (90) wind turbines in the Olney ISD that will have a rated capacity of 2.5 megawatts each. In addition to the wind turbines, electrical connections will be installed to permit the interconnection and transmission of electricity generated by the wind turbines. The size and number of turbines will ultimately be determined by the time of the project and availability of turbines. There will be an electrical sub-station within the project boundary, a transmission line to the inter-connection, and related office and control buildings and personal property supporting the project.

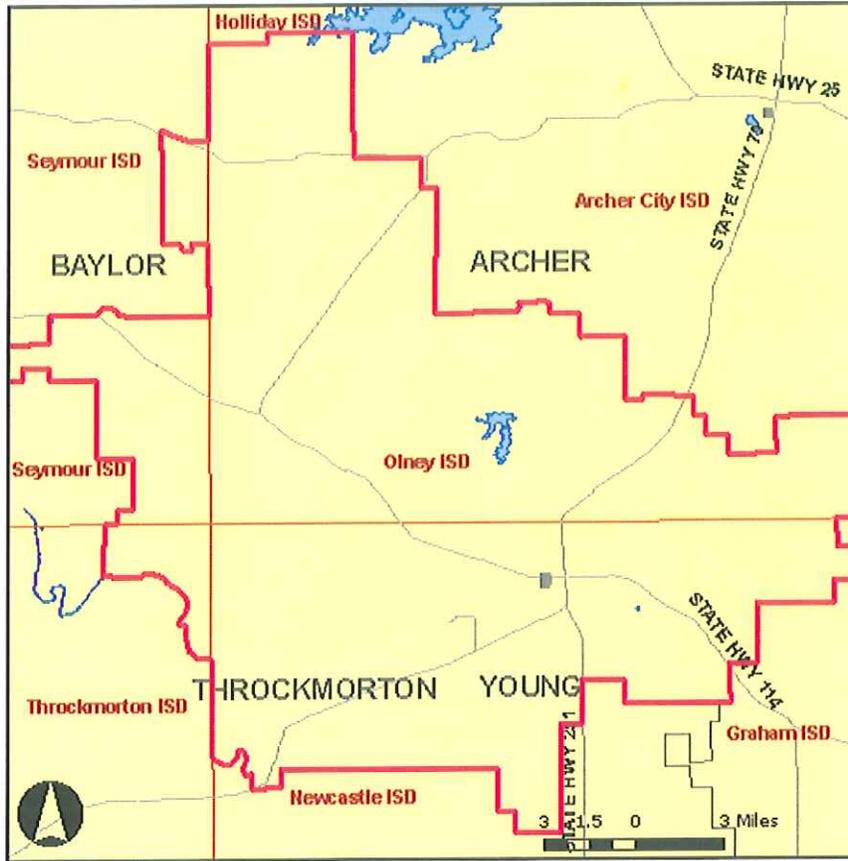


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# Reinvestment Zone - Proposed Archer Young Wind Farm



# Map



- Schools4
  - Schools
- HigherEd
  - Universities
- Hwys2
  - Other
  - A11
  - A15
  - A17
  - A21
  - A22
  - A23

- Hwys2 (continued)
  - A25
  - A27
  - A60
- Gulf
- Counties1
  - Counties
- Counties3
- Hydrology

- Districts2
  - School Districts
  - School Districts
- Districts
- Texas
  - Gulf
  - Texas

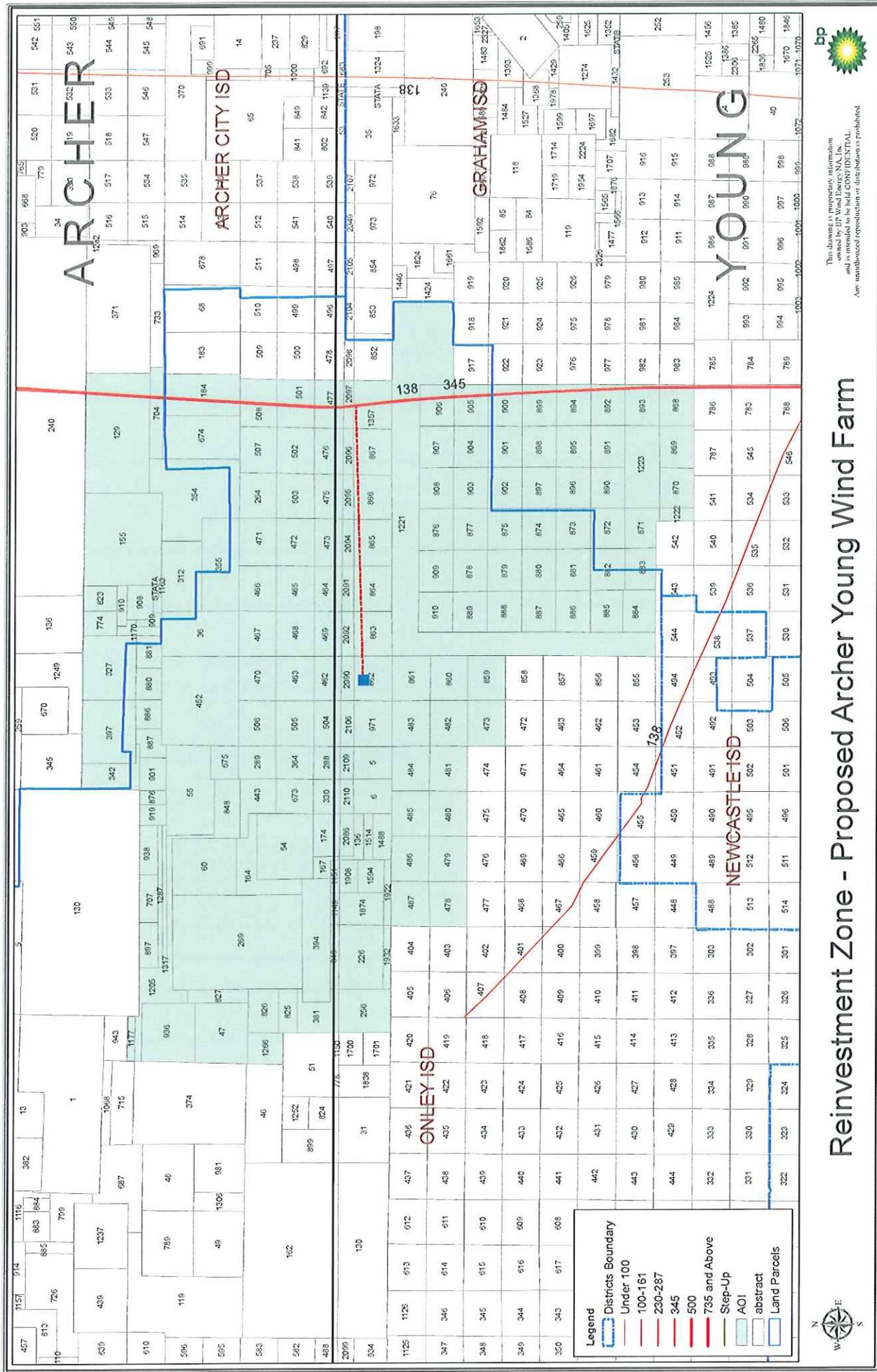
## ATTACHMENT 8

The qualified property will consist of an estimated ninety (90) wind turbines in the Olney ISD that will have a rated capacity of 2.5 megawatts each. In addition to the wind turbines, electrical connections will be installed to permit the interconnection and transmission of electricity generated by the wind turbines. The size and number of turbines will ultimately be determined by the time of the project and availability of turbines. There will be an electrical sub-station within the project boundary, a transmission line to the inter-connection, and related office and control buildings and personal property supporting the project.

The precise location of all these are not finalized at this time due to ongoing planning, discussions and negotiations with landowners.

However, all the property for which BP Wind Energy North America Inc is requesting an appraised value limitation as defined by Tax Code Section 313.021(2), which includes approximately 225 MW of turbines, towers, transformers, transmission lines, and associated ancillary equipment necessary to safely operate, maintain and transmit power to the ERCOT grid, and meteorological equipment to measure and test wind speed and direction, and a relatively insubstantial amount of personal property will be placed within the Olney Independent School District Reinvestment Zone. The project boundaries are wholly contained within the reinvestment zone boundaries.

The proposed project will consist of a facility designed to use wind power to generate electricity (commonly referred to as a wind farm). The applicant expects to build the proposed project within one year, with 100% of the construction to be in the Olney Independent School District. Applicant intends to begin construction in the second quarter of 2011. The applicant intends to complete construction prior to the end of 2011 and expects to meet the minimum qualified investment threshold by the end of 2011 and in any event prior to the expiration of the Qualifying Period. All of the property for which the applicant is seeking a limitation on appraised value will be owned by the applicant.



Attachment 10

“Exhibit A”

Olney Independent School District

The lands located in the below described Abstracts in Archer County, TX:

A-1177  
A-936  
A-1205  
A-897  
A-707  
A-938  
A-919  
A-876  
A-901  
A-887  
A-886  
A-880  
A-881  
A-184  
A-674  
A-355  
A-36  
A-452  
A-55  
A-848  
A-60  
A-1287  
A-1317  
A-47  
A-827  
A-269  
A-60  
A-164  
A-443  
A-675  
A-289  
A-506  
A-470  
A-467  
A-466  
A-471  
A-264  
A-507  
A-508  
A-501

Olney Independent School District

The lands located in the below described Abstracts in Archer Co, TX: (continued)

A-502  
A-503  
A-472  
A-465  
A-468  
A-463  
A-505  
A-364  
A-673  
A-54  
A-826  
A-825  
A-381  
A-394  
A-1149  
A-1151  
A-167  
A-174  
A-330  
A-288  
A-504  
A-462  
A-469  
A-464  
A-473  
A-475  
A-476  
A-477  
A-1266  
A-349  
A-381

Olney Independent School District

The lands located in the below described Abstracts in Young County, TX:

A-2086  
A-2110  
A-2109  
A-2106  
A-2090  
A-2092  
A-2091  
A-2094

Olney Independent School District

The lands located in the below described Abstracts in Young Co, TX: (continued)

A-2095  
A-2096  
A-2097  
A-1357  
A-867  
A-866  
A-865  
A-864  
A-863  
A-862  
A-971  
A-5  
A-6  
A-136  
A-1514  
A-1488  
A-1594  
A-1908  
A-1874  
A-226  
A-256  
A-487  
A-1932  
A-1922  
A-486  
A-485  
A-478  
A-479  
A-480  
A-484  
A-481  
A-483  
A-482  
A-473  
A-861  
A-860  
A-859  
A-1221  
A-906  
A-907  
A-908  
A-876  
A-909

Olney Independent School District

The lands located in the below described Abstracts in Young Co, TX: (continued)

A-910  
A-889  
A-878  
A-877  
A-903  
A-904  
A-905  
A-875  
A-879  
A-888  
A-873  
A-881  
A-886  
A-887  
A-880  
A-874  
A-884  
A-885  
A-883  
A-882



ATTACHMENT 12

N/A

## ATTACHMENT 13

### Job Requirement Waiver

The BP Wind Energy Project will create six qualifying jobs, as that term is defined in Chapter 313.021 (3). House Bill 1470 altered the jobs requirement by adding Section 313.025 (f-1) to permit a school district's board of trustees to make a finding that the job requirement could be waived if the job requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

BP Wind Energy North America Inc has requested that the Olney Independent School District's Board of Trustees make such a finding and waive the job creation requirement. Based on the industry standard, the size and scope of this project will require less than ten permanent jobs.

Wind projects create a large number of part time jobs during the construction phase, but require a small number of highly skilled technicians to operate a wind project once commercial operations start. The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations, and other infrastructure associated with the safe and reliable operation of the project. Based on its operating procedures, BP Wind Energy North America Inc staffs a wind farm in a ratio of one full-time employee for every fifteen turbines, although this number can and does vary depending upon the turbine selected and the support and technical assistance offered by the turbine manufacturer. In addition to the onsite employees described above, there may be asset managers or technicians who supervise, monitor, and support wind project operations from offsite locations.

ATTACHMENT 14

110% of Archer County Average Weekly Wage for all Jobs

2009	3Q	586	
2009	4Q	639	
2010	1Q	551	
<u>2010</u>	<u>2Q</u>	<u>612</u>	
		2388/4 =	\$597 average weekly salary
			<u>X 1.1 (110%)</u>
			\$656.70

110% of Young County Average Weekly Wage for all Jobs

2009	3Q	674	
2009	4Q	738	
2010	1Q	738	
<u>2010</u>	<u>1Q</u>	<u>681</u>	
		2831/4 =	\$707.75 average weekly salary
			<u>X 1.1 (110%)</u>
			\$778.53

110% of Combined County Average Weekly Wage for all Jobs

Archer	656.70	
<u>Young</u>	<u>778.53</u>	
	1435.23/2 =	\$717.62

110% of Archer County Average Weekly Wage for Manufacturing Jobs in County

2009	3Q	485	
2009	4Q	554	
2010	1Q	520	
<u>2010</u>	<u>2Q</u>	<u>1159</u>	
		2718/4 =	\$679.50 average weekly salary
			<u>X 1.1 (110%)</u>
			\$747.45

110% of Young County Average Weekly Wage for Manufacturing Jobs in County

2009	3Q	955	
2009	4Q	989	
2010	1Q	1262	
<u>2010</u>	<u>1Q</u>	<u>889</u>	
		4095/4 =	\$1023.75 average weekly salary
			<u>X 1.1 (110%)</u>
			\$1126.13

110% of Combined County Average Weekly Wage for Manufacturing Jobs in County

Archer	747.45	
Young	1126.13	
	<hr/>	
	1873.58/2 =	\$936.79

110 % of County Average Weekly Wage for Manufacturing Jobs in Region (Nortex)

\$19.60 per hour

X 40 hr per week

\$ 711.20 average weekly salary

X 1.10 (110%)

\$862.40

X 52 weeks

\$44,844.80

### Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2009	3rd Qtr	Young County	Private	00	0	10	Total, All Industries	\$674
2009	4th Qtr	Young County	Private	00	0	10	Total, All Industries	\$738
2010	1st Qtr	Young County	Private	00	0	10	Total, All Industries	\$738
2010	2nd Qtr	Young County	Private	00	0	10	Total, All Industries	\$681
2010	2nd Qtr	Archer County	Private	00	0	10	Total, All Industries	\$612
2010	1st Qtr	Archer County	Private	00	0	10	Total, All Industries	\$551
2009	4th Qtr	Archer County	Private	00	0	10	Total, All Industries	\$639
2009	3rd Qtr	Archer County	Private	00	0	10	Total, All Industries	\$586

## Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2009	3rd Qtr	Young County	Private	31	2	31-33	Manufacturing	\$955
2009	4th Qtr	Young County	Private	31	2	31-33	Manufacturing	\$989
2010	1st Qtr	Young County	Private	31	2	31-33	Manufacturing	\$1,262
2010	2nd Qtr	Young County	Private	31	2	31-33	Manufacturing	\$889
2010	2nd Qtr	Archer County	Private	31	2	31-33	Manufacturing	\$1,159
2010	1st Qtr	Archer County	Private	31	2	31-33	Manufacturing	\$520
2009	4th Qtr	Archer County	Private	31	2	31-33	Manufacturing	\$554
2009	3rd Qtr	Archer County	Private	31	2	31-33	Manufacturing	\$485

**2009 Manufacturing Wages by Council of Government Region  
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
<b>Texas</b>	<b>\$21.43</b>	<b>\$44,583</b>
<a href="#">1. Panhandle Regional Planning Commission</a>	\$18.38	\$38,227
<a href="#">2. South Plains Association of Governments</a>	\$15.67	\$32,596
<a href="#">3. NORTEX Regional Planning Commission</a>	<b>\$19.60</b>	<b>\$40,768</b>
<a href="#">4. North Central Texas Council of Governments</a>	\$23.44	\$48,754
<a href="#">5. Ark-Tex Council of Governments</a>	\$15.14	\$31,489
<a href="#">6. East Texas Council of Governments</a>	\$16.87	\$35,091
<a href="#">7. West Central Texas Council of Governments</a>	\$17.27	\$35,916
<a href="#">8. Rio Grande Council of Governments</a>	\$15.26	\$31,732
<a href="#">9. Permian Basin Regional Planning Commission</a>	\$19.11	\$39,757
<a href="#">10. Concho Valley Council of Governments</a>	\$14.80	\$30,784
<a href="#">11. Heart of Texas Council of Governments</a>	\$17.41	\$36,206
<a href="#">12. Capital Area Council of Governments</a>	\$25.60	\$53,244
<a href="#">13. Brazos Valley Council of Governments</a>	\$15.33	\$31,893
<a href="#">14. Deep East Texas Council of Governments</a>	\$15.46	\$32,151
<a href="#">15. South East Texas Regional Planning Commission</a>	\$25.53	\$53,095
<a href="#">16. Houston-Galveston Area Council</a>	\$22.90	\$47,629
<a href="#">17. Golden Crescent Regional Planning Commission</a>	\$19.84	\$41,273
<a href="#">18. Alamo Area Council of Governments</a>	\$16.82	\$34,984
<a href="#">19. South Texas Development Council</a>	\$13.68	\$28,445
<a href="#">20. Coastal Bend Council of Governments</a>	\$22.10	\$45,967
<a href="#">21. Lower Rio Grande Valley Development Council</a>	\$13.52	\$28,114
<a href="#">22. Texoma Council of Governments</a>	\$18.42	\$38,305
<a href="#">23. Central Texas Council of Governments</a>	\$16.58	\$34,484
<a href="#">24. Middle Rio Grande Development Council</a>	\$13.66	\$28,416

Source: Texas Occupational Employment and Wages

Data published: July 2010

Data published annually, next update will be June 2011.

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

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

Data intended for TAC 313 purposes only.

**ATTACHMENT 15**

In addition to the annual salary, each qualified position will receive Medical, Dental, Vision, Life, and Short & Long Term Disability Insurance. Additional benefits will include a 401K will 100% match up to 6%, and a retirement fund based upon age and years of service.

ATTACHMENT 16

N/A

Schedule A (Rev. May 2010): Investment

Form 50-296

Applicant Name  
ISD Name

PROPERTY INVESTMENT AMOUNTS																		
(Estimated investment in each year. Do not put cumulative totals.)																		
	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service of during this year	Column B: Building or permanent nonremovable component (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)											
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	2010-2011	2010																
										Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)	1	2011-12	\$ 319,940,000.00	60,000	\$ 320,000,000.00			
											2	2012-13						
											3	2013-14						
											4	2014-15						
											5	2015-16						
											6	2016-17						
											7	2017-18						
											8	2018-19						
											9	2019-20						
											10	2020-21						
											11	2021-22						
											12	2022-23						
											13	2023-24						
											14	2024-25						
15	2025-26																	
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period																	
	Value Limitation Period																	
Credit Settle-Up Period	Continue to Maintain Viable Presence																	
	Post-Settle-Up Period																	
Post-Settle-Up Period																		

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.  
 Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D).  
 For the purposes of investment, please list amount invested each year, not cumulative totals.

Column B: Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.  
 The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

Column D: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.  
 Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value for planning, construction and operation of the facility.  
 The most significant example for many projects would be land. Other examples may be items such as professional services, etc.  
 Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.  
 This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

*Sam A. Green*  
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

7/21/10  
 DATE

Schedule B (Rev. May 2010): Estimated Market And Taxable Value

Form 50-296

Applicant Name  
ISD Name

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	Final taxable value for M&O--after all reductions
			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 building or "in or on the new improvement"			
pre-year 1	2010-2011	2010						
1	2011-12	2011						
2	2012-13	2012						
3	2013-14	2013		\$ 319,940,000	\$ 60,000		\$ 320,000,000	\$ 320,000,000
4	2014-15	2014		\$ 307,142,400	\$ 57,600		\$ 307,142,400	\$ 10,000,000
5	2015-16	2015		\$ 294,856,704	\$ 55,296		\$ 294,856,704	\$ 10,000,000
6	2016-17	2016		\$ 283,062,436	\$ 53,084		\$ 283,062,436	\$ 10,000,000
7	2017-18	2017		\$ 271,739,938	\$ 50,961		\$ 271,739,938	\$ 10,000,000
8	2018-19	2018		\$ 260,870,341	\$ 48,922		\$ 260,870,341	\$ 10,000,000
9	2019-20	2019		\$ 250,435,527	\$ 46,965		\$ 250,435,527	\$ 10,000,000
10	2020-21	2020		\$ 240,418,106	\$ 45,087		\$ 240,418,106	\$ 10,000,000
11	2021-22	2021		\$ 230,801,382	\$ 43,283		\$ 230,801,382	\$ 10,000,000
12	2022-23	2022		\$ 221,569,327	\$ 41,552		\$ 221,569,327	\$ 221,569,327
13	2023-24	2023		\$ 212,706,554	\$ 39,890		\$ 212,706,554	\$ 212,706,554
14	2024-25	2024		\$ 204,198,291	\$ 38,294		\$ 204,198,291	\$ 204,198,291
15	2025-26	2025		\$ 196,030,360	\$ 36,763		\$ 196,030,360	\$ 196,030,360
				\$ 188,189,145	\$ 35,292		\$ 188,189,145	\$ 188,189,145

Tax Credit Period (with 50% cap on credit)

Value Limitation Period

Credit Settle-Up Period

Post-Settle-Up Period

Post-Settle-Up Period

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

*Sam C. [Signature]*

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

7/21/10



Schedule D: (Rev. May 2010): Other Tax Information

Form 50-296

Applicant Name

ISD Name		Sales Tax Information				Other Property Tax Abatements Sought			
		Franchise Tax	Franchise Tax	Franchise Tax	Franchise Tax	Archer County (72% of project value)	City	Hospital (80% of project value)	Young County (28% of project value)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F:	Column G:	Column H:	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement
				Estimate of total annual expenditures* subject to state sales tax	Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Estimate of Franchise tax due from (or attributable to) the applicant	percentage exemption requested or granted in each year of the Agreement	percentage exemption requested or granted in each year of the Agreement	percentage exemption requested or granted in each year of the Agreement
		2010-2011	2010	\$ 42,962,963	\$ 277,037,037	\$ 26,355	100%	100%	100%
Complete tax years of qualifying time period	1	2011-12	2011	-	-	\$ 26,355	100%	100%	100%
	2	2012-13	2012	-	-	\$ 26,355	100%	100%	100%
	3	2013-14	2013	-	-	\$ 26,355	100%	100%	100%
	4	2014-15	2014	-	-	\$ 26,355	100%	100%	100%
	5	2015-16	2015	-	-	\$ 26,355	100%	100%	100%
	6	2016-17	2016	-	-	\$ 26,355	100%	100%	100%
	7	2017-18	2017	-	-	\$ 26,355	100%	100%	100%
	8	2018-19	2018	-	-	\$ 26,355	100%	100%	100%
	9	2019-20	2019	-	-	\$ 26,355	100%	100%	100%
	10	2020-21	2020	-	-	\$ 26,355	100%	100%	100%
	11	2021-22	2021	-	-	\$ 26,355	-	-	-
	12	2022-23	2022	-	-	\$ 26,355	-	-	-
	13	2023-24	2023	-	-	\$ 26,355	-	-	-
	14	2024-25	2024	-	-	\$ 26,355	-	-	-
	15	2025-26	2025	-	-	\$ 26,355	-	-	-
Tax Credit Period (with 50% cap on credit)	Value Limitation Period								
Credit Settle-Up Period	Continue to Maintain Viable Presence								
Post-Settle-Up Period									
Post-Settle-Up Period									

\*For planning, construction and operation of the facility.

*Sam A. Green*

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

*7/21/10*

DATE



## RESOLUTION

**A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR TEXAS TAX CODE CHAPTER 313 APPRAISED VALUE LIMITATION IN THE OLNEY INDEPENDENT SCHOOL DISTRICT, IN PORTIONS OF ARCHER AND YOUNG COUNTY TEXAS, TO BE KNOWN AS *OLNEY INDEPENDENT SCHOOL DISTRICT REINVESTMENT ZONE NUMBER ONE*; ESTABLISHING THE BOUNDARIES THEREOF; AND PROVIDING FOR AN EFFECTIVE DATE.**

*WHEREAS*, the Board of Trustees of the Olney 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 the V.T.C.A. Texas Tax Code § Chapter 313; and,

*WHEREAS*, on October 20, 2008, a hearing before the Board of Trustees of the Olney 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 which includes within its boundaries real property that is to be included in the proposed reinvestment zone; and,

*WHEREAS*, the Board of Trustees of the Olney 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 OLNEY 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 Olney 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 the adoption of *Olney Independent School District Reinvestment Zone Number One* 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 *Olney Independent School District Reinvestment Zone Number One* be the area as described in the legal description attached hereto as "EXHIBIT A"; and,
- (c) That the map attached hereto as "EXHIBIT B" shows the *Olney Independent School District Reinvestment Zone Number One* boundaries and that the property described is inside those boundaries; and,;
- (d) That creation of the proposed *Olney Independent School District Reinvestment Zone Number One* with boundaries as described in "EXHIBIT A"; will result in benefits to the Olney Independent School District and to land included in the zone, and that the improvements sought are feasible and practical and will be a benefit to the land to be included in this Reinvestment Zone and to the District after the expiration of the *Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*, as authorized by the V.T.C.A. Texas Tax Code § Chapter 313; entered into contemporaneously with the adoption of this Resolution; and,
- (e) The *Olney Independent School District Reinvestment Zone Number One* described in "EXHIBIT A" 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 will attract investment in the zone that will be a benefit to the property, and would contribute to economic development within the Olney Independent School District.

**SECTION 3.** That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Olney Independent School District, hereby creates a reinvestment zone under the provisions of Tex. Tax Code § 312.0025, encompassing the area described by the legal description in "EXHIBIT A," and such reinvestment zone is hereby designated and shall hereafter be referred to as *Olney Independent School District Reinvestment Zone Number One*.

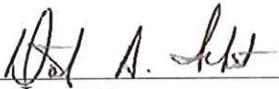
**SECTION 4.** That *Olney Independent School District Reinvestment Zone Number One* shall take effect upon adoption by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such designation.

**SECTION 5.** That if any section, paragraph, clause or provision of this Resolution shall for any reason beheld 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 Olney 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 newspapers of general circulation in Archer and Young Counties of the State of Texas, and furthermore, such notice was, in fact, delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 20<sup>th</sup> day of October, 2008.

**OLNEY INDEPENDENT SCHOOL DISTRICT**

By:   
DAVID ICKERT  
President  
Board of Trustees

**ATTEST:**

  
JAN WILLIAMS  
Secretary  
Board of Trustees

---

"Exhibit A"

Olney Independent School District

The lands located in the below described Abstracts in Archer County, TX:

A-1177  
A-936  
A-1205  
A-897  
A-707  
A-938  
A-919  
A-876  
A-901  
A-887  
A-886  
A-880  
A-881  
A-184  
A-674  
A-355  
A-36  
A-452  
A-55  
A-848  
A-60  
A-1287  
A-1317  
A-47  
A-827  
A-269  
A-60  
A-164  
A-443  
A-675  
A-289  
A-506  
A-470  
A-467  
A-466  
A-471  
A-264  
A-507  
A-508  
A-501

Olney Independent School District

The lands located in the below described Abstracts in Archer Co, TX: (continued)

A-502  
A-503  
A-472  
A-465  
A-468  
A-463  
A-505  
A-364  
A-673  
A-54  
A-826  
A-825  
A-381  
A-394  
A-1149  
A-1151  
A-167  
A-174  
A-330  
A-288  
A-504  
A-462  
A-469  
A-464  
A-473  
A-475  
A-476  
A-477  
A-1266  
A-349  
A-381

Olney Independent School District

The lands located in the below described Abstracts in Young County, TX:

A-2086  
A-2110  
A-2109  
A-2106  
A-2090  
A-2092  
A-2091  
A-2094

Olney Independent School District

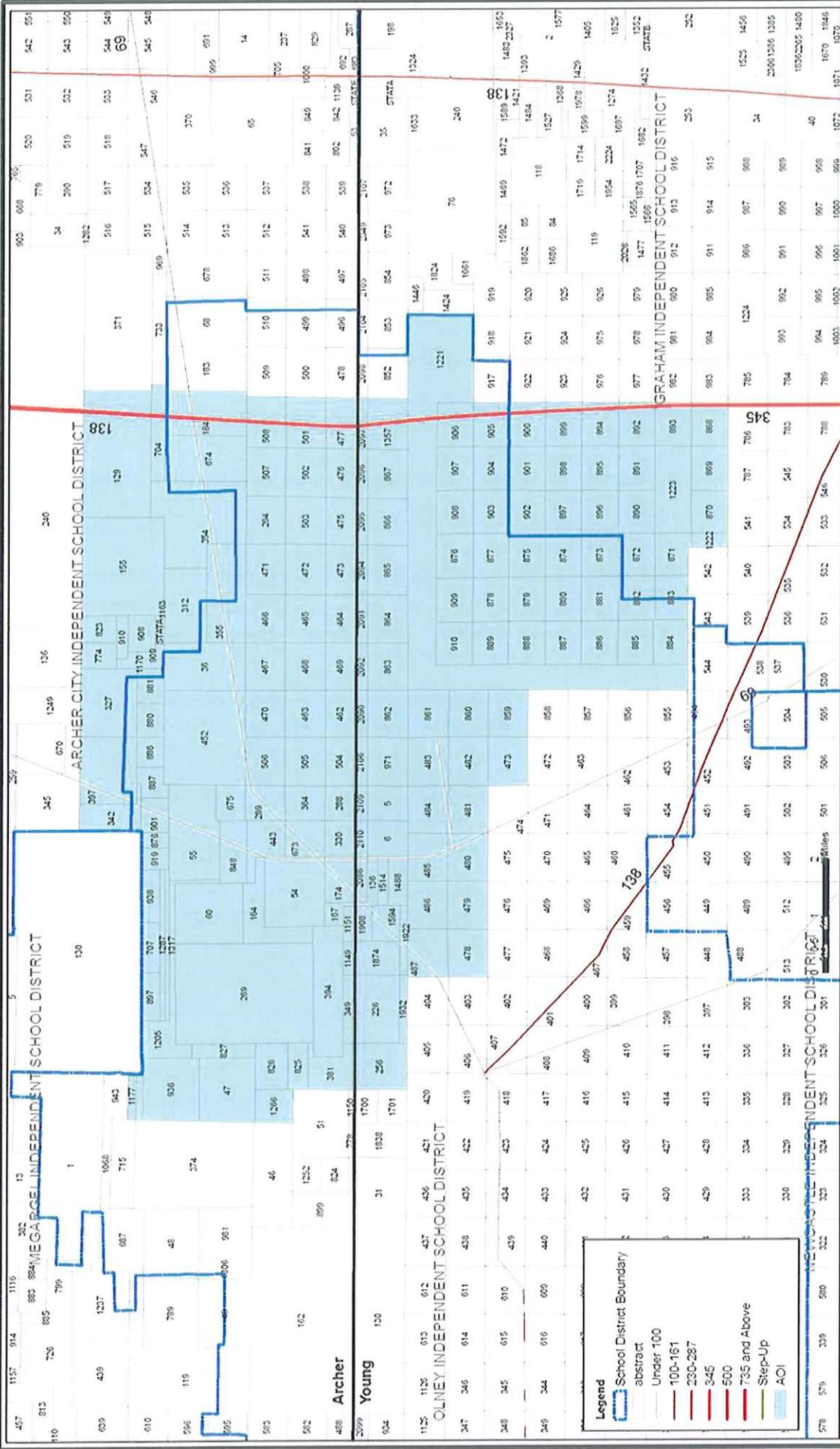
The lands located in the below described Abstracts in Young Co, TX: (continued)

A-2095  
A-2096  
A-2097  
A-1357  
A-867  
A-866  
A-865  
A-864  
A-863  
A-862  
A-971  
A-5  
A-6  
A-136  
A-1514  
A-1488  
A-1594  
A-1908  
A-1874  
A-226  
A-256  
A-487  
A-1932  
A-1922  
A-486  
A-485  
A-478  
A-479  
A-480  
A-484  
A-481  
A-483  
A-482  
A-473  
A-861  
A-860  
A-859  
A-1221  
A-906  
A-907  
A-908  
A-876  
A-909

Olney Independent School District

The lands located in the below described Abstracts in Young Co, TX: (continued)

A-910  
A-889  
A-878  
A-877  
A-903  
A-904  
A-905  
A-875  
A-879  
A-888  
A-873  
A-881  
A-886  
A-887  
A-880  
A-874  
A-884  
A-885  
A-883  
A-882



The drawing is proprietary information owned by BP Wind Energy, S.A. and is not to be used for any other purpose without the written consent of BP Wind Energy, S.A.

# Proposed Reinvestment Zone - Archer Young Wind Farm

Exhibit B



Attachment 23

“Exhibit A”

Olney Independent School District

The lands located in the below described Abstracts in Archer County, TX:

A-1177  
A-936  
A-1205  
A-897  
A-707  
A-938  
A-919  
A-876  
A-901  
A-887  
A-886  
A-880  
A-881  
A-184  
A-674  
A-355  
A-36  
A-452  
A-55  
A-848  
A-60  
A-1287  
A-1317  
A-47  
A-827  
A-269  
A-60  
A-164  
A-443  
A-675  
A-289  
A-506  
A-470  
A-467  
A-466  
A-471  
A-264  
A-507  
A-508  
A-501

Olney Independent School District

The lands located in the below described Abstracts in Archer Co, TX: (continued)

A-502  
A-503  
A-472  
A-465  
A-468  
A-463  
A-505  
A-364  
A-673  
A-54  
A-826  
A-825  
A-381  
A-394  
A-1149  
A-1151  
A-167  
A-174  
A-330  
A-288  
A-504  
A-462  
A-469  
A-464  
A-473  
A-475  
A-476  
A-477  
A-1266  
A-349  
A-381

Olney Independent School District

The lands located in the below described Abstracts in Young County, TX:

A-2086  
A-2110  
A-2109  
A-2106  
A-2090  
A-2092  
A-2091  
A-2094

Olney Independent School District

The lands located in the below described Abstracts in Young Co, TX: (continued)

A-2095  
A-2096  
A-2097  
A-1357  
A-867  
A-866  
A-865  
A-864  
A-863  
A-862  
A-971  
A-5  
A-6  
A-136  
A-1514  
A-1488  
A-1594  
A-1908  
A-1874  
A-226  
A-256  
A-487  
A-1932  
A-1922  
A-486  
A-485  
A-478  
A-479  
A-480  
A-484  
A-481  
A-483  
A-482  
A-473  
A-861  
A-860  
A-859  
A-1221  
A-906  
A-907  
A-908  
A-876  
A-909

Olney Independent School District

The lands located in the below described Abstracts in Young Co, TX: (continued)

A-910  
A-889  
A-878  
A-877  
A-903  
A-904  
A-905  
A-875  
A-879  
A-888  
A-873  
A-881  
A-886  
A-887  
A-880  
A-874  
A-884  
A-885  
A-883  
A-882

ATTACHMENT 24

N/A

Attachment B

Certificate of Account Status



# TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

December 10, 2010

## CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS  
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO HEREBY CERTIFY that according to the records of this office

**BP WIND ENERGY NORTH AMERICA INC.**

is, as of this date, in good standing with this office having no franchise tax reports or payments due at this time. This certificate is valid through the date that the next franchise tax report will be due May 16, 2011.

This certificate does not make a representation as to the status of the entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted entity is subject to franchise tax as required by law. This certificate is not valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND  
SEAL OF OFFICE in the City of  
Austin, this 10th day of  
December 2010 A.D.

A handwritten signature in cursive script that reads "Susan Combs".

Susan Combs  
Texas Comptroller

Taxpayer number: 15420061812  
File number: 0800991604

## Attachment C

### State Comptroller's Recommendation

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



December 3, 2010

Mr. Tom Bailey  
Superintendent  
Olney Independent School District  
809 W. Hamilton  
Olney, Texas 76374

Dear Superintendent Bailey:

On November 18, 2010, the agency received the completed application for a limitation on appraised value originally submitted to the Olney Independent School District (Olney ISD) by BP Wind Energy North America Inc. (BP Wind) in July, 2010, under the provisions of Tax Code Chapter 313. This letter presents the Comptroller's recommendation regarding BP Wind's application as required by Section 313.025(d), using the criteria set out by Section 313.026. Our review assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Filing an application containing false information is a criminal offense under Texas Penal Code Chapter 37.

According to the provisions of Chapter 313, Olney ISD is currently classified as a rural school district in Category 3. The applicant properly applied under the provisions of Subchapter C, as applicable to rural school districts, and the amount of proposed qualified investment (\$320,000,000) is consistent with the proposed appraised value limitation sought (\$10 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

BP Wind is proposing the construction of a wind power electricity generating facility in Archer County and Young County. BP Wind is an active franchise taxpayer, as required by Tax Code Section 313.024(a), and is in good standing. After reviewing the application using the criteria listed in Section 313.026, and the information provided by BP Wind, the Comptroller's recommendation is that BP Wind's application under Tax Code Chapter 313 be approved.

Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements. Chapter 313 places the responsibility to verify that all requirements of the statute have been fulfilled on the school district. Section 313.025 requires the school district to determine if the evidence supports making specific findings that the information in the application is true and correct, the applicant is eligible for a limitation and that granting the application is in the best interest of the school district and state. When approving a job waiver requested under Section 313.025(f-1), the school district must also find that the statutory jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility. As stated above, we prepared the recommendation by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria and a cursory review of the industry standard evidence necessary to support the waiver of the required number of jobs.

Mr. Tom Bailey  
December 3, 2010  
Page Two

The Comptroller's recommendation is based on the final, completed application that has been submitted to this office, and may not be used to support an approval if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application.

This recommendation is contingent on the following:

1. No later than 10 days prior to the meeting scheduled by the district to consider approving the agreement, applicant submitting to this office a draft limitation agreement that complies with the statutes, the Comptroller's rules, and is consistent with the application;
2. The Comptroller providing written confirmation that it received and reviewed the draft agreement and affirming the recommendation made in this letter;
3. The district approving and executing a limitation agreement that has been reviewed by this office within a year from the date of this letter. As required by Comptroller Rule 9.1055 (34 T.A.C. 9.1055), the signed limitation agreement must be forwarded to our office as soon as possible after execution.

During the 81st Legislative Session, House Bill 3676 made a number of changes to the chapter. Please visit our Web site at [www.window.state.tx.us/taxinfo/proptax/hb1200](http://www.window.state.tx.us/taxinfo/proptax/hb1200) to find an outline of the program and links to applicable rules and forms.

Should you have any questions, please contact Robert Wood, director of Local Government Assistance and Economic Development, by e-mail at [robert.wood@cpa.state.tx.us](mailto:robert.wood@cpa.state.tx.us) or by phone at (800) 531-5441, ext. 3-3973, or direct in Austin at (512) 463-3973.

Sincerely,



Martin A. Hubert  
Deputy Comptroller

Enclosure

cc: Robert Wood

# Attachment D

## Economic Analysis

Economic Impact for Chapter 313 Project

Applicant	BP Wind Energy North America Inc.
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation - Wind
School District	Olney ISD
2008-09 Enrollment in School District	783
County	Archer and Young
Total Investment in District	\$320,000,000
Qualified Investment	\$320,000,000
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	6*
Number of qualifying jobs committed to by applicant	6
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$862
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$862
Minimum Annual Wage committed to by applicant for qualified jobs	\$44,845
Investment per Qualifying Job	\$53,333,333
Estimated 15 year M&O levy without any limit or credit:	\$40,739,640
Estimated 15 year M&O tax benefit	\$27,721,124
Estimated 15 year M&O tax benefit ( <i>after</i> deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$26,756,012
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$3,627,000
Net Tax Paid After Limitation, Credits and Revenue Protection:	\$13,983,628
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	65.7%
Percentage of tax benefit due to the limitation	86.9%
Percentage of tax benefit due to the credit.	13.1%
<i>*Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).</i>	

This presents the Comptroller's economic impact evaluation of BP Wind Energy North America (the project) applying to Olney Independent School District (the district), as required by Tax Code, 313.026. This evaluation is based on information provided by the applicant and examines the following criteria:

- (1) the recommendations of the comptroller;
- (2) the name of the school district;
- (3) the name of the applicant;
- (4) the general nature of the applicant's investment;
- (5) the relationship between the applicant's industry and the types of qualifying jobs to be created by the applicant to the long-term economic growth plans of this state as described in the strategic plan for economic development submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Government Code, as that section existed before February 1, 1999;
- (6) the relative level of the applicant's investment per qualifying job to be created by the applicant;
- (7) the number of qualifying jobs to be created by the applicant;
- (8) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;
- (9) the ability of the applicant to locate or relocate in another state or another region of this state;
- (10) the impact the project will have on this state and individual local units of government, including:
  - (A) tax and other revenue gains, direct or indirect, that would be realized during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller; and
  - (B) economic effects of the project, including the impact on jobs and income, during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller;
- (11) the economic condition of the region of the state at the time the person's application is being considered;
- (12) the number of new facilities built or expanded in the region during the two years preceding the date of the application that were eligible to apply for a limitation on appraised value under this subchapter;
- (13) the effect of the applicant's proposal, if approved, on the number or size of the school district's instructional facilities, as defined by Section 46.001, Education Code;
- (14) the projected market value of the qualified property of the applicant as determined by the comptroller;
- (15) the proposed limitation on appraised value for the qualified property of the applicant;
- (16) the projected dollar amount of the 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 with assumptions of the projected appreciation or depreciation of the investment and projected tax rates clearly stated;
- (17) the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the agreement, if the property receives a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment clearly stated;
- (18) the projected effect on the Foundation School Program of payments to the district for each year of the agreement;
- (19) the projected future tax credits if the applicant also applies for school tax credits under Section 313.103; and
- (20) the total amount of taxes projected to be lost or gained by the district over the life of the agreement computed by subtracting the projected taxes stated in Subdivision (17) from the projected taxes stated in Subdivision (16).

**Wages, salaries and benefits [313.026(6-8)]**

After construction, the project will create six new jobs when fully operational. All six jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the NORTEX Regional Planning Commission Region, where Archer County and Young County are located was \$40,768 in 2009. The annual average manufacturing wage for 2009 for Archer and Young County is \$44,285. That same year, the county annual average wage for all industries was \$33,924. In addition to a salary of \$44,845, each qualifying position will receive benefits such as medical, dental, vision, life, and short & long term disability insurance, a 401(k) with 100% match up to 6%, and a retirement fund based upon age and years of service. The project's total investment is \$320 million, resulting in a relative level of investment per qualifying job of \$53.3 million.

**Ability of applicant to locate to another state and [313.026(9)]**

According to BP Wind Energy's application, "Wind farms are currently being developed, built, and installed in numerous other states, including but not limited to Colorado, Kansas, New Mexico, California, and Minnesota. Within Texas, at least 20 other counties currently have wind farms proposed, under construction, or are currently operating with potential new sites that are growing yearly. The Company could invest its resources in any of these locations."

**Number of new facilities in region [313.026(12)]**

During the past two years, four projects in the NORTEX Regional Planning Commission Region applied for value limitation agreements under Tax Code, Chapter 313.

**Relationship of applicant's industry and jobs and Texas's economic growth plans [313.026(5)]**

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the BP Wind Energy project requires appear to be in line with the focus and themes of the plan. Texas identified energy as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the energy industry.

**Economic Impact [313.026(10)(A), (10)(B), (11), (13-20)]**

Table 1 depicts BP Wind Energy's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 15 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

**Table 1: Estimated Statewide Economic Impact of Investment and Employment in BP Wind Energy**

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2011	150	217	367	\$7,800,000	\$16,100,000	\$23,900,000
2012	6	20	26	\$269,070	\$3,130,930	\$3,400,000
2013	6	23	29	\$269,070	\$3,530,930	\$3,800,000
2014	6	17	23	\$269,070	\$3,130,930	\$3,400,000
2015	6	16	22	\$269,070	\$3,030,930	\$3,300,000
2016	6	15	21	\$269,070	\$3,030,930	\$3,300,000
2017	6	12	18	\$269,070	\$2,630,930	\$2,900,000
2018	6	15	21	\$269,070	\$2,630,930	\$2,900,000
2019	6	12	18	\$269,070	\$2,930,930	\$3,200,000
2020	6	15	21	\$269,070	\$2,930,930	\$3,200,000
2021	6	15	21	\$269,070	\$3,130,930	\$3,400,000
2022	6	10	16	\$269,070	\$3,030,930	\$3,300,000
2023	6	10	16	\$269,070	\$3,030,930	\$3,300,000
2024	6	8	14	\$269,070	\$2,630,930	\$2,900,000
2025	6	10	16	\$269,070	\$3,130,930	\$3,400,000

Source: CPA, RBMI, BP Wind Energy North America Inc.

The statewide average ad valorem tax base for school districts in Texas was \$1.6 billion in 2009. Olney ISD's ad valorem tax base in 2009 was \$0.18 billion. The statewide average wealth per WADA was estimated at \$352,755 for fiscal 2009-2010. During that same year, Olney ISD's estimated wealth per WADA was \$132,962. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Archer County, Young County, and Olney-Hamilton Hospital District with all property tax incentives sought being granted using estimated market value from BP Wind Energy's application. BP Wind Energy has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the counties and the hospital district. Table 3 illustrates the estimated tax impact of the BP Wind Energy project on the region if all taxes are assessed.

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate <sup>1</sup>	Olney ISD I&S Levy	Olney ISD M&O Levy	Olney ISD M&O and I&S Tax Levies (Before Credit Credited)	Olney ISD M&O and I&S Tax Levies (After Credit Credited)	Archer County (72% of Project)	Young County (28% of Project)	Olney-Hamilton Hospital District (80% of Project)	Estimated Total Property Taxes
2010	\$0	\$0		0.2050	1.1700	\$0	\$0	0.6759	0.6505	0.2500	\$0
2011	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2012	\$320,000,000	\$320,000,000		\$656,000	\$3,744,000	\$4,400,000	\$4,400,000	\$0	\$0	\$0	\$4,400,000
2013	\$307,142,400	\$10,000,000		\$629,642	\$117,000	\$746,642	\$746,642	\$0	\$0	\$0	\$746,642
2014	\$294,856,704	\$10,000,000		\$604,456	\$117,000	\$721,456	\$525,848	\$0	\$0	\$0	\$525,848
2015	\$283,062,436	\$10,000,000		\$580,278	\$117,000	\$697,278	\$504,323	\$0	\$0	\$0	\$504,323
2016	\$271,739,938	\$10,000,000		\$557,067	\$117,000	\$674,067	\$485,132	\$0	\$0	\$0	\$485,132
2017	\$260,870,341	\$10,000,000		\$534,784	\$117,000	\$651,784	\$465,458	\$0	\$0	\$0	\$465,458
2018	\$250,435,527	\$10,000,000		\$513,393	\$117,000	\$630,393	\$446,675	\$0	\$0	\$0	\$446,675
2019	\$240,418,106	\$10,000,000		\$492,857	\$117,000	\$609,857	\$428,744	\$0	\$0	\$0	\$428,744
2020	\$230,801,382	\$10,000,000		\$473,143	\$117,000	\$590,143	\$411,626	\$0	\$0	\$0	\$411,626
2021	\$221,569,327	\$221,569,327		\$454,217	\$2,592,361	\$3,046,578	\$726,751	\$1,078,263	\$403,566	\$443,139	\$2,651,718
2022	\$212,706,554	\$212,706,554		\$436,048	\$2,488,667	\$2,924,715	\$2,924,715	\$1,035,132	\$387,424	\$425,413	\$4,772,684
2023	\$204,198,291	\$204,198,291		\$418,606	\$2,389,120	\$2,807,727	\$2,807,727	\$993,727	\$371,927	\$408,397	\$4,581,777
2024	\$196,030,360	\$196,030,360		\$401,862	\$2,293,555	\$2,695,417	\$2,695,417	\$953,978	\$357,050	\$392,061	\$4,398,506
2025	\$188,189,145	\$188,189,145		\$385,788	\$2,201,813	\$2,587,601	\$2,587,601	\$915,819	\$342,768	\$376,378	\$4,222,565
						Total	\$20,156,658	\$4,976,918	\$1,862,734	\$2,045,387	\$29,041,698

Assumes School Value Limitation and Tax Abatements

Source: CPA, BP Wind Energy North America Inc.

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

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate <sup>1</sup>	Olney ISD I&S Levy	Olney ISD M&O Levy	Olney ISD M&O and I&S Tax Levies	Archer County (72% of Project)	Young County (28% of Project)	Olney-Hamilton Hospital District (80% of Project)	Estimated Total Property Taxes	
2010	\$0	\$0		0.2050	1.1700	\$0	0.6759	0.6505	0.2500	\$0	
2011	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2012	\$320,000,000	\$320,000,000		\$656,000	\$3,744,000	\$4,400,000	\$1,557,274	\$582,848	\$640,000	\$7,180,122	
2013	\$307,142,400	\$307,142,400		\$629,642	\$3,593,566	\$4,223,208	\$1,494,702	\$559,429	\$614,285	\$6,891,624	
2014	\$294,856,704	\$294,856,704		\$604,456	\$3,449,823	\$4,054,280	\$1,434,914	\$537,052	\$589,713	\$6,615,959	
2015	\$283,062,436	\$283,062,436		\$580,278	\$3,311,831	\$3,892,108	\$1,377,518	\$515,570	\$566,125	\$6,351,321	
2016	\$271,739,938	\$271,739,938		\$557,067	\$3,179,357	\$3,736,424	\$1,322,417	\$494,947	\$543,480	\$6,097,268	
2017	\$260,870,341	\$260,870,341		\$534,784	\$3,052,183	\$3,586,967	\$1,269,520	\$475,149	\$521,741	\$5,853,377	
2018	\$250,435,527	\$250,435,527		\$513,393	\$2,930,096	\$3,443,488	\$1,218,739	\$456,143	\$500,871	\$5,619,242	
2019	\$240,418,106	\$240,418,106		\$492,857	\$2,812,892	\$3,305,749	\$1,169,990	\$437,898	\$480,836	\$5,394,473	
2020	\$230,801,382	\$230,801,382		\$473,143	\$2,700,376	\$3,173,519	\$1,123,190	\$420,382	\$461,603	\$5,178,694	
2021	\$221,569,327	\$221,569,327		\$454,217	\$2,592,361	\$3,046,578	\$1,078,263	\$403,566	\$443,139	\$4,971,546	
2022	\$212,706,554	\$212,706,554		\$436,048	\$2,488,667	\$2,924,715	\$1,035,132	\$387,424	\$425,413	\$4,772,684	
2023	\$204,198,291	\$204,198,291		\$418,606	\$2,389,120	\$2,807,727	\$993,727	\$371,927	\$408,397	\$4,581,777	
2024	\$196,030,360	\$196,030,360		\$401,862	\$2,293,555	\$2,695,417	\$953,978	\$357,050	\$392,061	\$4,398,506	
2025	\$188,189,145	\$188,189,145		\$385,788	\$2,201,813	\$2,587,601	\$915,819	\$342,768	\$376,378	\$4,222,565	
						Total	\$47,877,782	\$16,945,183	\$6,342,152	\$6,964,041	\$78,129,158

Source: CPA, BP Wind Energy North America Inc.

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



TEXAS EDUCATION AGENCY

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Robert Scott  
Commissioner

December 2, 2010

Mr. Robert Wood  
Director, Local Government Assistance and Economic Development  
Texas Comptroller of Public Accounts  
Lyndon B. Johnson State Office Building  
111 East 17th Street  
Austin, Texas 78774

Dear Mr. Wood:

The Texas Education Agency has analyzed the revenue gains that would be realized by the proposed BP Wind Energy North America Inc. project for the Olney Independent School District (OISD). Projections prepared by our Forecasting and Fiscal Analysis Division confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid and their estimates of the impact of the BP Wind Energy North America Inc. project on OISD are correct.

Please feel free to contact me by phone at (512) 463-9268 or by email at [helen.daniels@tea.state.tx.us](mailto:helen.daniels@tea.state.tx.us) if you need further information regarding this issue.

Sincerely,

A handwritten signature in cursive script that reads 'Helen Daniels'.

Helen Daniels  
Director of State Funding

HD/hd



## TEXAS EDUCATION AGENCY

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Robert Scott  
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December 2, 2010

Mr. Robert Wood  
Director, Local Government Assistance and Economic Development  
Texas Comptroller of Public Accounts  
Lyndon B. Johnson State Office Building  
111 East 17th Street  
Austin, Texas 78774

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed BP Wind Energy North America Inc. project on the number and size of school facilities in Olney Independent School District (OISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and conversations with the OISD business manager, Ms. Jan Chambers, the TEA has found that the BP Wind Energy North America Inc. project would not have a significant impact on the number or size of school facilities in OISD.

Please feel free to contact me by phone at (512) 463-9268 or by email at [helen.daniels@tea.state.tx.us](mailto:helen.daniels@tea.state.tx.us) if you need further information regarding this issue.

Sincerely,

A handwritten signature in cursive script that reads "Helen Daniels".

Helen Daniels  
Director of State Funding

HD/hd

# Attachment E

## Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED BP WIND  
ENERGY NORTH AMERICA INC. PROJECT ON THE FINANCES OF  
THE OLNEY INDEPENDENT SCHOOL DISTRICT UNDER A  
REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION**

**November 11, 2010**

**Final Report (Revised)**

**PREPARED BY**



# Estimated Impact of the Proposed BP Wind Energy North America Inc. Project on the Finances of the Olney Independent School District under a Requested Chapter 313 Property Value Limitation

## Introduction

BP Wind Energy North America Inc. (BP Wind) has requested that the Olney Independent School District (OISD) consider granting a property value limitation under Chapter 313 of the Tax Code for a new renewable electric wind generation project. An application was submitted to OISD on August 25, 2010. BP Wind proposes to invest \$320 million to construct the new wind energy project in OISD.

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

## School Finance Mechanics

Under the provisions of Chapter 313, OISD may offer a minimum value limitation of \$10 million. Based on the application, the qualifying time period would begin with the 2011-12 school year. The full value of the investment is expected to reach \$320 million in 2012-13, with depreciation expected to reduce the taxable value of the project over the course of the requested value limitation agreement.

The provisions of Chapter 313 call for the project to be fully taxable in the 2011-12 and 2012-13 school years, unless the District and the Company agree to an extension of the start of the qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2011-12 and 2012-13 school years. Beginning in 2013-14, the project would go on the local tax roll at \$10 million and remain at that level of taxable value for eight years for maintenance and operations taxes. The full taxable value of the project could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with OISD currently levying a \$0.205 I&S tax rate.

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence of the fact that the Comptroller's Office needs this time to conduct their property value study and now the planned audits of appraisal district operations in alternating years. A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 3-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter). The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11 as a result of the one-year lag in property values.

For the school finance system that operated prior to the approval of House Bill 1 (HB 1) in the 2006 special session, the third year was typically problematical for a school district that approved a Chapter 313 value limitation. Based on the data provided in the application, BP Wind indicates that \$320 million in taxable value would be in place in the second year under the agreement. In year three (2013-14) of the agreement, the project is expected to go on the tax roll at \$10 million or, if applicable, a higher value limitation amount approved by the OISD Board of Trustees. This difference would result in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant in the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state property values reflect a reduction associated with the value limitation for the wind project.

HB 1 established a “target” revenue system per student that has the effect of largely neutralizing the third-year revenue losses associated with Chapter 313 property value limitations, at least up to a district’s compressed M&O tax rate. The next six cents of tax effort that a district may levy are subject to an enriched level of equalization (or no recapture in the case of Chapter 41 school districts) and operate more like the pre-HB 1 system. A value limitation must be analyzed for any potential revenue loss associated with this component of the M&O tax levy. For tax effort in excess of the compressed plus six cents rate, equalization and recapture occur at the level of \$319,500 per student in weighted average daily attendance (WADA).

Under HB 3646—the school finance system changes approved by the Legislature in 2009—the starting point is the target revenue provisions from HB 1, that are then expanded through the addition of a series of school funding provisions that had operated previously outside the basic allotment and the traditional formula structure, as well as an additional \$120 per WADA guarantee.

Under the provisions of HB 3646, school districts do have the potential to earn revenue above the \$120 per WADA level, up to a maximum of \$350 per WADA above current law. Initial estimates indicate that about 700 school districts are funded at the minimum \$120 per WADA level, while approximately 300 school districts are expected to generate higher revenue amounts per WADA. This is significant because changes in property values and related tax collections under a Chapter 313 agreement once again have the potential to affect a school district’s base revenue, although probably not to the degree experienced prior to the HB 1 target revenue system.

One key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the BP Wind project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f) (1) of the Tax Code to provide school district revenue protection language in the agreement.

### **Underlying Assumptions**

There are several approaches that can be used to analyze the future revenue stream of a school district under a value limitation. Whatever method is used, a reasonable analysis requires the use of a multi-year forecasting model that covers the years in which the agreement is in effect. The Chapter 313 application now requires 15 years of data and analysis on the project being considered for a property value limitation.

The approach used here is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. While the new target revenue system appears to limit the impact of property value changes for a majority of school districts, changes in underlying property value growth have the potential to influence the revenue stream of a number of school districts.

Student enrollment counts are held constant at 710 students in average daily attendance (ADA) in analyzing the effects of the BP Wind project on the finances of OISD. The District's local tax base reached \$198.9 million for the 2010 tax year. While the district's tax base has increased in recent years, the underlying \$198.9 million taxable value for 2010-11 is maintained for the forecast period in order to isolate the effects of the property value limitation. OISD is not a property-wealthy district, with wealth per WADA of approximately \$155,052 for the current 2010-11 school year. These underlying assumptions are summarized in Table 1.

### **School Finance Impact**

A baseline model was prepared for OISD under the assumptions outlined above through the 2025-26 school year. Beyond the 2010-11 school year, no attempt is made to forecast the 88<sup>th</sup> percentile or Austin yield that influence future state funding. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions.

Under the proposed agreement, a second model is established to make a calculation of the "Baseline Revenue" by adding the value of the proposed BP Wind facility to the model, but without assuming that a value limitation is approved. The results of this model are shown in Table 2.

A third model is developed which adds the BP Wind value but imposes the proposed property value limitation effective in the third year, which in this case is the 2013-14 school year. The results of this model are identified as "Value Limitation Revenue Model" under the revenue protection provisions of the proposed agreement (see Table 3). An M&O tax rate of \$1.17 is used throughout this analysis.

A summary of the differences between these models is shown in Table 4. The model results show approximately \$6.6 million a year in net General Fund revenue being received by the District.

Under these assumptions, OISD would experience a revenue loss as a result of the implementation of the value limitation in the 2013-14 school year (-\$479,193). The revenue reduction results from the mechanics of six cents equalized to the Austin ISD yield and the additional eleven cents above the six cents, which reflect the one-year lag in value associated with the state property value study. It appears that more modest differences persist between the two models over the course of the agreement, in part due to deductions made in state property value study that do not sufficiently offset the reduction in M&O taxes resulting from the impact of the value limitation agreement.

One change that has been incorporated into these models is a more precise estimate of the deduction from the property value study conducted by the Comptroller's Office. At the school district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced

value for M&O taxes, and (2) the full taxable value for I&S taxes. This situation exists for the eight years that the value limitation is in effect.

Under the property value study conducted by the Comptroller's Office, however, only a single deduction amount is calculated for a property value limitation and the same value is assigned for the M&O and I&S calculations under the school funding formulas. This methodology has been incorporated into these estimates and the typical result is an increase in the hold-harmless formula amounts owed to the school district by the company that receives the value limitation. The extent to which this affects a school district's finances appears to be influenced by the scale of the value limitation reduction relative to the district's underlying tax base, as well as its I&S tax rate.

### **Impact on the Taxpayer**

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A \$1.17 per \$100 of taxable value M&O rate is assumed in 2010-11 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$24.1 million over the life of the agreement. In addition, BP Wind would be eligible for a tax credit for taxes paid on value in excess of the value limitation in each of the first two years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately \$3.6 million over the life of the agreement, with no unpaid tax credits anticipated.

The key OISD revenue losses are associated primarily with the additional six-cent levy equalized to the Austin ISD yield and expected to total approximately -\$965,112 over the course of the agreement, with the school district to be reimbursed by the state for the tax credit payments. In total, the potential net tax benefits are estimated to total \$26.8 million over the life of the agreement.

### **Facilities Funding Impact**

The BP Wind project remains fully taxable for debt services taxes, with OISD currently levying a \$0.205 I&S rate. The value of the BP Wind project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value will add to the District's projected wealth per ADA that is currently used to determine funding from the state's facilities program. The additional value is expected to help reduce the District's current I&S tax rate to \$0.074 per \$100 in 2012-13—about thirteen cents of tax effort—with the rate reduction diminishing as the project value depreciates.

The BP Wind project is not expected to affect OISD in terms of enrollment. Continued expansion of the renewable energy industry could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

**Conclusion**

The proposed BP Wind wind energy project enhances the tax base of OISD. It reflects continued capital investment in renewable electric energy generation, one of the goals of Chapter 313 of the Tax Code, also known as the Texas Economic Development Act.

Under the assumptions outlined above, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$26.8 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District. The additional taxable value also enhances the tax base of OISD in meeting its future debt service obligations.

**Table 1 – Base District Information with BP Wind Energy North America Inc. Project Value and Limitation Values**

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
1	2011-12	710.00	1,158.83	\$1.1700	\$0.2050	\$198,851,645	\$198,851,645	\$194,933,308	\$194,933,308	\$168,216	\$168,216
2	2012-13	710.00	1,158.83	\$1.1700	\$0.0740	\$518,851,645	\$518,851,645	\$194,933,308	\$194,933,308	\$168,216	\$168,216
3	2013-14	710.00	1,158.83	\$1.1700	\$0.0990	\$505,994,045	\$208,851,645	\$514,933,308	\$514,933,308	\$444,357	\$444,357
4	2014-15	710.00	1,158.83	\$1.1700	\$0.0930	\$493,708,349	\$208,851,645	\$502,075,708	\$228,114,630	\$433,262	\$196,850
5	2015-16	710.00	1,158.83	\$1.1700	\$0.0950	\$481,914,081	\$208,851,645	\$489,790,012	\$225,908,505	\$422,660	\$194,946
6	2016-17	710.00	1,158.83	\$1.1700	\$0.0960	\$470,591,583	\$208,851,645	\$477,995,744	\$225,439,973	\$412,482	\$194,541
7	2017-18	710.00	1,158.83	\$1.1700	\$0.0980	\$459,721,986	\$208,851,645	\$466,673,246	\$224,780,886	\$402,712	\$193,973
8	2018-19	710.00	1,158.83	\$1.1700	\$0.1000	\$449,287,172	\$208,851,645	\$455,803,649	\$224,322,341	\$393,332	\$193,577
9	2019-20	710.00	1,158.83	\$1.1700	\$0.1020	\$439,269,751	\$208,851,645	\$445,368,835	\$223,865,239	\$384,327	\$193,183
10	2020-21	710.00	1,158.83	\$1.1700	\$0.1040	\$429,653,027	\$208,851,645	\$435,351,414	\$223,410,231	\$375,683	\$192,790
11	2021-22	710.00	1,158.83	\$1.1700	\$0.1060	\$420,420,972	\$420,420,972	\$425,734,690	\$222,957,910	\$367,384	\$192,400
12	2022-23	710.00	1,158.83	\$1.1700	\$0.1220	\$411,558,199	\$411,558,199	\$416,502,635	\$416,502,635	\$359,417	\$359,417
13	2023-24	710.00	1,158.83	\$1.1700	\$0.1240	\$403,049,936	\$403,049,936	\$407,639,862	\$407,639,862	\$351,769	\$351,769
14	2024-25	710.00	1,158.83	\$1.1700	\$0.1270	\$394,882,005	\$394,882,005	\$399,131,599	\$399,131,599	\$344,427	\$344,427
15	2025-26	710.00	1,158.83	\$1.1700	\$0.1290	\$387,040,790	\$387,040,790	\$390,963,668	\$390,963,668	\$337,379	\$337,379

\*Tier II Yield: \$47.65; AISD Yield: \$59.97; Equalized Wealth: \$476,500 per WADA

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
1	2011-12	\$1,896,760	\$3,785,405	\$93,616	\$0	\$0	\$322,338	\$479,451	\$0	\$6,577,570
2	2012-13	\$4,877,894	\$3,785,405	\$0	-\$2,481,929	\$0	\$828,957	\$1,233,004	\$0	\$8,243,331
3	2013-14	\$4,965,292	\$585,245	\$225,243	\$0	\$0	\$843,809	\$104,144	-\$147,255	\$6,576,478
4	2014-15	\$4,845,472	\$713,828	\$216,481	\$0	\$0	\$823,447	\$111,678	-\$134,285	\$6,576,621
5	2015-16	\$4,724,642	\$836,691	\$214,447	\$0	\$0	\$802,913	\$118,735	-\$121,712	\$6,575,716
6	2016-17	\$4,611,371	\$954,640	\$209,769	\$0	\$0	\$783,663	\$125,574	-\$109,716	\$6,575,302
7	2017-18	\$4,502,589	\$1,067,870	\$205,322	\$0	\$0	\$765,177	\$132,141	-\$98,197	\$6,574,902
8	2018-19	\$4,398,154	\$1,176,572	\$201,055	\$0	\$0	\$747,429	\$138,447	-\$87,136	\$6,574,520
9	2019-20	\$4,297,895	\$1,280,925	\$196,961	\$0	\$0	\$730,391	\$144,502	-\$76,517	\$6,574,157
10	2020-21	\$4,201,642	\$1,381,104	\$193,035	\$0	\$0	\$714,033	\$150,317	-\$66,320	\$6,573,811
11	2021-22	\$3,961,131	\$1,477,276	\$337,374	\$0	\$0	\$673,161	\$150,282	-\$54,492	\$6,544,731
12	2022-23	\$3,878,071	\$1,569,601	\$328,108	\$0	\$0	\$659,045	\$155,550	-\$45,459	\$6,544,916
13	2023-24	\$3,798,862	\$1,658,234	\$318,684	\$0	\$0	\$645,584	\$160,641	-\$36,781	\$6,545,224
14	2024-25	\$3,722,781	\$1,743,320	\$309,680	\$0	\$0	\$632,655	\$165,541	-\$28,437	\$6,545,539
15	2025-26	\$3,649,776	\$1,825,004	\$301,000	\$0	\$0	\$620,248	\$170,260	-\$20,414	\$6,545,875

**Table 3--“Value Limitation Revenue Model”--Project Value Added with Value Limit**

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
1	2011-12	\$1,896,760	\$3,785,405	\$93,616	\$0	\$0	\$322,338	\$479,451	\$0	\$6,577,570
2	2012-13	\$4,877,894	\$3,785,405	\$0	-\$2,481,929	\$0	\$828,957	\$1,233,004	\$0	\$8,243,331
3	2013-14	\$1,993,719	\$585,245	\$3,196,816	\$0	\$0	\$338,816	\$41,817	-\$59,128	\$6,097,286
4	2014-15	\$1,993,963	\$3,453,576	\$328,242	\$0	\$0	\$338,857	\$381,417	\$0	\$6,496,055
5	2015-16	\$1,993,881	\$3,475,638	\$306,261	\$0	\$0	\$338,843	\$388,435	\$0	\$6,503,059
6	2016-17	\$1,993,841	\$3,480,324	\$301,616	\$0	\$0	\$338,836	\$389,939	\$0	\$6,504,556
7	2017-18	\$1,993,760	\$3,486,915	\$295,106	\$0	\$0	\$338,823	\$392,060	\$0	\$6,506,663
8	2018-19	\$1,993,679	\$3,491,500	\$290,602	\$0	\$0	\$338,809	\$393,538	\$0	\$6,508,127
9	2019-20	\$1,993,598	\$3,496,072	\$286,110	\$0	\$0	\$338,795	\$395,017	\$0	\$6,509,593
10	2020-21	\$1,993,518	\$3,500,622	\$281,641	\$0	\$0	\$338,781	\$396,496	\$0	\$6,511,058
11	2021-22	\$3,961,131	\$3,505,145	\$0	-\$1,284,906	\$0	\$673,161	\$790,803	\$0	\$7,645,334
12	2022-23	\$3,878,071	\$1,569,601	\$328,108	\$0	\$0	\$659,045	\$155,550	-\$45,459	\$6,544,916
13	2023-24	\$3,798,862	\$1,658,234	\$318,684	\$0	\$0	\$645,584	\$160,641	-\$36,781	\$6,545,224
14	2024-25	\$3,722,781	\$1,743,320	\$309,680	\$0	\$0	\$632,655	\$165,541	-\$28,437	\$6,545,539
15	2025-26	\$3,649,776	\$1,825,004	\$301,000	\$0	\$0	\$620,248	\$170,260	-\$20,414	\$6,545,875

**Table 4 – Value Limit less Project Value with No Limit**

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
1	2011-12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2012-13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2013-14	-\$2,971,573	\$0	\$2,971,573	\$0	\$0	-\$504,994	-\$62,327	\$88,128	-\$479,193
4	2014-15	-\$2,851,509	\$2,739,748	\$111,761	\$0	\$0	-\$484,590	\$269,739	\$134,285	-\$80,566
5	2015-16	-\$2,730,761	\$2,638,947	\$91,814	\$0	\$0	-\$464,070	\$269,700	\$121,712	-\$72,657
6	2016-17	-\$2,617,530	\$2,525,684	\$91,846	\$0	\$0	-\$444,827	\$264,364	\$109,716	-\$70,747
7	2017-18	-\$2,508,829	\$2,419,045	\$89,784	\$0	\$0	-\$426,354	\$259,919	\$98,197	-\$68,239
8	2018-19	-\$2,404,475	\$2,314,928	\$89,547	\$0	\$0	-\$408,620	\$255,091	\$87,136	-\$66,393
9	2019-20	-\$2,304,297	\$2,215,147	\$89,150	\$0	\$0	-\$391,596	\$250,515	\$76,517	-\$64,564
10	2020-21	-\$2,208,124	\$2,119,518	\$88,606	\$0	\$0	-\$375,252	\$246,178	\$66,320	-\$62,753
11	2021-22	\$0	\$2,027,869	-\$337,374	-\$1,284,906	\$0	\$0	\$640,521	\$54,492	\$1,100,603
12	2022-23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2023-24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2024-25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2025-26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Table 5 - Estimated Financial impact of the BP Wind Energy North America Inc. Project Property Value Limitation Request Submitted to OISD at \$1.17 M&O Tax Rate**

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
1	2011-12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2012-13	\$320,000,000	\$320,000,000	\$0	\$3,744,000	\$3,744,000	\$0	\$0	\$0	\$0	\$0
3	2013-14	\$307,142,400	\$10,000,000	\$297,142,400	\$3,593,566	\$117,000	\$3,476,566	\$0	\$3,476,566	-\$479,193	\$2,997,373
4	2014-15	\$294,856,704	\$10,000,000	\$284,856,704	\$3,449,823	\$117,000	\$3,332,823	\$195,608	\$3,528,432	-\$80,566	\$3,447,866
5	2015-16	\$283,062,436	\$10,000,000	\$273,062,436	\$3,311,831	\$117,000	\$3,194,831	\$192,955	\$3,387,785	-\$72,657	\$3,315,128
6	2016-17	\$271,739,938	\$10,000,000	\$261,739,938	\$3,179,357	\$117,000	\$3,062,357	\$188,935	\$3,251,292	-\$70,747	\$3,180,546
7	2017-18	\$260,870,341	\$10,000,000	\$250,870,341	\$3,052,183	\$117,000	\$2,935,183	\$186,326	\$3,121,509	-\$68,239	\$3,053,270
8	2018-19	\$250,435,527	\$10,000,000	\$240,435,527	\$2,930,096	\$117,000	\$2,813,096	\$183,718	\$2,996,813	-\$66,393	\$2,930,420
9	2019-20	\$240,418,106	\$10,000,000	\$230,418,106	\$2,812,892	\$117,000	\$2,695,892	\$181,113	\$2,877,005	-\$64,564	\$2,812,441
10	2020-21	\$230,801,382	\$10,000,000	\$220,801,382	\$2,700,376	\$117,000	\$2,583,376	\$178,517	\$2,761,893	-\$62,753	\$2,699,140
11	2021-22	\$221,569,327	\$221,569,327	\$0	\$2,592,361	\$2,592,361	\$0	\$2,319,828	\$2,319,828	\$0	\$2,319,828
12	2022-23	\$212,706,554	\$212,706,554	\$0	\$2,488,667	\$2,488,667	\$0	\$0	\$0	\$0	\$0
13	2023-24	\$204,198,291	\$204,198,291	\$0	\$2,389,120	\$2,389,120	\$0	\$0	\$0	\$0	\$0
14	2024-25	\$196,030,360	\$196,030,360	\$0	\$2,293,555	\$2,293,555	\$0	\$0	\$0	\$0	\$0
15	2025-26	\$188,189,145	\$188,189,145	\$0	\$2,201,813	\$2,201,813	\$0	\$0	\$0	\$0	\$0
<b>Totals:</b>					<b>\$40,739,640</b>	<b>\$16,645,516</b>	<b>\$24,094,124</b>	<b>\$3,627,000</b>	<b>\$27,721,124</b>	<b>-\$965,112</b>	<b>\$26,756,012</b>
<b>Tax Credit for Value Over Limit in First 2 Years</b>							<b>Year 1</b>	<b>Year 2</b>	<b>Max Credits</b>		
							\$0	\$3,627,000	\$3,627,000		
							Credits Earned		\$3,627,000		
							Credits Paid		<u>\$3,627,000</u>		
							Excess Credits Unpaid		\$0		

# Attachment F

## Taxable Value of Property

DATE: 06/30/2010  
 TIME: 11:11:37

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION  
 2009 ISD SUMMARY WORKSHEET  
 005/Archer  
 252-903/Olney ISD

PAGE: 001  
 REPT: PTS265  
 VRSN: W

CATEGORY	LOCAL TAX ROLL VALUE	2009 WTD MEAN RATIO	2009 PTD VALUE ESTIMATE	2009 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	3,761,190	.7786	4,830,709	3,761,190
B. MULTIFAMILY RESIDENCES	0	N/A	0	0
C. VACANT LOTS	188,640	N/A	188,640	188,640
D. RURAL REAL(TAXABLE)	13,971,880	1.0787	12,952,106	13,971,880
F1. COMMERCIAL REAL	789,310	N/A	789,310	789,310
F2. INDUSTRIAL REAL	0	N/A	0	0
G. OIL,GAS,MINERALS	30,311,280	.9650	31,410,653	30,311,280
J. UTILITIES	3,018,710	1.0016	3,013,888	3,018,710
L1. COMMERCIAL PERSONAL	226,154	N/A	226,154	226,154
L2. INDUSTRIAL PERSONAL	2,073,390	N/A	2,073,390	2,073,390
M. MOBILE HOMES	45,000	N/A	45,000	45,000
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	0	N/A	0	0
SUBTOTAL	54,385,554		55,529,850	54,385,554
LESS TOTAL DEDUCTIONS	1,100,040		1,597,994	1,100,040
TOTAL TAXABLE VALUE	53,285,514		53,931,856	53,285,514 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTD VALUE
MARKET VALUE NON-QUALIFIED ACRES & FARM/RANCH IMP	3,493,640	.9066	3,853,563
PROD VALUE QUALIFIED ACRES	10,478,240	1.1516	9,098,543
TAXABLE VALUE	13,971,880		12,952,106

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

DATE: 06/30/2010  
 TIME: 11:11:37

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION  
 2009 FINAL VALUES WORKSHEET  
 005/Archer  
 252-903/Olney ISD

PAGE: 002  
 REPT: PTS265  
 VRSN: W

GOVERNMENT CODE SUBSECTIONS 403.302 (J) AND (K) REQUIRE THE COMPTROLLER TO CERTIFY ALTERNATIVE MEASURES OF SCHOOL DISTRICT WEALTH (T1, T3, T4, T5 AND T6) IN ADDITION TO THE TRADITIONAL MEASURE (T2). QUESTIONS ABOUT THE EXTENT TO WHICH ANY OF THESE WEALTH MEASURES AFFECT SCHOOL FUNDING SHOULD BE DIRECTED TO THE DIVISION OF STATE FUNDING AT THE TEXAS EDUCATION AGENCY, TELEPHONE #512-463-9238.

T1	T2	T3	T4	T5	T6
53,285,514	53,285,514	53,285,514	53,285,514	53,285,514	53,285,514

LOSS TO  
 THE ADDITIONAL  
 \$10,000 HOMESTEAD  
 EXEMPTION

0

50% OF THE LOSS  
 TO THE LOCAL OPTIONAL  
 PERCENTAGE HOMESTEAD  
 EXEMPTION

0

T1 = SCHOOL DISTRICT TAXABLE VALUE BEFORE THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION  
 T2 = SCHOOL DISTRICT TAXABLE VALUE 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  
 T5 = T3 BEFORE THE LOSS TO THE TAX CEILING REDUCTION  
 T6 = T5 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION

THE TAXABLE VALUES SHOWN HERE WILL NOT MATCH THE VALUES REPORTED BY YOUR APPRAISAL DISTRICT

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

DATE: 06/30/2010  
 TIME: 11:11:37

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION  
 2009 ISD SUMMARY WORKSHEET  
 012/Baylor  
 252-903/Olney ISD

PAGE: 003  
 REPT: PTS265  
 VRSN: W

CATEGORY	LOCAL TAX ROLL VALUE	2009 WTD MEAN RATIO	2009 PTD VALUE ESTIMATE	2009 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	72,740	N/A	72,740	72,740
B. MULTIFAMILY RESIDENCES	0	N/A	0	0
C. VACANT LOTS	1,990	N/A	1,990	1,990
D. RURAL REAL (TAXABLE)	2,947,100	1.0000	2,947,100	2,947,100
F1. COMMERCIAL REAL	59,210	N/A	59,210	59,210
F2. INDUSTRIAL REAL	0	N/A	0	0
G. OIL, GAS, MINERALS	204,350	N/A	204,350	204,350
J. UTILITIES	165,780	N/A	165,780	165,780
L1. COMMERCIAL PERSONAL	75,000	N/A	75,000	75,000
L2. INDUSTRIAL PERSONAL	0	N/A	0	0
M. MOBILE HOMES	22,460	N/A	22,460	22,460
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	0	N/A	0	0
SUBTOTAL	3,548,630		3,548,630	3,548,630
LESS TOTAL DEDUCTIONS	268,600		268,600	268,600
TOTAL TAXABLE VALUE	3,280,030		3,280,030	3,280,030 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTD VALUE
MARKET VALUE NON-QUALIFIED ACRES & FARM/RANCH IMP	389,880	N/A	389,880
PROD VALUE QUALIFIED ACRES	2,557,220	1.0000	2,557,220
TAXABLE VALUE	2,947,100		2,947,100

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

DATE: 06/30/2010  
 TIME: 11:11:37

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION  
 2009 FINAL VALUES WORKSHEET  
 012/Bay1or  
 252-903/Olney ISD

PAGE: 004  
 REPT: PTS265  
 VRSN: W

GOVERNMENT CODE SUBSECTIONS 403.302 (J) AND (K) REQUIRE THE COMPTROLLER TO CERTIFY ALTERNATIVE MEASURES OF SCHOOL DISTRICT WEALTH (T1, T3, T4, T5 AND T6) IN ADDITION TO THE TRADITIONAL MEASURE (T2). QUESTIONS ABOUT THE EXTENT TO WHICH ANY OF THESE WEALTH MEASURES AFFECT SCHOOL FUNDING SHOULD BE DIRECTED TO THE DIVISION OF STATE FUNDING AT THE TEXAS EDUCATION AGENCY, TELEPHONE #512-463-9238.

T1	T2	T3	T4	T5	T6
3,369,330	3,280,030	3,369,330	3,280,030	3,280,030	3,280,030

LOSS TO  
 THE ADDITIONAL  
 \$10,000 HOMESTEAD  
 EXEMPTION

89,300

50% OF THE LOSS  
 TO THE LOCAL OPTIONAL  
 PERCENTAGE HOMESTEAD  
 EXEMPTION

0

T1 = SCHOOL DISTRICT TAXABLE VALUE BEFORE THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION  
 T2 = SCHOOL DISTRICT TAXABLE VALUE 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  
 T5 = T3 BEFORE THE LOSS TO THE TAX CEILING REDUCTION  
 T6 = T5 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION

THE TAXABLE VALUES SHOWN HERE WILL NOT MATCH THE VALUES REPORTED BY YOUR APPRAISAL DISTRICT

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

DATE: 06/30/2010  
 TIME: 11:11:37

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION  
 2009 ISD SUMMARY WORKSHEET  
 224/Throckmorton  
 252-903/Olney ISD

PAGE: 005  
 REPT: PTS265  
 VRSN: W

CATEGORY	LOCAL TAX ROLL VALUE	2009 WTD MEAN RATIO	2009 PTD VALUE ESTIMATE	2009 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	0	N/A	0	0
B. MULTIFAMILY RESIDENCES	0	N/A	0	0
C. VACANT LOTS	1,700	N/A	1,700	1,700
D. RURAL REAL (TAXABLE)	644,460	1.0000	644,460	644,460
F1. COMMERCIAL REAL	0	N/A	0	0
F2. INDUSTRIAL REAL	0	N/A	0	0
G. OIL, GAS, MINERALS	13,640	N/A	13,640	13,640
J. UTILITIES	10,600	N/A	10,600	10,600
L1. COMMERCIAL PERSONAL	0	N/A	0	0
L2. INDUSTRIAL PERSONAL	0	N/A	0	0
M. MOBILE HOMES	40,780	N/A	40,780	40,780
N. INTRANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	0	N/A	0	0
SUBTOTAL	711,180		711,180	711,180
LESS TOTAL DEDUCTIONS	40,000		40,000	40,000
TOTAL TAXABLE VALUE	671,180		671,180	671,180 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTD VALUE
MARKET VALUE NON-QUALIFIED ACRES & FARM/RANCH IMP	365,100	N/A	365,100
PROD VALUE QUALIFIED ACRES	279,360	1.0000	279,360
TAXABLE VALUE	644,460		644,460

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

DATE: 06/30/2010  
 TIME: 11:11:37

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION  
 2009 FINAL VALUES WORKSHEET  
 224/Throckmorton  
 252-903/Olney ISD

PAGE: 006  
 REPT: PTS265  
 VRSN: W

GOVERNMENT CODE SUBSECTIONS 403.302 (J) AND (K) REQUIRE THE COMPTROLLER TO CERTIFY ALTERNATIVE MEASURES OF SCHOOL DISTRICT WEALTH (T1, T3, T4, T5 AND T6) IN ADDITION TO THE TRADITIONAL MEASURE (T2). QUESTIONS ABOUT THE EXTENT TO WHICH ANY OF THESE WEALTH MEASURES AFFECT SCHOOL FUNDING SHOULD BE DIRECTED TO THE DIVISION OF STATE FUNDING AT THE TEXAS EDUCATION AGENCY, TELEPHONE #512-463-9238.

T1	T2	T3	T4	T5	T6
691,180	671,180	691,180	671,180	671,180	671,180
LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION 20,000 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION 0					

T1 = SCHOOL DISTRICT TAXABLE VALUE BEFORE THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION  
 T2 = SCHOOL DISTRICT TAXABLE VALUE 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  
 T5 = T2 BEFORE THE LOSS TO THE TAX CEILING REDUCTION  
 T6 = T5 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION

THE TAXABLE VALUES SHOWN HERE WILL NOT MATCH THE VALUES REPORTED BY YOUR APPRAISAL DISTRICT

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

DATE: 06/30/2010  
 TIME: 11:11:37

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION  
 2009 ISD SUMMARY WORKSHEET  
 252/Young  
 252-903/Olney ISD

PAGE: 007  
 REPT: PIS265  
 VRSN: W

CATEGORY	LOCAL TAX ROLL VALUE	2009 WTD MEAN RATIO	2009 PTD VALUE ESTIMATE	2009 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	46,039,360	.9548	48,218,852	46,039,360
B. MULTIFAMILY RESIDENCES	1,326,070	N/A	1,326,070	1,326,070
C. VACANT LOTS	1,289,690	N/A	1,289,690	1,289,690
D. RURAL REAL(TAXABLE)	16,427,720	1.0043	16,356,653	16,427,720
F1. COMMERCIAL REAL	7,963,100	.9555	8,333,961	7,963,100
F2. INDUSTRIAL REAL	3,431,120	N/A	3,431,120	3,431,120
G. OIL,GAS,MINERALS	17,728,460	1.0400	17,046,596	17,728,460
J. UTILITIES	8,923,140	.9531	9,362,229	8,923,140
L1. COMMERCIAL PERSONAL	3,487,430	N/A	3,487,430	3,487,430
L2. INDUSTRIAL PERSONAL	39,160,650	N/A	39,160,650	39,160,650
M. MOBILE HOMES	100,220	N/A	100,220	100,220
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	4,010	N/A	4,010	4,010
S. SPECIAL INVENTORY	47,070	N/A	47,070	47,070
SUBTOTAL	145,928,040		148,164,551	145,928,040
LESS TOTAL DEDUCTIONS	23,486,373		24,414,445	23,486,373
TOTAL TAXABLE VALUE	122,441,667		123,750,106	122,441,667 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTD VALUE
MARKET VALUE NON-QUALIFIED ACRES & FARM/RANCH IMP	7,770,490	.9050	8,586,177
PROD VALUE QUALIFIED ACRES	8,657,230	1.1141	7,770,476
TAXABLE VALUE	16,427,720		16,356,653

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

DATE: 06/30/2010  
 TIME: 11:11:37

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION  
 2009 FINAL VALUES WORKSHEET  
 252/Young  
 252-903/Olney ISD

PAGE: 008  
 REPT: PTS265  
 VRSN: W

GOVERNMENT CODE SUBSECTIONS 403.302 (J) AND (K) REQUIRE THE COMPTROLLER TO CERTIFY ALTERNATIVE MEASURES OF SCHOOL DISTRICT WEALTH (T1, T3, T4, T5 AND T6) IN ADDITION TO THE TRADITIONAL MEASURE (T2). QUESTIONS ABOUT THE EXTENT TO WHICH ANY OF THESE WEALTH MEASURES AFFECT SCHOOL FUNDING SHOULD BE DIRECTED TO THE DIVISION OF STATE FUNDING AT THE TEXAS EDUCATION AGENCY, TELEPHONE #512-463-9238.

T1	T2	T3	T4	T5	T6
131,716,477	122,441,667	131,716,477	122,441,667	123,198,394	123,198,394

LOSS TO  
 THE ADDITIONAL  
 \$10,000 HOMESTEAD  
 EXEMPTION

50% OF THE LOSS  
 TO THE LOCAL OPTIONAL  
 PERCENTAGE HOMESTEAD  
 EXEMPTION

9,274,810

0

T1 = SCHOOL DISTRICT TAXABLE VALUE BEFORE THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION  
 T2 = SCHOOL DISTRICT TAXABLE VALUE 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  
 T5 = T2 BEFORE THE LOSS TO THE TAX CEILING REDUCTION  
 T6 = T5 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION

THE TAXABLE VALUES SHOWN HERE WILL NOT MATCH THE VALUES REPORTED BY YOUR APPRAISAL DISTRICT

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

DATE: 06/30/2010  
 TIME: 11:11:37

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION  
 2009 ISD SUMMARY WORKSHEET  
 252-903/Olney ISD  
 SCHOOL DISTRICT TOTALS

PAGE: 009  
 REPT: PTS265  
 VRSN: W

CATEGORY	LOCAL TAX ROLL VALUE	2009 WTD MEAN RATIO	2009 PTD VALUE ESTIMATE	2009 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	49,873,290	.9388	53,122,301	49,873,290
B. MULTIFAMILY RESIDENCES	1,326,070	N/A	1,326,070	1,326,070
C. VACANT LOTS	1,482,020	N/A	1,482,020	1,482,020
D. RURAL REAL(TAXABLE)	33,991,160	1.0332	32,900,319	33,991,160
F1. COMMERCIAL REAL	8,811,620	.9596	9,182,481	8,811,620
F2. INDUSTRIAL REAL	3,431,120	N/A	3,431,120	3,431,120
G. OIL,GAS,MINERALS	48,257,730	.9914	48,675,239	48,257,730
J. UTILITIES	12,118,230	.9654	12,552,497	12,118,230
L1. COMMERCIAL PERSONAL	3,788,584	N/A	3,788,584	3,788,584
L2. INDUSTRIAL PERSONAL	41,234,040	N/A	41,234,040	41,234,040
M. MOBILE HOMES	208,460	N/A	208,460	208,460
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	4,010	N/A	4,010	4,010
S. SPECIAL INVENTORY	47,070	N/A	47,070	47,070
SUBTOTAL	204,573,404		207,954,211	204,573,404
LESS TOTAL DEDUCTIONS	24,895,013		26,321,039	24,895,013
TOTAL TAXABLE VALUE	179,678,391		181,633,172	179,678,391 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTD VALUE
MARKET VALUE NON-QUALIFIED			
ACRES & FARM/RANCH IMP	12,019,110	.9109	13,194,720
PROD VALUE QUALIFIED ACRES	21,972,050	1.1150	19,705,599
TAXABLE VALUE	33,991,160		32,900,319

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

\*\*\*\* END OF REPORT \*\*\*\*

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



December 9, 2010

Mr. Tom Bailey  
Superintendent  
Olney Independent School District  
809 W. Hamilton  
Olney, Texas 76374

Re: Agreement for Limitation on Appraised Value of Property for School District  
Maintenance and Operations Taxes by and between Olney Independent School District  
and BP Wind Energy North America, Inc.

Dear Superintendent Bailey:

This office has been provided the "Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Olney Independent School District and BP Wind Energy North America, Inc." (the "Agreement"). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

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

If you need additional information or have questions, please contact me at (512) 463-3973.

Sincerely,

A handwritten signature in black ink, appearing to read "R.B. Wood".

Robert B. Wood  
Director  
Local Government Assistance & Economic Development

cc: Kevin O'Hanlon, O'Hanlon, McCollom & Demerath  
Kerry Albright, BP Wind Energy North America, Inc.

Attachment G

Participation Agreement

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

---

by and between

**OLNEY INDEPENDENT SCHOOL DISTRICT**

and

**BP WIND ENERGY NORTH AMERICA INC.**

*(Texas Taxpayer ID # 32037301283)*

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Dated

December 15, 2010

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

*STATE OF TEXAS* §

*COUNTY OF ARCHER* §  
*COUNTY OF YOUNG*

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 **OLNEY 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 **BP WIND ENERGY NORTH AMERICA INC.**, Texas Taxpayer Identification Number 32037301283, 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." Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

**RECITALS**

**WHEREAS**, on July 21, 2010, the Superintendent of Schools of the Olney Independent School District, acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

**WHEREAS**, on August 11, 2010 the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from BP Wind Energy North America, Inc., and on August 25, 2010 the Superintendent acknowledged receipt of the Application and the requisite application fee as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy CCG (Local); and,

**WHEREAS**, on or about November 5, 2010, the Superintendent of Schools of the Olney Independent School District, acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received supplemental Application materials from the Applicant concerning the previously submitted Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

**WHEREAS**, the Application together with the supplemental materials were delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d); and,

**WHEREAS**, The Comptroller's Office has established November 18, 2010 as the completed Application date; and,

**WHEREAS**, pursuant to 34 Tex. Admin Code §9.1054, the Application was delivered for review to the Archer and Young County Appraisal Districts established in Archer County, Texas (the “County Appraisal Districts”), pursuant to Texas Tax Code § 6.01; and,

**WHEREAS**, the Application was reviewed by the Texas Comptroller’s Office pursuant to Texas Tax Code § 313.025(d), and the Comptroller’s Office, via letter, recommended that the Application be approved; and,

**WHEREAS**, the Texas Comptroller of Public Accounts conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code which was presented to the Board of Trustees at a public hearing held in connection with the Board’s consideration of the Application; and,

**WHEREAS**, the Board of Trustees has carefully reviewed the economic impact evaluation pursuant to Texas Tax Code § 313.026 and has carefully considered such The Comptroller’s positive recommendation for the project; and,

**WHEREAS**, on December 15, 2010, 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; and,

**WHEREAS**, on December 15, 2010, the Board of Trustees made factual findings pursuant to Texas Tax Code § 313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the Limitation on Appraised Value of the Applicant’s Qualified Property; and, (iv) each criterion listed in Texas Tax Code § 313.025(e) has been met and, (v.) if the job creation requirement set forth in Texas Tax Code § 313.051(b) (*i.e.*, 10 jobs) was applied, for the size and scope of the project described in the Application and in **Exhibit 3**, the required number of jobs would exceed the industry standard for the number of employees reasonably necessary for the operation of the facility; and,

**WHEREAS**, on December 15, 2010, the Board of Trustees determined that the Tax Limitation Amount requested by Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Tax Code, §§ 313.022(b) and 313.052, as such Tax Limitation Amount was computed for the effective date of this Agreement; and,

**WHEREAS**, on December 15, 2010, pursuant to the provisions of Texas Tax Code § 313.025(f-1), the Board of Trustees waived the job creation requirement set forth in Texas Tax Code § 313.051(b); and,

**WHEREAS**, on December 15, 2010, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant;

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

## ARTICLE I

### AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

#### Section 1.1. 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 Texas Tax Code § 313.027.

#### Section 1.2. TERM OF THE AGREEMENT

This Agreement shall commence and first become effective on the Commencement Date, as defined in Section 1.3, below. In the event that Applicant makes a Qualified Investment as defined by Section 2.6 below, between the Commencement Date and the end of the Qualifying Time Period, Applicant is entitled to the Tax Limitation Amount defined in Section 1.3, below for the following years: 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020. The limitation on the local ad valorem property values for Maintenance and Operations purposes shall commence with the property valuations made as of January 1, 2013, the appraisal date for the third full Tax Year following the Commencement Date.

For the first two full Tax Years that begin on the Commencement Date (*i.e.*, the 2011 and 2012 Tax Years), which together with the period from the date of approval until January 1, 2011 are collectively referred to herein as the “Qualifying Time Period,” as that term is defined in Texas Tax Code § 313.021(4), Applicant shall not be entitled to a tax limitation.

Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2020. Except as otherwise provided herein, this Agreement will terminate, in full, on the Final Termination Date. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

Except as otherwise provided herein, the Tax Years for which this Agreement is effective are as set forth below and set forth opposite each such Tax Year are the corresponding year in the term of this Agreement, the date of the Appraised Value determination for such Tax Year, and a summary description of certain provisions of this Agreement corresponding to such Tax Year (it being understood and agreed that such summary descriptions are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement):

<b>Full Tax Year of Agreement</b>	<b>Date of Appraisal</b>	<b>School Year</b>	<b>Tax Year</b>	<b>Summary Description of Provisions</b>
Partial Year	January 1, 2010	2010-11	2010	Start of Qualifying Time Period – Commencement Date. First year for Annual Limit computation
1	January 1, 2011	2011-12	2011	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
2	January 1, 2012	2012-13	2012	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
3	January 1, 2013	2013-14	2013	\$ 10 million property value limitation.
4	January 1, 2014	2014-15	2014	\$ 10 million property value limitation. Possible tax credit due to Applicant.
5	January 1, 2015	2015-16	2015	\$ 10 million property value limitation. Possible tax credit due to Applicant.
6	January 1, 2016	2016-17	2016	\$ 10 million property value limitation. Possible tax credit due to Applicant.
7	January 1, 2017	2017-18	2017	\$ 10 million property value limitation. Possible tax credit due to Applicant.
8	January 1, 2018	2018-19	2018	\$ 10 million property value limitation. Possible tax credit due to Applicant.
9	January 1, 2019	2019-20	2019	\$ 10 million property value limitation. Possible tax credit due to Applicant.
10	January 1, 2020	2020-21	2020	\$10 million property value limitation. Possible tax credit due

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
				to Applicant.
11	January 1, 2021	2021-22	2021	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2022	2022-23	2022	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2023	2023-24	2023	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

### Section 1.3. DEFINITIONS

Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning, to-wit:

“*Act*” means the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, as amended.

“*Affiliate*” means any entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Applicant. For purposes of this definition, control of an entity means (i) the ownership, directly or indirectly, of fifty (50) percent or more of the voting rights in a company or other legal entity or (ii) the right to direct the management or operation of such entity whether by ownership (directly or indirectly) of securities, by contract or otherwise.

“*Affiliated Group*” means a group of one or more entities in which a controlling interest is owned by a common owner or owners, either corporate or non-corporate, or by one or more of the member entities.

“*Aggregate Limit*” means, for any year of this Agreement, the cumulative total of the Annual Limit amount for the current year and all previous years of the Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article IV, below.

"Agreement" means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented from time to time in accordance with Section 6.3.

"Annual Limit" means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Tex. Tax Code §313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated, pursuant to Tex. Educ. Code § 42.005, by multiplying the District's 2009-10 final Average Daily Attendance of 733.324, times the greater of \$100, or any larger amount allowed by Tex. Tax Code §313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for tax year 2010, which, by virtue of the Commencement Date is the first year of the Qualifying Time Period under this Agreement.

"Applicant" means BP Wind Energy North America Inc. (*Texas Taxpayer ID # 32037301283*), the company listed in the Preamble of this Agreement who, on July 21, 2010 filed the Original Application; and on August 11, 2010 and November 5, 2010 filed supplemental Application materials with the District for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The term "Applicant" shall also include the Applicant's assigns and successors-in-interest.

"Applicable School Finance Law" means Chapters 41 and 42 of the Texas Education Code, the Texas Economic Development Act (Chapter 313 of the Texas Tax Code), Chapter 403, Subchapter M, of the Texas Government Code applicable to the District, and the Constitution and general laws of the State applicable to the independent school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of the Applicant's ad valorem tax obligation to the District, either with or without the limitation of property values made pursuant to 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 July 21, 2010; and the supplemental Application materials filed on August 11, 2010, and on November 5, 2010, which have been certified by the Comptroller's office to constitute a complete final Application as of the date of November 18, 2010. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by Applicant.

"Appraised Value" shall have the meaning assigned to such term in Section 1.04(8) of the Texas Tax Code.

"Appraisal District" means the Archer and Young County Appraisal Districts.

"Board of Trustees" means the Board of Trustees of the Olney Independent School District.

"Commencement Date" means the date upon which this Agreement was approved by the Board of Trustees.

"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 at Chapter 34 Texas Administrative Code, Chapter 9, Subchapter D, together with any court or administrative decisions interpreting same.

"County" means Archer and Young Counties, Texas.

"Determination of Breach" shall have the meaning assigned to such term in Section 7.8 of the Agreement.

"District" or "School District" means the Olney Independent School District, being a duly authorized and operating independent 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 December 31, 2023.

"Force Majeure" means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant's Qualified Property or the Applicant's Qualified Investment or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant's Qualified Property or the Applicant's Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant's facilities; or (e) any other cause (except financial),

whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents performance.

"Land" shall have the meaning assigned to such term in Section 2.2.

"Maintain Viable Presence" means after the development and construction of the project described in the Application and in the description of Qualified Investment/Qualified property as set forth in Section 2.3, below, (i) the operation over the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered; and, (ii) the retention over the term of this Agreement of the number of New Jobs and Qualifying Jobs set forth in its Application by the Applicant, and the retention of the highest number of New Jobs and Qualifying Jobs set forth in its Application through the Final Termination Date of this Agreement.

"M&O Amount" shall have the meaning assigned to such term in Section 3.2 of the 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 Texas Education Code § 45.002 and Article VII § 3 of the Texas Constitution, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the Texas Education Code or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the Texas Education Code.

"Market Value" shall have the meaning assigned to such term in Section 1.04(7) of the Texas Tax Code.

"Net Tax Benefit" means, (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all Tax Years if this Agreement had not been entered into by the Parties, (ii) adding to the amount determined under clause (i) all Tax Credits received by the Applicant under Chapter 313, Tax Code, and (iii) subtracting from the sum of the amounts determined under clauses (i) and (ii) the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for all Tax Years of this Agreement, plus (B) any payments due to the District under Article III under this Agreement.

"New Jobs" means the total number of jobs, defined by 34 Tex. Admin. Code § 9.1051, which Applicant will create in connection with the project which is the subject of its Application. In accordance with the requirements of Tex. Tax Code § 313.024(d), Eighty Percent (80%), of all New Jobs created by Applicant on the project shall also be Qualifying Jobs, as defined below.

“Qualified Investment” has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller’s Rules, as these provisions existed on the date of this Agreement, applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller’s Rules.

“Qualifying Jobs” means the number of New Jobs Applicant will create in connection with the project which is the subject of its Application, which meet the requirements of Tex. Tax Code 313.021(3).

“Qualified Property” has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller’s Rules and the Texas Attorney General, as these provisions existed on the date of this Agreement, applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller’s Rules.

“Qualifying Time Period” means the period that begins on the date of approval of this Agreement by the District’s Board of Trustees and ends on December 31st of the second Tax Year that begins after such date of approval as is defined in Texas Tax Code § 313.021(4)(A).

“Revenue Protection Amount” means the amount calculated pursuant to Section 3.2 of this Agreement.

“State” means the State of Texas.

“Substantive Document” means a document or other information or data in electronic media determined by the Comptroller to substantially involve or include information or data significant to an application, the evaluation or consideration of an application, or the agreement or implementation of an agreement for limitation of appraised value pursuant to Tax Code, Chapter 313. The term includes, but is not limited to, any application requesting a limitation on appraised value and any amendments or supplements, any economic impact evaluation made in connection with an application, any agreement between applicant and the school district and any subsequent amendments or assignments, any school district written finding or report filed with the comptroller as required under this subchapter, and any application requesting school tax credits under Tax Code, §313.103.

“Tax Credit” means the tax credit, either to be paid by the District to Applicant, or to be applied against any taxes that the school district imposes in Qualified Property, as computed under the provisions of Subchapter D of the Act, and rules adopted by the Comptroller and/or the Texas Education Agency, provided that Applicant complies with the requirements under such provisions, including the timely filing of a completed application under Texas Tax Code § 313.103 and the duly adopted administrative rules.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code § 313.054. That is, for each of the eight (8) Tax

Years 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

- (a) the Market Value of the Applicant's Qualified Investment; or
- (b) Ten Million Dollars (\$10,000,000.00).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Tax Code, §313.022(b) or §313.052.

"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.

"Texas Education Agency Rules" means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313, Texas Tax Code, which are set forth at Title 19 – Part 2, Texas Administrative Code, together with any court or administrative decisions interpreting same.

## ARTICLE II

### PROPERTY DESCRIPTION

#### **Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE**

The Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is within an area designated by the Olney Independent School District Board of Trustees as a reinvestment zone under Texas Tax Code §312.0025. The legal description of the reinvestment zone in which the Applicant's Qualified Property is located is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

#### **Section 2.2. LOCATION OF QUALIFIED PROPERTY**

The location of the Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is described in the legal description which is attached to this Agreement as **EXHIBIT 2** and is 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** without the express authorization of each of the Parties.

### **Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY**

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in EXHIBIT 3, which is attached hereto and incorporated herein by reference for all purposes ("Applicant's Qualified Investment"). Qualified Investment shall be that property, described in EXHIBIT 3 which is placed in service under the terms of the Application, during the Qualifying Time Period described in Section 1.2, above. Qualified Property shall be all property, described in EXHIBIT 3, including, but not limited to Applicant's Qualified Investment used by Applicant in connection with the activities described in the Application. Property which is not specifically described in EXHIBIT 3 shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment or Qualified Property for purposes of this Agreement, unless pursuant to Texas Tax Code § 313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Investment for purposes of this Agreement.

Property owned by Applicant which is not described on EXHIBIT 3 may not be considered to be Qualified Property unless the Applicant:

- (a) submits to the school district and the Comptroller a written request to add property to the limitation agreement, which request shall include a specific description of the additional property to which the applicant requests that the limitation apply;
- (b) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and,
- (c) provides any additional information reasonably requested by the District or the Comptroller necessary to re-evaluate the economic impact analysis for the new or changed conditions.

### **Section 2.4. APPLICANT'S OBLIGATIONS TO PROVIDE CURRENT INVENTORY OF QUALIFIED PROPERTY**

At the end of the Qualifying Time Period; at any other time when there is a material change in the Qualified Property located on the land described in Exhibit 2; or, upon a reasonable request of the District, the Comptroller, or the Appraisal District, Applicant shall provide to the District, the Comptroller, and the Appraisal District a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Qualified Property to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property which is subject to the agreement;

### **Section 2.5. QUALIFYING USE**

The Applicant's Qualified Investment described above in Section 2.3 qualifies for a tax limitation agreement under Texas Tax Code § 313.024(b)(5) as a renewable energy electric generation facility.

**Section 2.6. LIMITATION ON APPRAISED VALUE**

So long as Applicant makes a Qualified Investment in the amount of Ten Million Dollars (\$10,000,000.00), or greater, during the Qualifying Time Period; and unless this Agreement has been terminated as provided herein before such Tax Year, for each of the eight (8) Tax Years 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020, the Appraised Value of the Applicant's Qualified Investment 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 Investment; or
- (b) Ten Million Dollars (\$10,000,000.00).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Tax Code, §313.022(b) or § 313.052.

**ARTICLE III**

**PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES**

**Section 3.1. INTENT OF THE PARTIES**

Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Tex. Tax Code, §§313.027(f)(1), be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article IV. , Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the risk of any negative financial consequence to the District in making the decision to enter into this Agreement will be borne by the Applicant and not by the District.

**Section 3.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT**

Subject to the provisions of Sections 5.1 and 5.2, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement (the "M&O Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

The M&O Amount owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue;

Where:

- i. "Original M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property and/or Qualified Investment been subject to the ad valorem maintenance & operations tax.
- ii. "New M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District actually received for such school year.

In making the calculations required by this Section 3.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment 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 3.2 results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection *ii* of this Agreement will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 3.2 shall be made by a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements or any other factors.

### **Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES**

In addition to the amounts determined pursuant to Section 3.2 above, and to the extent provided in Section 6.3, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

- (a) all non-reimbursed costs incurred by the District in paying or otherwise crediting to the account of Applicant, any applicable tax credit to which Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Educ. Code § 42.2515, or other similar or successor statute.
- (b) all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.
- (c) any other loss of District revenues which are, or may be attributable to the payment by Applicant to or on behalf of any other third party beneficiary.

#### **Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY**

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") jointly approved each year by the District and the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by the mediator provided in Section 7.9 of this Agreement.

#### **Section 3.5. DATA USED FOR CALCULATIONS**

The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Archer and Young Counties Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 3.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Archer and Young Counties Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

#### **Section 3.6. DELIVERY OF CALCULATIONS**

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2 and/or 3.3 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the

employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of three (3) years after payment. The Applicant shall not be liable for any of Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 3.7, if such fee is timely paid.

### **Section 3.7. PAYMENT BY APPLICANT**

The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or tax credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. In no year shall the Applicant be responsible for the payment of any total expenses under this Section in excess of Ten Thousand Dollars (\$10,000.00).

### **Section 3.8. RESOLUTION OF DISPUTES**

Pursuant to Section 3.4 and Section 3.6, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within fifteen (15) days of receipt of the certification. Within fifteen (15) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Olney Independent School District Board of Trustees within fifteen (15) days of the final determination of certification containing the calculations.

### **Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT**

In the event that, at the time the Third Party selected under Section 3.4 makes its calculations under this Agreement, Applicant has appealed the taxable values placed by the County Appraisal District on the Qualified Property, and the appeal of the appraised values are unresolved, the Third Party shall base its calculations upon the values placed upon the Qualified Property by the County Appraisal District.

In the event that the result of an appraisal appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of a new value becomes final, the Parties shall immediately

notify the Third Party who shall immediately issue new calculations for the applicable year or years. In the event the new calculations result in the change of any amount payable by the Applicant under this Agreement, the party from whom the adjustment is payable shall remit such amounts to the counter-party within thirty (30) days of the receipt of the new calculations from the Third Party.

### **Section 3.10. EFFECT OF STATUTORY CHANGES**

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 5.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the 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, because of its participation in this Agreement, Applicant shall make payments to the District, up to the revenue protection amount limit set forth in Section 5.1, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

## **ARTICLE IV**

### **Section 4.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS**

#### **(a) Amounts Exclusive of Indemnity Amounts**

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article IV. Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Tex. Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under this Article IV are separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to the limitations contained in Section 5.1, and that all payments under Article IV are subject to the separate limitations contained in Section 4.4.

#### **(b) Adherence to Statutory Limits on Supplemental Payments**

It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by Applicant, under this Article IV, shall not exceed the limit imposed by the provisions of Texas Tax Code 313.027(i). The Parties

acknowledge that the limit imposed by Texas Tax Code 313.027(i) is subject to change by the Legislature at a future date.

**Section 4.2. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO AGGREGATE LIMIT**

During the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the lesser of:

- (a) Applicant's Stipulated Supplemental Payment Amount, defined as forty percent (40%) of the Net Tax Benefit received by Applicant as a result of this Agreement, as the term is defined in Section 1.3, above; or,
- (b) the Aggregate Limit, as the term is defined in Section 1.3, above.

**Section 4.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT**

The Parties agree that for each Tax Year of this Agreement, beginning with the third full year (Tax Year 2013) the Stipulated Supplemental Payment amount, described in Section 4.2 will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the following formula:

Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

*Minus,*

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

*Multiplied by,*

The District's maintenance and operations tax rate for such Tax Year, or the school tax rate of any other governmental entity, including the State of Texas, for such Tax Year;

*Plus,*

Any Tax Credit received by the Applicant with respect to such Tax Year;

*Minus,*

Any amounts previously paid to the District under Article III;

*Multiplied by,*

The number 0.4;

*Minus,*

Any amounts previously paid to the District under Sections 4.2 and 4.3 with respect to such Tax Year.

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

#### **Section 4.4. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF AGGREGATE LIMIT**

For each year of, for each year of this Agreement, beginning with year three (Tax Year 2013) and continuing thereafter through year thirteen (Tax Year 2023), the District, or its Successor Beneficiary should one be designated under Section 4.6, below, shall not be entitled to receive Supplemental Payments, computed under Sections 4.2 and 4.3, above, that exceed the Aggregate Limit, defined in Section 1.3, above.

If, for any year of this Agreement the payment of Applicant's Stipulated Supplemental Payment amount, calculated under sections 4.2 and 4.3. above, exceeds the Aggregate Limit for that year, the difference between the Stipulated Supplemental Payment amount and the Aggregate Limit, shall be carried forward from year-to-year into subsequent years of this Agreement, and to the extent not limited by the Aggregate Limit in any subsequent year of this Agreement, shall be paid to the District.

Any Stipulated Supplemental Payment amount, which cannot be made to the District prior to the end of year thirteen (Tax Year 2023), because such payment would exceed the Aggregate Limit will be deemed to have been cancelled by operation of law.

#### **Section 4.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS**

- (a) All calculations required by this Article, including but not limited to: the calculation of the Stipulated Supplemental Payment amount; the determination of both the Annual Limit and the Aggregate Limit; the effect, if any, of the Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and the carry forward and accumulation of

any Stipulated Supplemental Payment amounts unpaid by Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 3.4.

- (b) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 3.6.
- (c) The payment of all amounts due under this Article shall be made at the time set forth in Section 3.7.

#### **Section 4.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY**

At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, direct that Applicant's payment obligations under this Article IV be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote in conformance with the provisions of Section 6.1, below. Such designation may be rescinded by the District's Board of Trustees, by Board action, at any time.

Any designation of a successor beneficiary under this Section shall not alter the Aggregate Limitation on Supplemental payments described in Section 4.4, above.

### **ARTICLE V**

#### **ANNUAL LIMITATION OF PAYMENTS BY APPLICANT**

##### **SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS**

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement after the 2013 Tax Year, 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 III and IV 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 Section 3.4, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

## **Section 5.2. OPTION TO CANCEL AGREEMENT**

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Section 4.2 with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred. Upon such termination this Agreement shall terminate and be of no further force or effect; provided, however, that 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.

## **ARTICLE VI**

### **TAX CREDITS**

#### **Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS**

The Applicant shall be entitled to tax credits from the District under and in accordance with the provisions of Subchapter D of the Act and Comptroller Rules, provided that the Applicant complies with the requirements under such provisions, including the filing of a completed Application under Section 313.103 of the Texas Tax Code, and Comptroller Rules.

#### **Section 6.2. DISTRICT'S OBLIGATIONS WITH RESPECT TO TAX CREDITS**

The District shall timely comply and shall cause the District's collector of taxes to timely comply with their obligations under Subchapter D of the Act and Comptroller Rules, including, but not limited to, such obligations set forth in Section 313.104 of the Texas Tax Code and either Comptroller and/or Texas Education Agency Rules.

#### **Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES**

If after the Applicant has actually received the benefit of a tax credit under Section 6.1, the District does not receive aid from the State pursuant to Texas Education Code § 42.2515 or other similar or successor statute with respect to all or any portion of such tax credit for reasons other than the District's failure to comply with the requirements for obtaining such aid, then the District shall notify the Applicant in writing thereof and the circumstances surrounding the State's failure to provide such aid to the District. The Applicant shall pay to the District the amount of such tax credit for which the District did not receive such aid within thirty (30) calendar days after receipt of such notice, and such payment shall be subject to the same provisions for late payment as are set forth in Section 7.4 and 7.5. If the District receives aid

from the State for all or any portion of a tax credit with respect to which the Applicant has made a payment to the District under this Section 6.3, then the District shall pay to the Applicant the amount of such aid within thirty (30) calendar days after the District's receipt thereof.

## **ARTICLE VII**

### **ADDITIONAL OBLIGATIONS OF APPLICANT**

#### **Section 7.1. DATA REQUESTS**

During the term of this Agreement, and upon the written request of one Party or by the Comptroller (the "Requesting Party"), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations, including any employment obligations which may arise under this Agreement. The Applicant shall allow authorized employees of the District, the Comptroller, and/or the Archer and Young Counties Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code §22.07, during the term of this Agreement, 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. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property. 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 Archer and Young Counties Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

#### **Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES**

Applicant shall timely make any and all reports that are or may be required under the provisions of law or administrative regulation, including but not limited to the annual report or certifications that may be required to be submitted by the Applicant to the Texas Comptroller of Public Accounts under the provisions of Texas Tax Code § 313.032. Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. The obligation to make all such required filings shall be a material obligation under this Agreement.

#### **Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE**

By entering into this Agreement, the Applicant warrants that:

- (a) it will abide by all of the terms of the Agreement;

- (b) it will Maintain Viable Presence in the District 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 (as hereinafter defined), provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,
- (c) it will meet minimum eligibility requirements under Tax Code, Chapter 313 throughout the value limitation and tax-credit settle-up periods.

**Section 7.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT**

(a) In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 5.2, or in the event that the Applicant or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 7.8, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV.

(b) Notwithstanding Section 7.4(a), in the event that the District determines that the Applicant has failed to Maintain Viable Presence and provides written notice of termination of the Agreement, then the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. 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 7.5. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV. Upon payment of such liquidated damages, Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

**Section 7.5. CALCULATION OF PENALTY AND INTEREST**

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 owed less all credits under Section 7.4 for each Tax Year during the term of this Agreement since the Commencement Date. The District shall calculate penalty or interest for each Tax Year during the term of this Agreement since the Commencement Date 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 7.4 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 Texas Tax Code § 33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code § 33.01(c), or its successor statute.

#### **Section 7.6 MATERIAL BREACH OF AGREEMENT**

Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions:

- (a) Applicant is determined to have failed to meet its obligations to have made accurate representations of fact in submission of its Application as is required by Section 8.13, below.
- (b) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.
- (c) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.
- (d) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain on Schedule C, Column C of its Application.
- (e) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain on Schedule C, Column E of its Application.
- (f) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs created by Applicant on the project as Qualifying Jobs.
- (g) Applicant makes 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, Tex. Tax Code, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 are not barred by this provision.
- (h) Applicant fails to comply with any other term of this Agreement, or Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Texas Economic Development Act.

### **Section 7.7 LIMITED STATUTORY CURE OF MATERIAL BREACH**

In accordance with the provisions of Tex. Tax Code § 313.0275, for any full tax year which commences after the project has become operational, Applicant shall may cure the Material Breaches of this Agreement, defined in Sections 7.6(d) and 7.6(e) or 7.6(f), above, without the termination of the remaining term of this Agreement. In order to cure its non-compliance with Sections 7.6(d) and 7.6(e) or 7.6(f) for the particular Tax Year of non-compliance only, Applicant may make the liquidated damages payment required by Tex. Tax Code § 313.0275(b), in accordance with the provisions of Tex. Tax Code § 313.0275(c).

### **Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT**

Prior to making a determination that the Applicant has committed a material breach of this Agreement, such as making a misrepresentation in the Application, failing to Maintain Viable Presence in the District as required by Section 7.3 of this Agreement, failing to make any payment required under this Agreement when due, or has otherwise committed a material breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the material breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in material breach of its obligations under the Agreement, or that it has cured or undertaken to cure any such material breach.

If the Board of Trustees is not satisfied with such response and/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 whether or not a material breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also terminate the Agreement and determine the amount of recaptured taxes under Section 7.4 (net of all credits under Section 7.4), and the amount of any penalty and/or interest under Section 7.5 that are owed to the District.

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.").

### **Section 7.9. DISPUTE RESOLUTION**

After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, the Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute

by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant's receipt of notice of the Board of Trustee's determination of breach under Section 7.8, 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 residing in Archer and Young Counties, 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.

In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such ninety (90) days, the District shall have the remedies for the collection of the amounts determined under Section 7.8 as are set forth in Texas Tax Code Chapter 33, Subchapters B and C, 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 and a tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Texas Tax Code § 33.07 to the attorneys representing the District pursuant to Texas Tax Code § 6.30.

In any event where a dispute between the District and the Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, 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 covenant, agreement or undertaking made by a Party pursuant to this Agreement.

#### **Section 7.10. 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 greater of either any amounts calculated under Sections 7.4 and 7.5 above, or the monetary sum of the difference between the payments and credits due and owing to the Applicant at the time of such default and the District taxes that would have been lawfully payable to the District had this Agreement not been executed. 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 7.10 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

**Section 7.11. BINDING ON SUCCESSORS**

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.

**ARTICLE VIII**

**MISCELLANEOUS PROVISIONS**

**Section 8.1. INFORMATION AND NOTICES**

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 transmission, with "answer back" or other "advice 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 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.

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

Superintendent Tom Bailey  
**OLNEY INDEPENDENT SCHOOL DISTRICT**  
809 West Hamilton  
Olney, Texas 76374  
Fax: (940) 564-5205

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

Notices to the Applicant shall be addressed to:

Kerry Albright  
c/o **BP WIND PROPERTY TAX**  
501 Westlake Park Boulevard  
Mail Code: 6.114A  
Houston, Texas 77079  
Fax: (713) 504-8593  
E-mail: [kerry.albright@bp.com](mailto:kerry.albright@bp.com)

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

## **Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT**

- (a) This Agreement shall be and become effective on the date of final approval of this Agreement by the District's Board of Trustees,
- (b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the termination in full date established in Section 1.2 of this Agreement.
- (c) In the event that Applicant fails to make a Qualified Investment in the amount of Ten Million Dollars (\$10,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2012.

## **Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS**

This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties. 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. By official action of the Board of Trustees, this Agreement may be amended to include, in the Applicant's Qualified Investment, additional or replacement Qualified Property not specified in **EXHIBIT 3**, provided that the Applicant reports to the District, the Comptroller, and the Appraisal District, in the same format, style, and presentation as the Application, all relevant investment, value, and employment information that is related to the additional property. Any amendment of the Agreement adding additional or replacement Qualified Property pursuant to this Section 8.3 shall, (1) require that all property added by amendment be eligible property as defined by Tax Code, §313.024; (2) clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and (3) define minimum eligibility requirements for the recipient of limited value. This Agreement may not be amended to extend the value limitation time period beyond its eight year statutory term.

## **Section 8.4. ASSIGNMENT**

The Applicant may assign this Agreement, or a portion of this Agreement, to an Affiliate or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment, provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment, Applicant's assignee will be liable to the District for outstanding taxes or other obligations arising under this Agreement. A recipient of limited value under Tax Code, Chapter 313 shall notify immediately the District, the Comptroller, and the Appraisal District in writing of any change in address or other contract information for the owner of the property subject to the limitation agreement for the purposes of Tax Code §313.032. The assignee's or its reporting entity's Texas Taxpayer Identification Number shall be included in the notification.

#### **Section 8.5. 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 8.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS**

When appraising the Applicant's Qualified Property and the Applicant's Qualified Investment subject to a limitation on Appraised Value under this Agreement, the Chief Appraiser of the Archer and Young Counties Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

#### **Section 8.7. 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 Archer County, Texas.

#### **Section 8.8. 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 8.9. 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 to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 8.9, 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 8.10. 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 8.11. INTERPRETATION**

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. 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. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

#### **Section 8.12. 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 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION**

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application. Applicant warrants that all information, facts, and representations contained therein are true and correct. The parties further agree that the Application and all the attachments thereto are included by reference into this Agreement as if set forth herein in full.

In the event that the Board of Trustees, after completing the procedures required by Sections 7.8 and 7.9 of this Agreement, makes a written determination that the Application was either incomplete or inaccurate as to any material representation, information, or fact, the Agreement shall be invalid and void except for the enforcement of the provisions required by 34. Tex. Admin. Code § 9.1053(f)(2)(K).

#### **Section 8.14. 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; the approved and executed copy of this Agreement or any amendment thereto; and each application requesting tax credits under Tex. Tax Code § 313.103, as follows:

- a. Within seven days of such document, the school district shall submit a copy to the Comptroller for Publication on the Comptroller's Internet website.
- b. 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 Tex. Tax Code § 313.028.

*IN WITNESS WHEREOF*, this Agreement has been executed by the Parties in multiple originals on this \_\_\_ day of December 2010.

**BP WIND ENERGY NORTH AMERICA INC.**

**OLNEY INDEPENDENT SCHOOL DISTRICT**

By: \_\_\_\_\_

Its Authorized Representative

Name: DARRELL THURSON

Title: VICE-PRESIDENT

By: \_\_\_\_\_

**DAVID ICKERT**  
President  
Board of Trustees

**ATTEST:**

Jamie Kulhanek  
**JAMIE KULHANEK**  
Secretary  
Board of Trustees

## EXHIBIT 1

### DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

The *Olney Independent School District Reinvestment Zone Number One* was originally created on October 20, 2008 by action of the Olney Independent School District Board of Trustees. A map of the *Olney Independent School District Reinvestment Zone Number One* is attached as the last page of this **EXHIBIT 1**.

As a result of the action of the Olney Independent School District Board of Trustees, the *Olney Independent School District Reinvestment Zone Number One* includes real property within unincorporated Archer County, Texas, more specifically the following property and tracks.

Attachment 23

“Exhibit A”

Olney Independent School District

The lands located in the below described Abstracts in Archer County, TX:

A-1177  
A-936  
A-1205  
A-897  
A-707  
A-938  
A-919  
A-876  
A-901  
A-887  
A-886  
A-880  
A-881  
A-184  
A-674  
A-355  
A-36  
A-452  
A-55  
A-848  
A-60  
A-1287  
A-1317  
A-47  
A-827  
A-269  
A-60  
A-164  
A-443  
A-675  
A-289  
A-506  
A-470  
A-467  
A-466  
A-471  
A-264  
A-507  
A-508  
A-501

Olney Independent School District

The lands located in the below described Abstracts in Archer Co, TX: (continued)

A-502  
A-503  
A-472  
A-465  
A-468  
A-463  
A-505  
A-364  
A-673  
A-54  
A-826  
A-825  
A-381  
A-394  
A-1149  
A-1151  
A-167  
A-174  
A-330  
A-288  
A-504  
A-462  
A-469  
A-464  
A-473  
A-475  
A-476  
A-477  
A-1266  
A-349  
A-381

Olney Independent School District

The lands located in the below described Abstracts in Young County, TX:

A-2086  
A-2110  
A-2109  
A-2106  
A-2090  
A-2092  
A-2091  
A-2094

Olney Independent School District

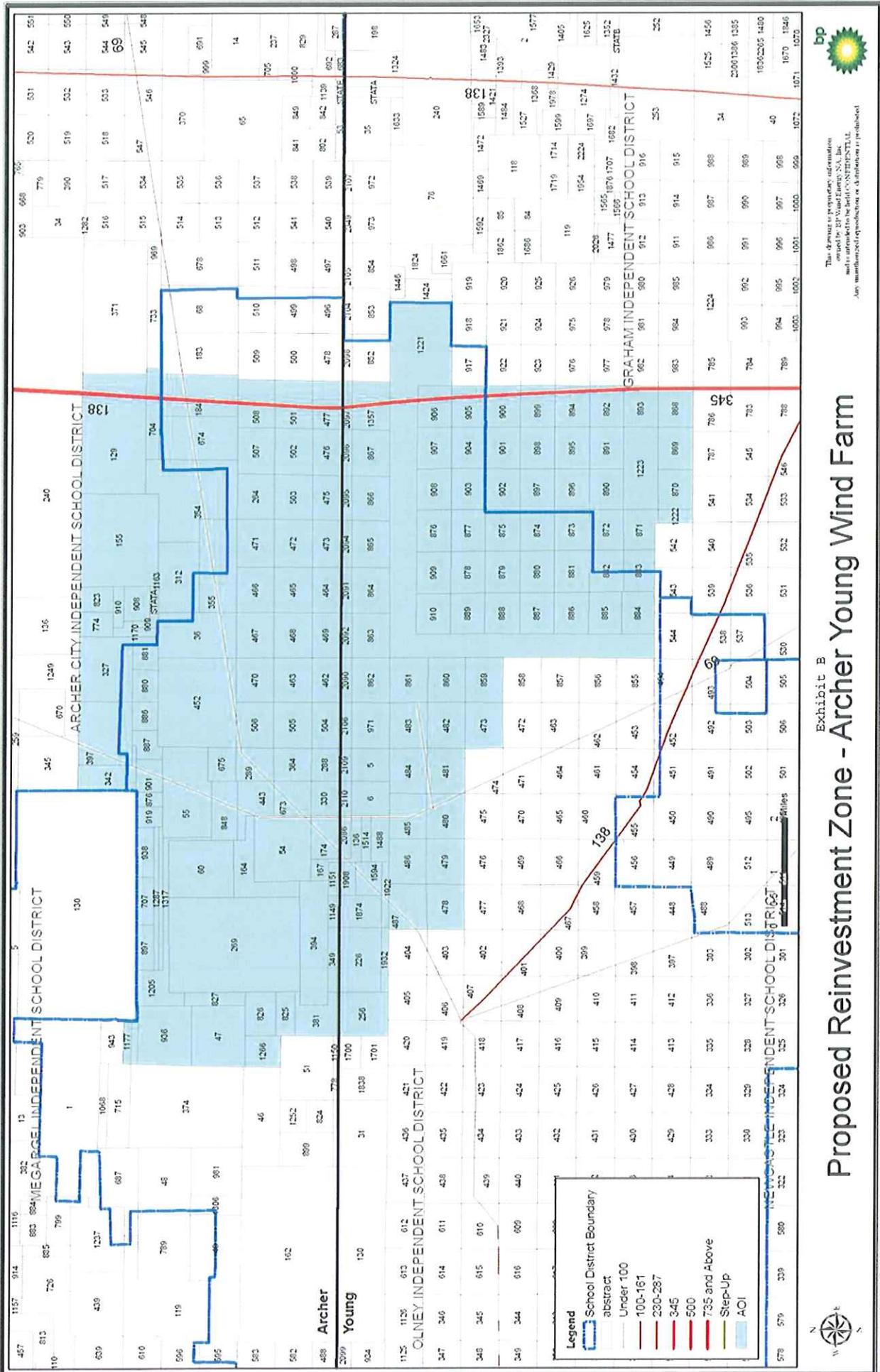
The lands located in the below described Abstracts in Young Co, TX: (continued)

A-2095  
A-2096  
A-2097  
A-1357  
A-867  
A-866  
A-865  
A-864  
A-863  
A-862  
A-971  
A-5  
A-6  
A-136  
A-1514  
A-1488  
A-1594  
A-1908  
A-1874  
A-226  
A-256  
A-487  
A-1932  
A-1922  
A-486  
A-485  
A-478  
A-479  
A-480  
A-484  
A-481  
A-483  
A-482  
A-473  
A-861  
A-860  
A-859  
A-1221  
A-906  
A-907  
A-908  
A-876  
A-909

Olney Independent School District

The lands located in the below described Abstracts in Young Co, TX: (continued)

A-910  
A-889  
A-878  
A-877  
A-903  
A-904  
A-905  
A-875  
A-879  
A-888  
A-873  
A-881  
A-886  
A-887  
A-880  
A-874  
A-884  
A-885  
A-883  
A-882



## EXHIBIT 2

### LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All Qualified Property owned by Applicant and located within the boundaries of both the Olney Independent School District, and the *Olney Independent School District Reinvestment Zone Number One* will be included in and subject to this Agreement. Specifically, all Qualified Property of Applicant located in the following sections of land is included, to wit:

Attachment 23

“Exhibit A”

Olney Independent School District

The lands located in the below described Abstracts in Archer County, TX:

A-1177  
A-936  
A-1205  
A-897  
A-707  
A-938  
A-919  
A-876  
A-901  
A-887  
A-886  
A-880  
A-881  
A-184  
A-674  
A-355  
A-36  
A-452  
A-55  
A-848  
A-60  
A-1287  
A-1317  
A-47  
A-827  
A-269  
A-60  
A-164  
A-443  
A-675  
A-289  
A-506  
A-470  
A-467  
A-466  
A-471  
A-264  
A-507  
A-508  
A-501

Olney Independent School District

The lands located in the below described Abstracts in Archer Co, TX: (continued)

A-502  
A-503  
A-472  
A-465  
A-468  
A-463  
A-505  
A-364  
A-673  
A-54  
A-826  
A-825  
A-381  
A-394  
A-1149  
A-1151  
A-167  
A-174  
A-330  
A-288  
A-504  
A-462  
A-469  
A-464  
A-473  
A-475  
A-476  
A-477  
A-1266  
A-349  
A-381

Olney Independent School District

The lands located in the below described Abstracts in Young County, TX:

A-2086  
A-2110  
A-2109  
A-2106  
A-2090  
A-2092  
A-2091  
A-2094

Olney Independent School District

The lands located in the below described Abstracts in Young Co, TX: (continued)

A-2095  
A-2096  
A-2097  
A-1357  
A-867  
A-866  
A-865  
A-864  
A-863  
A-862  
A-971  
A-5  
A-6  
A-136  
A-1514  
A-1488  
A-1594  
A-1908  
A-1874  
A-226  
A-256  
A-487  
A-1932  
A-1922  
A-486  
A-485  
A-478  
A-479  
A-480  
A-484  
A-481  
A-483  
A-482  
A-473  
A-861  
A-860  
A-859  
A-1221  
A-906  
A-907  
A-908  
A-876  
A-909

Olney Independent School District

The lands located in the below described Abstracts in Young Co, TX: (continued)

A-910  
A-889  
A-878  
A-877  
A-903  
A-904  
A-905  
A-875  
A-879  
A-888  
A-873  
A-881  
A-886  
A-887  
A-880  
A-874  
A-884  
A-885  
A-883  
A-882

### EXHIBIT 3

#### DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

The proposed project will consist of a facility designed to use wind power to generate electricity (commonly referred to as a wind farm). The property will include, but is not limited to, the following: up to approximately 90 – 2.5 megawatt wind power turbine generators; or equivalent; a reinforced concrete slab supporting the weight of each turbine tower; equipment and towers used to gather meteorological data; buried and overhead electrical conductor cables (including poles) used to transport electricity from each turbine tower to an electrical substation; the electrical substation and electrical conductor cables used to transport electricity off of the project site; one or more buildings used to hold maintenance supplies, replacement parts, and related equipment; and various appurtenant equipment and small items related to the above. All of the property for which the Applicant is seeking a limitation on appraised value will be owned by the Applicant or a valid assignee pursuant to this Agreement. The facility will also require a relatively insubstantial amount of personal property.