
**FINDINGS
OF THE
HARROLD INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
ELECTRA WIND LLC (#1069)**

SEPTEMBER 24, 2015

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

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Wilbarger County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054. On May 26, 2015, the Comptroller determined the Application to be complete.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on August 11, 2015 in which the Comptroller has determined, inter alia, that: 1)Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

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

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

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

The Board has adopted the Texas Economic Development Agreement (Form 50-286) as promulgated by the Comptroller's Office. Form 50-286 has been altered only in accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**. In November 2014,

the Texas Comptroller's Office announced its intention to modify Comptroller Form 50-286 and to permit amendments to existing agreements including the agreement for which these Findings are being made. The Board will consider all authorized amendments to the Agreement on Applicant's request, in the event a new form is adopted.

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

Board Finding Number 1.

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

In support of Finding 1, the Application indicates that:

Electra Wind, LLC ("Electra Wind") is requesting a Chapter 313 Appraised Value Limitation Agreement from Harrold ISD for a proposed renewable energy project using wind turbines (the "Project") to be constructed in Harrold ISD in eastern Wilbarger County.

Property which is used for renewable energy electric generation satisfies the requirements of §313.024(b)(5).

Board Finding Number 2.

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

In support of Finding 2, the Comptroller's Economic Impact Evaluation and Certification, Attachment C, states:

This represents the Comptroller's determination that Electra Wind, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the

agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$59,406	\$59,406	\$0	\$0
Limitation Period (10 Years)	2017	\$234,000	\$293,406	\$949,633	\$949,633
	2018	\$234,000	\$527,406	\$854,943	\$1,804,576
	2019	\$234,000	\$761,406	\$767,827	\$2,572,403
	2020	\$234,000	\$995,406	\$687,681	\$3,260,084
	2021	\$234,000	\$1,229,406	\$613,947	\$3,874,031
	2022	\$234,000	\$1,463,406	\$546,111	\$4,420,142
	2023	\$234,000	\$1,697,406	\$483,702	\$4,903,844
	2024	\$234,000	\$1,931,406	\$426,286	\$5,330,129
	2025	\$234,000	\$2,165,406	\$373,463	\$5,703,592
	2026	\$234,000	\$2,399,406	\$324,866	\$6,028,458
Maintain Viable Presence (5 Years)	2027	\$514,157	\$2,913,562	\$0	\$6,028,458
	2028	\$473,024	\$3,386,586	\$0	\$6,028,458
	2029	\$435,182	\$3,821,768	\$0	\$6,028,458
	2030	\$400,368	\$4,222,136	\$0	\$6,028,458
	2031	\$368,338	\$4,590,474	\$0	\$6,028,458
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$338,871	\$4,929,345	\$0	\$6,028,458
	2033	\$311,761	\$5,241,107	\$0	\$6,028,458
	2034	\$286,821	\$5,527,927	\$0	\$6,028,458
	2035	\$263,875	\$5,791,802	\$0	\$6,028,458
	2036	\$242,765	\$6,034,567	\$0	\$6,028,458
	2037	\$223,344	\$6,257,911	\$0	\$6,028,458
	2038	\$205,476	\$6,463,387	\$0	\$6,028,458
	2039	\$189,038	\$6,652,425	\$0	\$6,028,458
	2040	\$173,915	\$6,826,340	\$0	\$6,028,458
	2041	\$160,002	\$6,986,342	\$0	\$6,028,458
		\$6,986,342	is greater than	\$6,028,458	
Analysis Summary					
Is the project reasonably likely to generate M&O tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					Yes

Source: CPA, Electra Wind, LLC

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

Board Finding Number 3.

The limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.

In support of Finding 3, Comptroller's Economic Impact Evaluation and Certification, Attachment C, states:

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

- Per the applicant, the land has no existing improvements.
- Per the applicant, it "has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners, a limited-notice-to-proceed contract with a contractor, and environmental consultants to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider."
- Per the applicant, "In order for the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work, solely located within the Vernon ISD boundary, before the statutorily imposed deadline of December 31, 2014. In order to complete this minimum amount of PTC qualification work, the Applicant received a TPDES General Permit TXR150014688." TPDES stands for Texas Pollutant Discharge Elimination System.
- Per the applicant, "The amount of PTC qualification work completed prior to December 31, 2014, constitutes less than 0.06% of total estimated investment for the project. The Applicant's completion of this minor amount of PTC qualification work does not legally or financially commit it to constructing the project."

- The Comptroller's Office found information on the applicant's website which describes this project as a late stage development and Texas as a "major" development focus.
- Per the applicant, "Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, permits, and limited improvements, in order to reallocate resources in areas with more favorable economics."

Board Finding Number 4.

The Board finds that the Application Fee received for the Application for which these Findings are being made was reasonable and only in such an amount as was necessary to cover the District's costs of processing such Application.

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

Board Finding Number 5.

Based upon the information provided in the Application and in the Comptroller's Economic Impact Evaluation and Certification, Attachment B, package, the Board finds that that the number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Board further finds that the Chapter 313 Tax Limitation Agreement (Attachment G), in accordance with Comptroller's Form 50-286, contains all required provisions and information related to the required job creation requirements, to wit: the provisions set forth in Subsections 9.1C&D of such Agreement.

In its Application, Applicant has committed to creating two (2) new qualifying jobs. The average salary level of qualifying jobs will be at least \$44,000 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 current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying job" means a permanent full-time job that:

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

Board Finding Number 6.

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

Board Finding Number 7.

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

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

Board Finding Number 8.

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$101 million to the tax base for debt service purposes at the peak investment level for the 2017-18 school year, with the project value expected to depreciate over the course of the agreement. The project remains fully taxable for debt services taxes, if the District decides to issue future debt. Under the estimates presented in the school finance analysis, the taxpayers of HISD could see long-term benefit from the Lone Star project in meeting the District's future service needs even with the expected depreciation of the project's taxable value.

Board Finding Number 9.

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

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

Board Finding Number 10.

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

Board Finding Number 11.

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

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

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

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

The consultants have prepared signed statements that the consultants have reviewed and verified the contents of the Application and have determined that the current statements of fact contained in the Application are true and correct. (**Attachment H**) The Board finds that reliance by the Board and its consultants upon verified statements of the Applicant,

especially as to Applicant's future intentions which cannot be objectively verified is reasonable and within the intent of Chapter 313, Texas Tax Code.

Board Finding Number 12.

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

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller's Form 50-286, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.4B of said Agreement. According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2014 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2014 taxable value for the District is \$1.7 million. The District is categorized as Subchapter C. Given that the value of total taxable property in the District is more than \$1 million, but less than \$90 million it is classified as a Category II district which can offer a minimum value limitation of \$20 million.

Board Finding Number 13.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G), in accordance with Comptroller's Form 50-286, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.4B of said Agreement.

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

Board Finding Number 14.

The Applicant (Taxpayer No. 32055164449) is eligible for the limitation on appraised value of qualified property as specified in the Agreement as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32055164449), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise tax payer by the Comptroller.

See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement (Attachment G), in accordance with Comptroller's Form 50-286 contains all required provisions necessary for the Board to assess the eligibility of any business to which an agreement is transferred, to wit: the requirement that all assignments are amendments to the provision forth in Section 10.4 of said Agreement.

Board Finding Number 15.

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

Board Finding Number 16.

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

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the first year that 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. The Agreement contains adequate revenue protection measures for the duration of the Agreement.

Board Finding Number 17.

The Board finds that the methodology and processes for determining Applicant's revenue protection payments as are set forth in Article IV of the Chapter 313 Tax Limitation Agreement (Attachment G) comply with Texas Tax Code, Chapter 313.

In support of this Finding, the Board relies upon the recommendation of its consultants. (Attachment H)

Board Finding Number 18.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G), in accordance with Comptroller's Form 50-286

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

Board Finding Number 19.

The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, is in the form of the template Texas Economic Development Act adopted by the Comptroller. Should a new template be adopted that corrects the broken cross references, clarifies wording and grammatical errors, and corrects contractual ambiguities not acceptable to either party, the Board finds that it would be in the District's best interest to agree to amend the Agreement.

Board Finding Number 20.

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

The Board finds that with the adoption of District Policies BBFA and BBFB, both (Legal) and (Local), set forth at <http://pol.tasb.org/Home/Index/588>, that it has taken appropriate action to ensure that all District Trustees, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

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

The Board finds that with the adoption of District Policies DBD, DGA, and DH BBFB, both (Legal) and (Local) that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that

such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings. In addition, Harrold ISD should ensure that disclosure occurs at the meeting at which the school board will vote on the business's application.

Board Finding Number 21.

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

Board Finding Number 22.

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

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

It is further ORDERED that upon the issuance by the Comptroller's Office of a new Form 50-286 that the Board, in accordance with Comptroller rules and new form 50-286, will consider an amendment to Attachment G upon the request of Applicant or District staff.

Dated the 24th day of September 2015.

HARROLD INDEPENDENT SCHOOL DISTRICT

By: _____
Dale Owen, President, Board of Trustees

ATTEST:

By: _____
LaRue Rainwater, Secretary, Board of Trustees

Attachment A

Application



Electra Wind, LLC

Chapter 313 Application

**for Appraised Value Limitation on Qualified Property
with the Harrold Independent School District**

April 20, 2015

Application for Appraised Value Limitation on Qualified Property



APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	Maps that clearly show: a) Project vicinity b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size Note: Electronic maps should be high resolution files. Include map legends/markers.
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	Description of Reinvestment or Enterprise Zone, including: a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* * To be submitted with application or before date of final application approval by school board
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

Attachments for Electra Wind, LLC Harrold ISD VLA Application

Tab Item 1

Application:

See the following 7 pages of the Electra Wind, LLC application using form 50-296-A 05-14/2.



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

Economic Development
and Analysis
Form 50-296-A

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

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

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

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

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

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

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

Please visit the Comptroller's website to find out more about the program at www.texasahead.org/tax_programs/chapter313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

4/20/15

Date Application Received by District

David

First Name

Superintendent

Title

Harrold Independent School District

School District Name

18106 Stewart Street

Street Address

Mailing Address

Harrold

City

940-886-2213

Phone Number

Thweatt

Last Name

TX

State

76364

ZIP

Fax Number

david.thweatt@harroldisd.net

Email Address

Mobile Number (optional)

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

The Economic Development and Analysis Division at the Texas Comptroller of Public Accounts provides information and resources for taxpayers and local taxing entities.

For more information, visit our website:
www.TexasAhead.org/tax_programs/chapter313/
50-296-A • 05-14/2



Application for Appraised Value Limitation on Qualified Property

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Tom
First Name

Alvis
Last Name

Title
Moak, Casey & Associates

Firm Name

512-485-7878
Phone Number

512-485-7888
Fax Number

talvis39@gmail.com
Email Address

Mobile Number (optional)

4. On what date did the district determine this application complete? 4/30/2015
5. Has the district determined that the electronic copy and hard copy are identical? ☒ Yes ☐ No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Declan
First Name

Flanagan
Last Name

CEO
Title

Lincoln Clean Energy, LLC
Organization

401 North Michigan Avenue, Suite 501
Street Address

401 North Michigan Avenue, Suite 501
Mailing Address

Chicago
City

IL
State

60611
ZIP

312-237-4700
Phone Number

312-237-4707
Fax Number

dflanagan@lincolnclean.com
Business Email Address

Mobile Number (optional)

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

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

Philip
First Name

Moore
Last Name

VP of Development
Title

Lincoln Clean Energy, LLC
Organization

101 W. 6th Street, Suite 608
Street Address

Mailing Address

Austin
City

TX
State

78701
ZIP

512-767-7461
Phone Number

512-767-7463
Fax Number

pmoore@lincolnclean.com
Business Email Address

Mobile Number (optional)

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

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

Application for Appraised Value Limitation on Qualified Property



SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

First Name

Last Name

Title

Firm Name

Phone Number

Fax Number

Business Email Address

SECTION 3: Fees and Payments

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

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Electra Wind, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32055164449
3. List the NAICS code 221115
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☒ Yes ☐ No
- 4a. If yes, please list application number, name of school district and year of agreement

Pending Chapter 313 Application with Vernon ISD submitted to the Comptroller on 4/14/2015

SECTION 5: Applicant Business Structure

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

Application for Appraised Value Limitation on Qualified Property

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

☒ Land has no existing improvements	☐ Land has existing improvements (<i>complete Section 13</i>)
☐ Expansion of existing operation on the land (<i>complete Section 13</i>)	☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

Application for Appraised Value Limitation on Qualified Property



SECTION 9: Projected Timeline

1. Application approval by school board August 2015
2. Commencement of construction November 2015
3. Beginning of qualifying time period August 2015
4. First year of limitation 2017
5. Begin hiring new employees Q4 2016
6. Commencement of commercial operations Q4 2016
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☒ Yes ☐ No
Note: Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? Q4 2016

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Wilbarger County, TX
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Wilbarger CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: Wilbarger County (\$0.43880, 100%) City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: Wilbarger (\$0.156691, 100%) Water District: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): Vernon College (\$0.217669, 100%) Other (describe): N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? ☐ Yes ☒ No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☒ No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at www.texasahead.org/tax_programs/chapter313/.

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

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

Application for Appraised Value Limitation on Qualified Property

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☒ No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (Tab 9);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - c. owner (Tab 9);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
 - e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☐ Yes ☒ No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
 - b. legal description of reinvestment zone (Tab 16);
 - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - d. guidelines and criteria for creating the zone (Tab 16); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? 5-18-15

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

1. In Tab 10, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in Tab 10:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ _____
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): \$ _____

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

Application for Appraised Value Limitation on Qualified Property



SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
☒ First Quarter ☐ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2015
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 2
6 new qualifying jobs for the entire wind project included in both Vernon and Harrold ISDs
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☒ Yes ☐ No
 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 732.25
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,133.00
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 842.60
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? ☐ §313.021(5)(A) or ☒ §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 43,821.80
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 44,000.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ☐ Yes ☒ No
 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☒ No
 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

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

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

Tab Item 3

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

1. Electra Wind, LLC is a Delaware Limited Liability Company formed on September 15th, 2014. Electra Wind, LLC has not been required to file a franchise tax report to date.
2. Electra Wind, LLC is registered in the State of Texas as a foreign limited liability company, File Number 802064901, in the Office of the Secretary of State. Taxpayer number 32055164449.
3. Electra Wind, LLC has one member with 100% ownership, Lincoln Clean Energy, LLC, which is registered in the State of Texas as a foreign limited liability company, File Number 801318039, in the Office of the Secretary of State. Taxpayer number 32042627284.
4. Contact information for Electra Wind, LLC is as follows:

Contact: Trevor Sholly

Phone: (512) 767-7462

Email: tsholly@lincolnclean.com

5. In addition, we have attached herewith a Texas Franchise Tax Public Information Report Certificates of Account Status from the Texas Comptroller's Office that show that all current affiliates of Lincoln Clean Energy, LLC that are doing business in Texas are in good standing. This includes Horse Creek Wind, LLC; Lincoln Clean Energy, LLC; Lincoln Clean Energy Development, LLC; TX Windwood Wind, LLC; Electra Wind, LLC; TX Nazareth Solar, LLC; Rockwood Energy Center, LLC; and Shawnee Energy Center, LLC.

**Documentation of combined
group received by the
Texas Comptroller
of Public Accounts**

Tab Item 4

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.

Description of the Project:

Electra Wind, LLC ("Electra Wind") is requesting a Chapter 313 Appraised Value Limitation Agreement from Harrold ISD for a proposed renewable energy project using wind turbines (the "Project") to be constructed in Harrold and Vernon ISDs in eastern Wilbarger County.

The proposed Project will include a total of up to 100 wind turbine generators (approximately 35 wind turbine generators located in Harrold ISD and 65 located in Vernon ISD), for a total capacity of up to 200 megawatts (MW), spanning the Harrold and Vernon school districts in eastern Wilbarger County, Texas. The current plan is to utilize 2.0 MW turbines. The Project is anticipated to cover approximately 25,000 acres of privately-owned land (approximately 35% contained within Harrold ISD and 65% contained within Vernon ISD), all currently used as farmland or pasture, and such uses can continue as the Project is designed to be compatible with such activities. In addition to the wind turbines, the Project will also include an operations and maintenance building (currently planned to be located in Vernon ISD), a series of new access roads to the turbines, underground electrical collection cables, meteorological towers, a substation, and an overhead transmission line connecting to a substation at the Point of Interconnection to the new ERCOT transmission line.

Construction of the Project will commence in November of 2015 and is anticipated to be complete in the fourth quarter of 2016.

*NOTE: The map in Tab 11 shows the potential locations of the turbines located within Haskell ISD boundaries for 35 wind turbines, however, the final number is dependent on upon ongoing negotiations with the power purchasers and other factors.

Tab Item 5

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

The Applicant for this Project has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners, a limited-notice-to-proceed contract with a contractor, and environmental consultants to assess the suitability of the site, and agreements with the transmission provider.

In order for the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work, solely located within the Vernon ISD boundary, before the statutorily imposed deadline of December 31, 2014. In order to complete this minimum amount of PTC qualification work, the Applicant received a TPDES General Permit TXR150014688. Applicant timely completed the amount of PTC qualification work required for the project to qualify for the federal income tax PTC, which expired on December 31, 2014 and has not been renewed at the time this application was submitted. The amount of PTC qualification work completed prior to December 31, 2014, constitutes less than 0.06% of total estimated investment for the project. The Applicant's completion of this minor amount of PTC qualification work does not legally or financially commit it to constructing the project.

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

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

Tab Item 6

Description of how project is located in more than one district:

The total size of the Project is anticipated to be 200 MW with 100 turbines. 35 of the planned 100 turbines, along with a portion of the project electrical collection system, substation, operations and maintenance building, and access road network are expected to be located in the Harrold ISD. The other planned 65 of the planned 100 turbines, along with the balance of the project electrical collection system and access road network are expected to be located in the Vernon ISD.

100% of the Project is anticipated to be located within Wilbarger County, Vernon College District, and the Wilbarger General Hospital District.

Tab Item 7

Description of Qualified Investment:

Electra Wind, LLC plans to construct a 200 MW wind farm in Wilbarger County consisting of 100 turbines.

The Applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property within Harrold ISD. The qualified investment in Harrold ISD is expected to include approximately thirty-five (35) GE 2.0MW wind turbine generators, including 80 meter towers, nacelles, rotors with 116m rotor diameter, and reinforced concrete foundations), pads, underground and overhead electric collection cables, access roads, met towers, spare parts and control systems as necessary for the commercial generation of electricity. The remaining sixty-five (65) turbines and associated electrical systems, road networks, etc. are expected to be located in Vernon ISD.

The map in Tab 11 shows the proposed project area with the preliminary turbine locations. The exact placement and number of these turbines is subject to ongoing planning, soil studies, and engineering and will be determined before construction commences.

Tab Item 8

Description of Qualified Property:

See Tab Item 7. The Qualified Property description is the same as the Qualified Investment.

Tab Item 9

Legal Description of Project Boundary:

THE FOLLOWING SECTIONS IN BLOCK 12, H&TC RR CO SURVEY, WILBARGER COUNTY, TX: SECTIONS 1-4 AND 69-72;

THE FOLLOWING SECTIONS IN BLOCK 13, H&TC RR CO SURVEY, WILBARGER COUNTY, TX: SECTIONS 20-60;

THE FOLLOWING SECTIONS IN BLOCK 14, H&TC RR CO SURVEY, WILBARGER COUNTY, TX: SECTIONS 1-56;

THE FOLLOWING SECTIONS IN MK&T SURVEY, WILBARGER COUNTY, TX: SECTIONS 1-2;

THE FOLLOWING SECTIONS IN THE WAGGONER COLONY SUBDIVISION, WILBARGER COUNTY, TEXAS: SECTIONS 1-158,

ALL OF A-20, W. DANIEL SURVEY, WILBARGER COUNTY, TX;

ALL OF A-991, O.A. LINDSEY SURVEY, WILBARGER COUNTY, TX;

ALL OF A-2028, O.A. LINDSEY SURVEY, WILBARGER COUNTY, TX;

ALL OF A-571, W.M. ALSTON SURVEY, WILBARGER COUNTY, TX;

ALL OF A-1204, J.D. BUTLER SURVEY, WILBARGER COUNTY, TX;

ALL OF A-1108 J.B. SMALL SURVEY, WILBARGER COUNTY, TX;

ALL OF A-536, M.B. TATUM SURVEY, WILBARGER COUNTY, TX;

ALL OF A-1206, A.R. CUYLER SURVEY, WILBARGER COUNTY, TX;

ALL OF A-1208, A.R. CUYLER SURVEY, WILBARGER COUNTY, TX; AND

ALL OF A-14 J. COLLINGSWORTH SURVEY, WILBARGER COUNTY, TX.

ALL OF A-987 W.B. JORDAN SURVEY, WILBARGER COUNTY, TX.

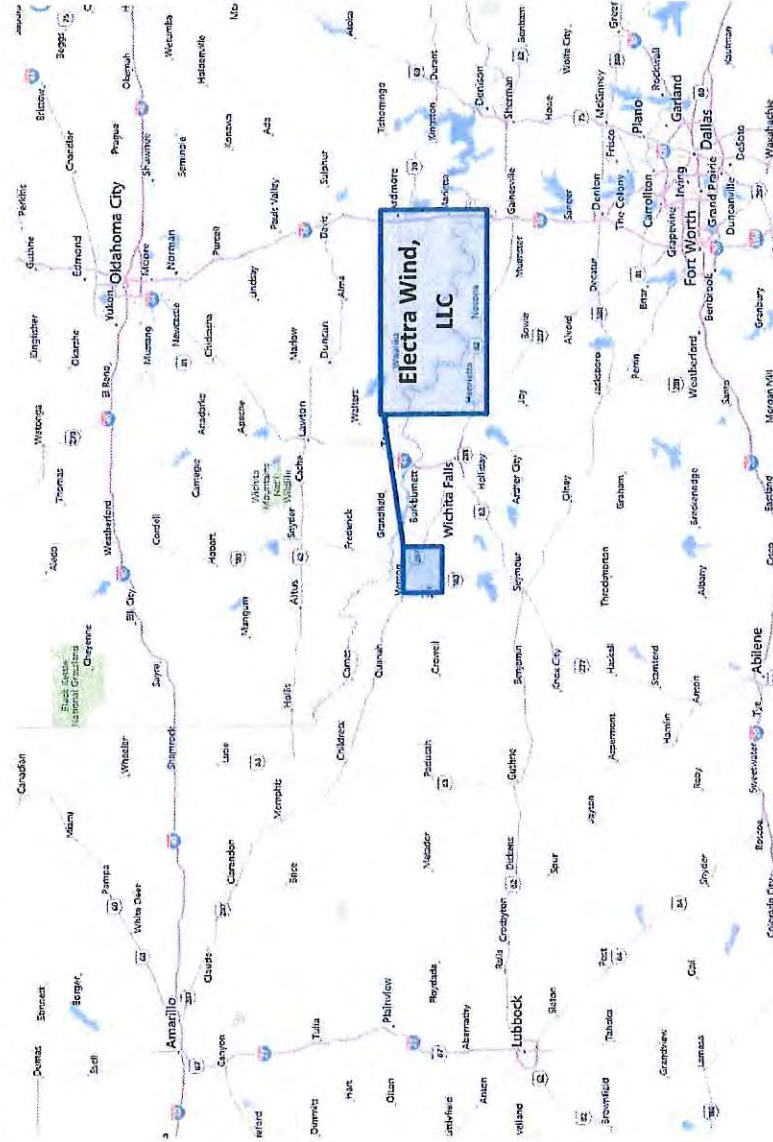
Tab Item 10

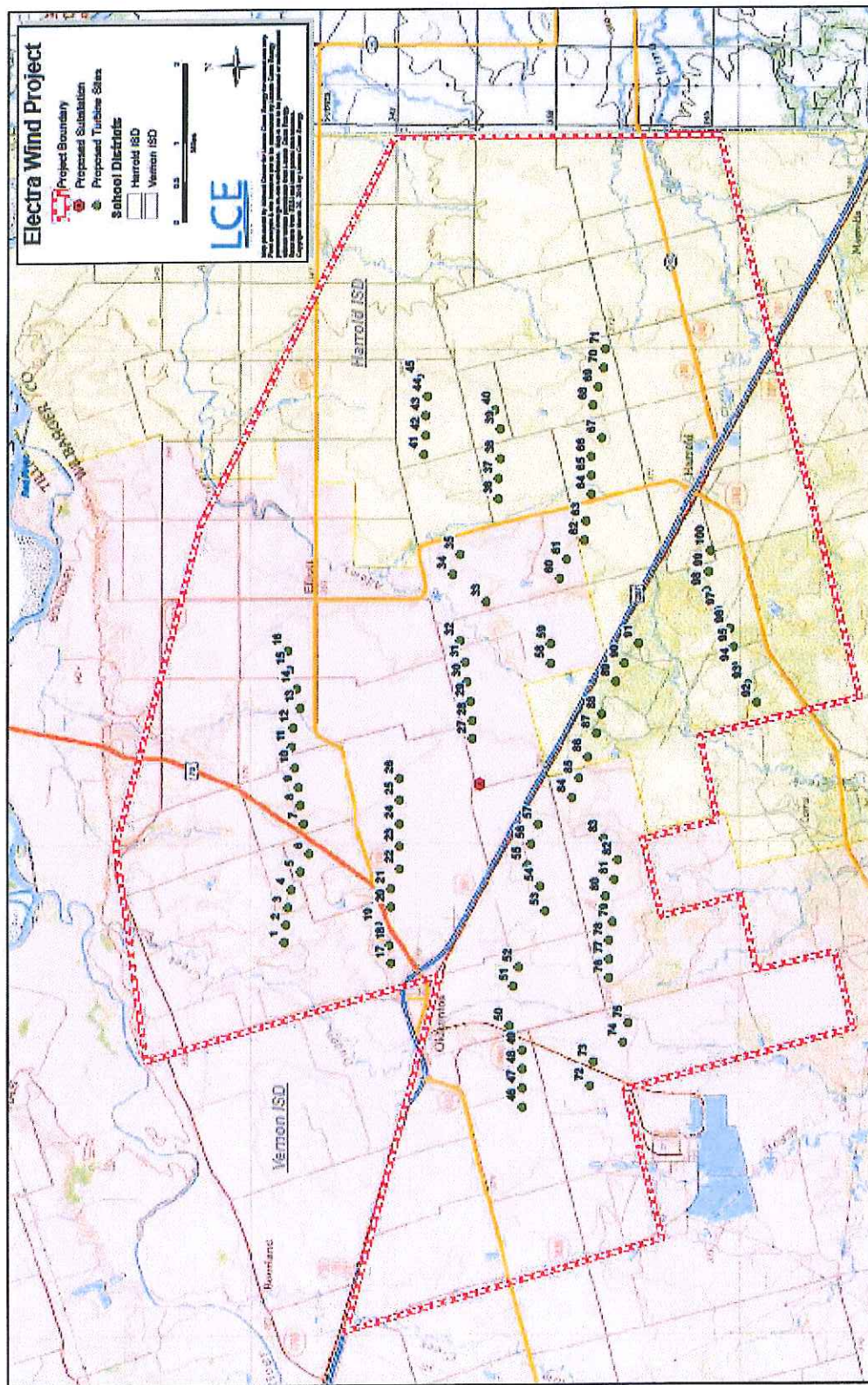
Information on Existing Improvements Not Eligible to Become Qualified Property:

None. Not applicable. A minimal amount of PTC qualification work was completed in Vernon ISD before the December 31, 2014 deadline.

Tab Item 11

Electra Wind, LLC Vicinity and Site Infrastructure Maps:





*All of the lands included within the above Project Boundary are within the Electra Wind, LLC Reinvestment Zone.

Tab Item 12

Request for Waiver of Job Creation Requirement:

April 20, 2015

Superintendent David Thweatt
Harrold Independent School District
18106 Stewart Street
Harrold, TX 76364

Re: Chapter 313 Job Waiver Request

Dear Superintendent Thweatt,

Please consider this letter to be Electra Wind, LLC's formal request to waive the minimum new job creation requirement, as provided under Texas Tax Code 313.025(f-1).

The governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property that is described in this application. Wind energy projects create a large number of full-time jobs during the construction phase, but these jobs are temporary by nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Based upon our experience in the wind industry, we expect that two (2) employees would be needed to operate the portion of the 200 MW facility that will pertain to the Harrold ISD, and we can commit to creating two (2) full-time positions to fill those needs. Both would be qualifying jobs as described in Section 313.021(3) of the Texas Tax Code.

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

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

Kind Regards,

Trevor M. Sholly
Development Director
Electra Wind, LLC

Tab Item 13

Calculation of Wages:

CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY TWC WAGES		ANNUALIZED	
THIRD	2014	\$	750.00	\$	39,000.00
SECOND	2014	\$	712.00	\$	37,024.00
FIRST	2014	\$	756.00	\$	39,312.00
FOURTH	2013	\$	711.00	\$	36,972.00
AVERAGE		\$	732.25	\$	38,077.00

CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY TWC WAGES		ANNUALIZED	
THIRD	2014	\$	1,065.00	\$	55,380.00
SECOND	2014	\$	960.00	\$	49,920.00
FIRST	2014	\$	1,050.00	\$	54,600.00
FOURTH	2013	\$	1,045.00	\$	54,340.00
AVERAGE		\$	1,030.00	\$	53,560.00
X			110%		110%
		\$	1,133.00	\$	58,916.00

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

QUARTER	YEAR	AVG WEEKLY TWC WAGES		ANNUALIZED	
THIRD	2014	\$	766.00	\$	39,832.00
SECOND	2014	\$	766.00	\$	39,832.00
FIRST	2014	\$	766.00	\$	39,832.00
FOURTH	2013	\$	766.00	\$	39,832.00
AVERAGE		\$	766.00	\$	39,832.00
X			110%		110%
		\$	842.60	\$	43,815.20

Quartlerly Employmnt and Wages (QCEW)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2013	4th Qtr	Wilbarger County	Private	00	0	10	Total, All Industries	\$711
2014	1st Qtr	Wilbarger County	Private	00	0	10	Total, All Industries	\$758
2014	2nd Qtr	Wilbarger County	Private	00	0	10	Total, All Industries	\$712
2014	3rd Qtr	Wilbarger County	Private	00	0	10	Total, All Industries	\$750

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Emp
2013	4th Qtr	Wilbarger County	Private	31	2	31-33	Manufacturing	1,045
2014	1st Qtr	Wilbarger County	Private	31	2	31-33	Manufacturing	\$1,050
2014	2nd Qtr	Wilbarger County	Private	31	2	31-33	Manufacturing	\$980
2014	3rd Qtr	Wilbarger County	Private	31	2	31-33	Manufacturing	\$1,085

2013 Manufacturing Wages by Council of Government Region
Wages for All Occupations

COG	Hourly	Annual
3. NORTEX Regional Planning Commission	\$19.15	\$39,838

$\$39,838 \times 1.10 = \$43,821.80$

2013 Manufacturing Wages by Council of Government Region
Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$23.73	\$49,363
1. Panhandle Regional Planning Commission	\$20.43	\$42,499
2. South Plains Association of Governments	\$16.53	\$34,380
3. NORTEX Regional Planning Commission	\$19.15	\$39,838
4. North Central Texas Council of Governments	\$25.00	\$51,997
5. Ark-Tex Council of Governments	\$17.45	\$36,298
6. East Texas Council of Governments	\$19.50	\$40,565
7. West Central Texas Council of Governments	\$18.64	\$38,779
8. Rio Grande Council of Governments	\$16.27	\$33,848
9. Permian Basin Regional Planning Commission	\$22.89	\$47,604
10. Concho Valley Council of Governments	\$17.20	\$35,777
11. Heart of Texas Council of Governments	\$19.44	\$40,444
12. Capital Area Council of Governments	\$27.31	\$56,805
13. Brazos Valley Council of Governments	\$17.20	\$35,770
14. Deep East Texas Council of Governments	\$16.48	\$34,287
15. South East Texas Regional Planning Commission	\$29.09	\$60,501
16. Houston-Galveston Area Council	\$26.13	\$54,350
17. Golden Crescent Regional Planning Commission	\$22.23	\$46,242
18. Alamo Area Council of Governments	\$18.91	\$39,329
19. South Texas Development Council	\$13.94	\$28,990
20. Coastal Bend Council of Governments	\$23.78	\$49,454
21. Lower Rio Grande Valley Development Council	\$15.82	\$32,907
22. Texoma Council of Governments	\$20.93	\$43,529
23. Central Texas Council of Governments	\$17.33	\$36,042
24. Middle Rio Grande Development Council	\$19.07	\$39,666

Source: Texas Occupational Employment and Wages

Data published: July 2014

Data published annually, next update will be July 31, 2015

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.

Tab Item 14

Economic Schedules A1, A2, B, C, and D:

See attached Schedules below.

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

Date: 4/15/2015
Applicant Name: Electra Wind, LLC
ISD Name: Harold ISD

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district.			2014	Not eligible to become Qualified Property		\$ -	[The only other investment made before filing complete application with district that may become Qualified Property is zero.]	\$ -
Investment made after filing complete application with district, but before final board approval of application	-	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2015	\$ -	\$ -	\$ -	\$ -	\$ -
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				\$ 5,102,912	\$ -	\$ -	\$ -	\$ 5,102,912
	QTP1	2016-2017	2016	\$ 96,955,338	\$ -	\$ -	\$ -	\$ 96,955,338
Complete tax years of qualifying time period	QTP2	2017-2018	2017	\$ -	\$ -	\$ -	\$ -	\$ -
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 102,058,250	\$ -	\$ -	\$ -	\$ 102,058,250
Total Qualified Investment (sum of green cells)				\$ 102,058,250				

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

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

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

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

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

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

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

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

Date 4/15/2015
Applicant Name Electra Wind, LLC
ISD Name Harrold ISD

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

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS																	
(Estimated Investment in each year. Do not put cumulative totals.)																	
ISD Name	National ISD	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or other nonmovable components of buildings that will become Qualified Property	Column C Other investment made during this year that will not become Qualified Property (SEE NOTE)	Column D Other investment made during this year that will become Qualified Property (SEE NOTE)	Column E Total Investment (A+B+C+D)								
Total Investment from Schedule A1*					\$	102,058,250	\$	-	\$	-	\$	102,058,250					
Each year prior to start of value limitation period*** <i>(Insert as many zeros as necessary)</i>					0	2015-2016	2015	\$	-	\$	-	\$	-				
					0	2016-2017	2016	\$	-	\$	-	\$	-	\$	-		
					1	2017-2018	2017	\$	-	\$	-	\$	-	\$	-		
					2	2018-2019	2018	\$	-	\$	-	\$	-	\$	-		
					3	2019-2020	2019	\$	-	\$	-	\$	-	\$	-		
					4	2020-2021	2020	\$	-	\$	-	\$	-	\$	-		
					5	2021-2022	2021	\$	-	\$	-	\$	-	\$	-		
					6	2022-2023	2022	\$	-	\$	-	\$	-	\$	-		
					7	2023-2024	2023	\$	-	\$	-	\$	-	\$	-		
					8	2024-2025	2024	\$	-	\$	-	\$	-	\$	-		
Value limitation period***					9	2025-2026	2025	\$	-	\$	-	\$	-				
					10	2026-2027	2026	\$	-	\$	-	\$	-	\$	-		
					Total Investment made through limitation				\$	102,058,250	\$	-	\$	-	\$	105,558,250	
					11	2027-2028	2027	\$	-	\$	-	\$	-	\$	-	\$	1,050,000
					12	2028-2029	2028	\$	-	\$	-	\$	-	\$	-	\$	1,050,000
					13	2029-2030	2029	\$	-	\$	-	\$	-	\$	-	\$	1,050,000
					14	2030-2031	2030	\$	-	\$	-	\$	-	\$	-	\$	1,050,000
					15	2031-2032	2031	\$	-	\$	-	\$	-	\$	-	\$	1,050,000
					16	2032-2033	2032	\$	-	\$	-	\$	-	\$	-	\$	1,050,000
					17	2033-2034	2033	\$	-	\$	-	\$	-	\$	-	\$	1,050,000
Additional years for 25 year economic impact as required by 313.026(c)(1)					18	2034-2035	2034	\$	-	\$	-	\$	-	\$	1,050,000		
					19	2035-2036	2035	\$	-	\$	-	\$	-	\$	-	\$	1,050,000
					20	2036-2037	2036	\$	-	\$	-	\$	-	\$	-	\$	1,050,000
					21	2037-2038	2037	\$	-	\$	-	\$	-	\$	-	\$	1,050,000
					22	2038-2039	2038	\$	-	\$	-	\$	-	\$	-	\$	1,050,000
					23	2039-2040	2039	\$	-	\$	-	\$	-	\$	-	\$	1,050,000
					24	2040-2041	2040	\$	-	\$	-	\$	-	\$	-	\$	1,050,000
					25	2041-2042	2041	\$	-	\$	-	\$	-	\$	-	\$	1,050,000
					Total Investment made through limitation				\$	102,058,250	\$	-	\$	-	\$	105,558,250	
					Continue to maintain viable presence					11	2027-2028	2027	\$	-	\$	-	\$
12	2028-2029	2028	\$	-						\$	-	\$	-	\$	-	\$	1,050,000
13	2029-2030	2029	\$	-						\$	-	\$	-	\$	-	\$	1,050,000
14	2030-2031	2030	\$	-						\$	-	\$	-	\$	-	\$	1,050,000
15	2031-2032	2031	\$	-						\$	-	\$	-	\$	-	\$	1,050,000
16	2032-2033	2032	\$	-						\$	-	\$	-	\$	-	\$	1,050,000
17	2033-2034	2033	\$	-						\$	-	\$	-	\$	-	\$	1,050,000
18	2034-2035	2034	\$	-						\$	-	\$	-	\$	-	\$	1,050,000
19	2035-2036	2035	\$	-						\$	-	\$	-	\$	-	\$	1,050,000
20	2036-2037	2036	\$	-						\$	-	\$	-	\$	-	\$	1,050,000

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

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

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

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

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

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

Column C: The total dollar amount of planned investment each year in buildings or nonmovable components of buildings.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 8.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

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

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

Date: 4/15/2015
 Applicant Name: Electra Wind, LLC
 ISD Name: Harold ISD

Form 50-296A
 Revised May, 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2015-2016	2015	0	\$ -	\$ -	\$ -	\$ -	\$ -
	0	2016-2017	2016	0	\$ -	\$ 5,077,397	\$ 5,077,397	\$ 5,077,397	\$ 5,077,397
	1	2017-2018	2017	0	\$ -	\$ 101,165,240	\$ 101,165,240	\$ 101,165,240	\$ 20,000,000
Value Limitation Period	2	2018-2019	2018	0	\$ -	\$ 93,072,021	\$ 93,072,021	\$ 93,072,021	\$ 20,000,000
	3	2019-2020	2019	0	\$ -	\$ 85,626,259	\$ 85,626,259	\$ 85,626,259	\$ 20,000,000
	4	2020-2021	2020	0	\$ -	\$ 78,776,159	\$ 78,776,159	\$ 78,776,159	\$ 20,000,000
	5	2021-2022	2021	0	\$ -	\$ 72,474,066	\$ 72,474,066	\$ 72,474,066	\$ 20,000,000
	6	2022-2023	2022	0	\$ -	\$ 66,676,141	\$ 66,676,141	\$ 66,676,141	\$ 20,000,000
	7	2023-2024	2023	0	\$ -	\$ 61,342,049	\$ 61,342,049	\$ 61,342,049	\$ 20,000,000
	8	2024-2025	2024	0	\$ -	\$ 56,434,685	\$ 56,434,685	\$ 56,434,685	\$ 20,000,000
	9	2025-2026	2025	0	\$ -	\$ 51,919,911	\$ 51,919,911	\$ 51,919,911	\$ 20,000,000
	10	2026-2027	2026	0	\$ -	\$ 47,766,318	\$ 47,766,318	\$ 47,766,318	\$ 20,000,000
	11	2027-2028	2027	0	\$ -	\$ 43,945,012	\$ 43,945,012	\$ 43,945,012	\$ 43,945,012
Continue to maintain viable presence	12	2028-2029	2028	0	\$ -	\$ 40,429,411	\$ 40,429,411	\$ 40,429,411	\$ 40,429,411
	13	2029-2030	2029	0	\$ -	\$ 37,195,058	\$ 37,195,058	\$ 37,195,058	\$ 37,195,058
	14	2030-2031	2030	0	\$ -	\$ 34,219,454	\$ 34,219,454	\$ 34,219,454	\$ 34,219,454
	15	2031-2032	2031	0	\$ -	\$ 31,481,897	\$ 31,481,897	\$ 31,481,897	\$ 31,481,897
	16	2032-2033	2032	0	\$ -	\$ 28,963,346	\$ 28,963,346	\$ 28,963,346	\$ 28,963,346
Additional years for 25 year economic impact as required by 313.026(c)(1)	17	2033-2034	2033	0	\$ -	\$ 26,646,278	\$ 26,646,278	\$ 26,646,278	\$ 26,646,278
	18	2034-2035	2034	0	\$ -	\$ 24,514,576	\$ 24,514,576	\$ 24,514,576	\$ 24,514,576
	19	2035-2036	2035	0	\$ -	\$ 22,553,410	\$ 22,553,410	\$ 22,553,410	\$ 22,553,410
	20	2036-2037	2036	0	\$ -	\$ 20,749,137	\$ 20,749,137	\$ 20,749,137	\$ 20,749,137
	21	2037-2038	2037	0	\$ -	\$ 19,089,206	\$ 19,089,206	\$ 19,089,206	\$ 19,089,206
	22	2038-2039	2038	0	\$ -	\$ 17,562,070	\$ 17,562,070	\$ 17,562,070	\$ 17,562,070
	23	2039-2040	2039	0	\$ -	\$ 16,157,104	\$ 16,157,104	\$ 16,157,104	\$ 16,157,104
	24	2040-2041	2040	0	\$ -	\$ 14,864,536	\$ 14,864,536	\$ 14,864,536	\$ 14,864,536
	25	2041-2042	2041	0	\$ -	\$ 13,675,373	\$ 13,675,373	\$ 13,675,373	\$ 13,675,373

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
 Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Form 50-296A
Revised May 2014

Date 4/15/2015
Applicant Name Electra Wind, LLC
ISD Name Harold ISD

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Qualifying Jobs		
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2015-2016	2015	3 FTE	40000	0	0	0 \$
	0	2016-2017	2016					
	1	2017-2018	2017	50 FTE	40000	0	0	0 \$
	2	2018-2019	2018	N/A	N/A	0	2	2 \$
	3	2019-2020	2019	N/A	N/A	0	2	2 \$
	4	2020-2021	2020	N/A	N/A	0	2	2 \$
	5	2021-2022	2021	N/A	N/A	0	2	2 \$
	6	2022-2023	2022	N/A	N/A	0	2	2 \$
	7	2023-2024	2023	N/A	N/A	0	2	2 \$
	8	2024-2025	2024	N/A	N/A	0	2	2 \$
	9	2025-2026	2025	N/A	N/A	0	2	2 \$
	10	2026-2027	2026	N/A	N/A	0	2	2 \$
	11 through 25	2027-2042	2027-2041	N/A	N/A	0	2	2 \$
Years Following Value Limitation Period								

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

C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute?
If yes, answer the following two questions:

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)?

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)?

☒ Yes ☐ No
☒ Yes ☐ No
☐ Yes ☒ No

Date

4/15/2015

Applicant Name

Electra Wind, LLC

ISD Name

Harrold ISD

Schedule D: Other Incentives (Estimated)

Form 50-296A

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Wilbarger County	2017	10 years	Annual Avg. of \$1,144,417	Annual avg. of \$814,417	Annual avg. of \$330,000
	City:	N/A	N/A	N/A	N/A	N/A
	Other: Wilbarger Hospital District	2017	10 years	Annual Avg. of \$373,467	Annual avg. of \$143,467	Annual avg. of \$230,000
	Other: Vernon College	2017	10 years	Annual Avg. of \$503,937	Annual avg. of \$243,967	Annual avg. of \$260,000
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A	N/A	N/A	N/A
Texas Enterprise Fund	N/A	N/A	N/A	N/A	N/A	N/A
Employee Recruitment	N/A	N/A	N/A	N/A	N/A	N/A
Skills Development Fund	N/A	N/A	N/A	N/A	N/A	N/A
Training Facility Space and Equipment	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure Incentives	N/A	N/A	N/A	N/A	N/A	N/A
Permitting Assistance	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL				Annual Avg. \$2,021,821	Avg. \$1,201,821	Avg. \$820,000

Wilbarger County, Hospital District, and Junior College each agreed to a ten-year, 100% tax abatement with an annual PILOTs based on MW installed. The figures shown above are for the entire project (ie, the portions in both Harrold ISD and Vernon ISD).

Schedule D: Other Incentives (Estimated)

Date 4/15/2015
 Applicant Name Electra Wind, LLC
 ISD Name Harrold ISD

Form 50-296A
 Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Wilbarger County	2017	10 years	Annual Avg. of \$1,144,417	TBD	TBD
	City:	N/A	N/A	N/A	N/A	N/A
	Other: Wilbarger Hospital District	2017	10 years	Annual Avg. of \$373,467	TBD	TBD
Local Government Code Chapters 380/381	Other: Vernon College	2017	10 years	Annual Avg. of \$503,937	TBD	TBD
	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	Other:	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
Texas Enterprise Fund	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
Employee Recruitment	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
Skills Development Fund	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
Training Facility Space and Equipment	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure Incentives	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
Permitting Assistance	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL				Annual Avg. \$2,021,821	TBD	TBD

Additional information on incentives for this project: Terms with Wilbarger County, Hospital District, and Junior College have not been finalized at the time of this application was submitted.

Tab Item 15

Economic Impact Analysis:

Not applicable, as Applicant is not providing an economic benefit analysis.

Tab Item 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as an enterprise zone as defined by the Governor's office (NOT APPLICABLE)***
- b) Legal description of reinvestment zone****
- c) Order, resolution, or ordinance established the reinvestment zone****
- d) Guidelines and criteria for creating the zone****

Items b), c), and d) are in the process of being finalized with Wilbarger County and will be submitted on once they are approved, which is anticipated to be on or before May 18, 2015.

FILED
Jana Kennon, County Clerk
Wilbarger County, Texas

APR 27 2015

**RESOLUTION AND ORDER DESIGNATING THE
ELECTRA WIND, LLC REINVESTMENT ZONE
IN THE JURISDICTION OF WILBARGER COUNTY, TEXAS**

By Jana Kennon Deputy

STATE OF TEXAS

COUNTY OF WILBARGER

WHEREAS, the Commissioners Court of Wilbarger County, Texas (the "County") has elected to become eligible to participate in tax abatement agreements under the provisions of the Texas Property Redevelopment and Tax Abatement Act (Chapter 312 of the Texas Tax Code) (the "Act"); and,

WHEREAS, the County has adopted guidelines and criteria governing tax abatement agreements in a resolution dated on or about April 22, 2015 (the "Guidelines and Criteria"); and,

WHEREAS, a public hearing is required by Chapter 312 of the Texas Tax Code prior to approval of a reinvestment zone; and

WHEREAS, the County (a) timely published or posted all applicable notices of public hearing regarding the designation of the real estate described in the attached Exhibit A as a reinvestment zone for tax abatement purposes, and (b) timely notified all applicable presiding officers of the governing body of each taxing unit that includes in its boundaries real property that may be included in the proposed reinvestment zone;

WHEREAS, the improvements proposed by Electra Wind, LLC are feasible and of benefit to the reinvestment zone after expiration of an abatement agreement; and

WHEREAS, the property described on Exhibit A meets the criteria established in the Guidelines and Criteria for a reinvestment zone; and

WHEREAS, the designation of the reinvestment zone would contribute to the retention or expansion of primary employment or would attract major investment in the reinvestment zone that would be of benefit to the property described on Exhibit A and would contribute to the economic development of the County; and

WHEREAS, all interested members of the public were given an opportunity to make comment at the public hearing.

NOW, THEREFORE, BE IT ORDERED, by the Commissioners Court of Wilbarger County, that:

1. The County hereby designates the property located in Wilbarger County, Texas, having the property description in Exhibit A attached to this Order as a reinvestment zone under the County's Guidelines and Criteria, having determined that (a) the property described on Exhibit A meets the criteria established in the Guidelines and Criteria, and (b) the designation of such reinvestment zone would contribute to the retention or expansion of primary employment or would attract major investment in the reinvestment zone that would be of benefit to the property described on Exhibit A and that would contribute to the economic development of the County.
2. The reinvestment zone created by this Order to include the real property described in Exhibit A shall be known as the "Electra Wind, LLC Reinvestment Zone."

The foregoing Resolution was lawfully moved by Richard Jacobs, duly seconded by Rodney Johnston, and
duly adopted by the Wilbarger County Commissioner's Court, the 21 day of April, 2015.

Greg Tyra
GREG TYRA
County Judge

Richard Jacobs
Richard Jacobs
Commissioner Precinct 1

Phillip Graf
Phillip Graf
Commissioner Precinct 2

Rodney Johnston
Rodney Johnston
Commissioner Precinct 3

Josh Patterson

Josh Patterson
Commissioner Precinct 4

ATTEST:

Print Name: Jana Kennon
Wilbarger County Clerk

Exhibit A

THE PROPOSED ELECTRA WIND, LLC REINVESTMENT ZONE INCLUDES THE FOLLOWING PROPERTY:

THE FOLLOWING SECTIONS IN BLOCK 12, H&TC RR CO SURVEY, WILBARGER COUNTY, TX: SECTIONS 1-4 AND 69-72;

THE FOLLOWING SECTIONS IN BLOCK 13, H&TC RR CO SURVEY, WILBARGER COUNTY, TX: SECTIONS 20-60;

THE FOLLOWING SECTIONS IN BLOCK 14, H&TC RR CO SURVEY, WILBARGER COUNTY, TX: SECTIONS 1-56;

THE FOLLOWING SECTIONS IN MK&T SURVEY, WILBARGER COUNTY, TX: SECTIONS 1-2;

THE FOLLOWING SECTIONS IN THE WAGGONER COLONY SUBDIVISION, WILBARGER COUNTY, TEXAS: SECTIONS 1-158,

ALL OF A-20, W. DANIEL SURVEY, WILBARGER COUNTY, TX;

ALL OF A-991, O.A. LINDSEY SURVEY, WILBARGER COUNTY, TX;

ALL OF A-2028, O.A. LINDSEY SURVEY, WILBARGER COUNTY, TX;

ALL OF A-571, W.M. ALSTON SURVEY, WILBARGER COUNTY, TX;

ALL OF A-1204, J.D. BUTLER SURVEY, WILBARGER COUNTY, TX;

ALL OF A-1108 J.B. SMALL SURVEY, WILBARGER COUNTY, TX;

ALL OF A-536, M.B. TATUM SURVEY, WILBARGER COUNTY, TX;

ALL OF A-1206, A.R. CUYLER SURVEY, WILBARGER COUNTY, TX;

ALL OF A-1208, A.R. CUYLER SURVEY, WILBARGER COUNTY, TX; AND

ALL OF A-14 J. COLLINGSWORTH SURVEY, WILBARGER COUNTY, TX.

ALL OF A-987 W.B. JORDAN SURVEY, WILBARGER COUNTY, TX.

FILEDJana Kennon, County Clerk
Wilbarger County, Texas

APR 27 2015

By Jana Kennon Deputy**RESOLUTION AND ORDER ADOPTING AMENDED AND RESTATED
GUIDELINES AND CRITERIA FOR GRANTING PROPERTY TAX ABATEMENTS
IN THE JURISDICTION OF WILBARGER COUNTY, TEXAS**

STATE OF TEXAS }

COUNTY OF WILBARGER }

WHEREAS, the Property Redevelopment and Tax Abatement Act (the "Act"), Chapter 312 of the Texas Tax Code authorizes counties, cities and other taxing units to provide temporary property tax abatement for limited periods of time as an inducement for the development or redevelopment of a property; and,

WHEREAS, the Act further requires that in order to become eligible to participate in tax abatement, a county or other taxing unit must adopt guidelines and criteria for property tax abatement agreements; and,

WHEREAS Wilbarger County adopted the Guidelines and Criteria for Granting Tax Abatement and Reinvestment Zones on March 14, 2012, and re-adopted the same guidelines and criteria on March 23, 2014 (the "Guidelines and Criteria"); and,

WHEREAS, the Commissioners Court of Wilbarger County desires to amend and restate the Guidelines and Criteria in this resolution and order.

NOW, THEREFORE, BE IT ORDERED, by the Commissioners Court of Wilbarger County, that the County ORDERS adoption of the Amended and Restated Guidelines and Criteria for Granting Tax Abatement and Reinvestment Zones attached hereto as Exhibit A in accordance with the requirements of the Act.

The foregoing Resolution was lawfully moved by Josh Patterson duly seconded by Phillip Graf, and duly adopted by the Wilbarger County Commissioner's Court, the 27 day of April, 2015.

GREG TYKA
GREG TYKA
County Judge

Richard Jacobs
Richard Jacobs
Commissioner Precinct 1

Rodney Johnston
Rodney Johnston
Commissioner Precinct 3

Phillip Graf
Phillip Graf
Commissioner Precinct 2

Josh Patterson
Josh Patterson
Commissioner Precinct 4

ATTEST:

Jana Kennon
Jana Kennon
Wilbarger County Clerk

Exhibit A

Amended and Restated Guidelines and Criteria

Guidelines & Criteria For Granting Tax Abatements And Reinvestment Zones

Wilbarger County, Texas

Preamble

Pursuant to Chapter 312 of the Texas Tax Code, Wilbarger County may consider an application for tax abatement, designate a reinvestment zone and enter into a tax abatement agreement as provided in these Guidelines and Criteria.

I. Abatement Application Procedure

(a) **Who May Apply.** Any present or potential owner or lessee of taxable property in Wilbarger County may submit an application for tax abatement conforming to the requirements outlined herein.

(b) **Eligible Property.** Abatement may only be granted for the following property constructed or otherwise put in place after the effective date of the tax abatement agreement: new, expanded or modernized buildings and structures, fixed machinery and equipment; site improvements; related fixed improvements; other tangible items necessary to the operation and administration of the project or facility; and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code. Property owned or leased by any member of the Commissioners Court may not be subject to a tax abatement agreement.

(c) **Application Provisions.** The application shall consist of a completed Wilbarger County Tax Abatement Application Form, which shall contain the following:

(1) information showing how the project meets the requirements of the criteria outlined in Section II below;

(2) a map and description of the property;

(3) a time schedule for completing the planned improvements;

(4) the estimated taxable value or range of values of the project or facility; and

(5) basic financial information about the principles sufficient to enable evaluation of the applicant's financial capacity.

(6) the application shall be accompanied by an application fee of \$1,000.00 payable to Wilbarger County.

(d) **Procedure for Application Consideration.** The procedure for consideration by the County of a Tax Abatement Application is as follows:

(1) An applicant may request a Tax Abatement Application from the County Judge's Secretary.

(2) After an applicant completes the Tax Abatement Application, applicant provides a copy to each member of the Wilbarger County Commissioners Court and the County Judge's Secretary.

(3) After receipt of an application, the Commissioners Court determines within forty-five (45) days how to proceed with the application. The Commissioners Court shall choose either to deny the application, consider the application, or consider the application on an expedited basis.

(A) Denial of application. If the Commissioners Court chooses to deny the application, it shall make a finding by majority vote at a regularly scheduled meeting that the application does not meet the requirements of the criteria provided below in Section II;

(B) Consideration of application. If the Commissioners Court determines that the application should be further considered, the County Judge shall schedule a hearing to obtain public input on the application. At least seven (7) days prior to the hearing, the County must send written notice to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought and, if a new reinvestment zone is to be established, must publish notice of the hearing time, place and subject in the local newspaper. At the hearing, the Commissioners Court evaluates the application against the criteria in Section II and decides whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is not designated, the application fails, although it may be amended and resubmitted. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect and may then arrange to consider for approval the tax abatement agreement between the applicant and the county at its next regularly scheduled meeting. At least seven days prior to entering into a tax abatement agreement, the County must give written notice of its intent to do so to the presiding officers of all taxing units with jurisdiction over the property for which abatement is sought, along with a copy of the proposed tax abatement agreement. At the regularly scheduled meeting, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement or to decline the application. An approved tax abatement agreement may be executed in the same manner as other contracts made by the county.

(C) Expedited consideration of application. If the County determines that the application should receive expedited consideration, the County Judge shall schedule an opportunity to obtain public input on the application at the Commissioners Court's next meeting. At least seven (7) days prior to the meeting, the County must send written notice to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought and, if a new reinvestment zone is to be established, must publish notice of the hearing time, place and subject in the local newspaper. Also within said time period the County must give written notice of its intent to enter into a tax abatement agreement to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought, along with a copy of the proposed tax abatement agreement. During the regularly scheduled meeting, the Commissioners Court evaluates the application against the criteria in Section II and decides whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is designated, the Commissioner Court shall pass an order to that effect and may then immediately consider for approval the tax abatement agreement between the applicant and the County. After consideration, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement, or to decline the application. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County.

(D) Confidentiality. As required by Section 312.003 of the Texas Tax Code, information that is provided to Wilbarger County in connection with an application or request for tax abatement under this chapter and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until the tax abatement agreement is executed.

II. Criteria for Designating a Reinvestment Zone

(a) Minimum Requirement. To be designated a reinvestment zone, County Commissioners must find by majority vote that the property for which the abatement is sought would contribute to the retention or expansion of primary employment or would attract major investment in the zone that would be a benefit to the property to be included in the zone and would contribute to the economic development of the county as provided in section 312.401(b) of the Texas Tax Code.

(b) Criteria. In determining whether to designate a reinvestment zone and whether to enter into a tax abatement agreement, the Commissioners Court shall consider the following factors, among others determined appropriate by the Court:

- (1) value of land and existing improvements, if any;
- (2) type and value of proposed improvements;
- (3) productive life of proposed improvements;
- (4) number of existing jobs to be retained by proposed improvements.
- (5) number and type of new jobs, if any, to be created by proposed improvements;
- (6) costs to be incurred by Wilbarger County, if any, to provide facilities or services directly resulting from the new improvements;
- (7) types and values of public improvements, if any, to be made by applicant seeking abatement;
- (8) the amount of ad valorem property taxes to be paid to Wilbarger County after expiration of the abatement agreement;
- (9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any; and
- (10) the overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area.

III. Format for Tax Abatement Agreement

(a) Required Provisions. If the Wilbarger County Commissioners Court designates a reinvestment zone, it may consider and execute a tax abatement agreement with the owner of the designated property and lessee, as appropriate, as outlined above. Any tax abatement agreement shall include at least the following:

- (1) the kind, number and location of all proposed improvements of the property;
- (2) provisions allowing for reasonable access to the property for initial and intermittent inspection purposes by County employees or designated representatives to ensure improvements are made in compliance with the agreement;
- (3) provisions limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the area during the period of abatement;
- (4) provisions for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided in the agreement;
- (5) each term agreed to by the recipient of the abatement;
- (6) a requirement that the abatement recipient certify its compliance with the agreement annually to the County; and
- (7) provisions allowing the County to cancel or modify the agreement if the recipient is out of compliance with the agreement.

(b) **Optional Provisions.** The tax abatement agreement may also contain any or all of the following items, in addition to any others deemed appropriate by the contracting parties:

- (1) the estimated taxable value or range of values for which taxes are to be abated;
- (2) percent of value to be abated each year;
- (3) the commencement and termination dates of the abatement;
- (4) proposed use of the property;
- (5) nature of construction, time schedule, map and property description;
- (6) contractual obligations in the event of default or violation of terms or conditions;
- (7) size of investment and number of temporary and permanent jobs involved, if any;
- (8) provisions for dispute resolution.

(c) **Duration and Portion of Abatement.** A tax abatement agreement granted by Wilbarger County shall be up to but not exceeding ten (10) years in duration and up to but not exceeding 100% in portion of ad valorem property taxes abated.

(d) **Time Limit.** Such agreement shall be executed within 30 days after passage of the resolution approving the agreement, unless the County and the applicant mutually agree otherwise.

IV. Administration of Tax Abatement Agreement

(a) **Inspections.** County employees or their designated representatives shall have reasonable access to the property for initial and intermittent inspection purposes in order to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement.

(b) **Cure Provisions.** Should Wilbarger County determine that the company or individual receiving the abatement is in default of the tax abatement agreement, it shall notify the company or individual of such default in writing at the address specified in the agreement, and if such is not cured within sixty (60) days of notice, the agreement may be terminated by the County.

(c) **Modification and Termination.** At any time before the expiration of a tax abatement agreement, an agreement may be modified by the parties to include other provisions that could have been included in the original agreement or to delete provisions that were not necessary to the original agreement. The modification must be made by the same procedure by which the original agreement was made. An agreement may also be terminated by the mutual consent of the parties in the same way the agreement was made, or by other means as agreed by the parties according to the provisions of the agreement.

V. Transfer or Assignment

Tax abatement agreements may be assigned to a new owner or lessee of the facility with the written consent of the Commissioners Court. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the agreement. Any assignment of a tax abatement agreement shall be to an entity that contemplates the same improvements or repairs to the project, except to the extent such improvements or repairs have been completed. No assignment shall be approved if the assignor or the assignee is indebted to the County for ad valorem taxes or other obligations.

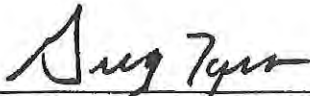
VI. Variances from Guidelines and Criteria

The Commissioners Court shall have the authority to enter into an abatement agreement with terms and conditions that vary from the terms and conditions in these Guidelines and Criteria so long as the Commissioners Court determines that such variances are in the best interests of the County. Any terms or conditions contained in an abatement agreement approved by the Commissioners Court that vary from the terms and conditions in these Guidelines and Criteria shall automatically be deemed to have been granted an approved variance by the Commissioners Court and shall be binding and enforceable as agreed to in the abatement agreement.

VII. Sunset and Amendment of Guidelines and Criteria

These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, unless amended by three-fourths vote of the Wilbarger County Commissioners Court.

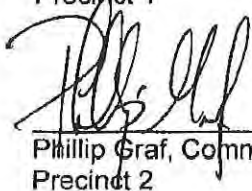
Passed and approved at a regular meeting of the Wilbarger County Commissioners' Court, at which a quorum was present on the 27 day of April, 2015.



Greg Tyra, County Judge



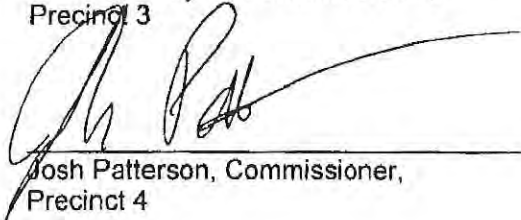
Richard Jacobs, Commissioner,
Precinct 1



Phillip Graf, Commissioner,
Precinct 2



Rodney Johnston, Commissioner,
Precinct 3



Josh Patterson, Commissioner,
Precinct 4

FILEDJana Kennon, County Clerk
Wilbarger County, Texas**APR 27 2015****RESOLUTION AND ORDER DESIGNATING THE
ELECTRA WIND, LLC REINVESTMENT ZONE
IN THE JURISDICTION OF WILBARGER COUNTY, TEXAS**

STATE OF TEXAS }

COUNTY OF WILBARGER }

By Jana Kennon Deputy

WHEREAS, the Commissioners Court of Wilbarger County, Texas (the "County") has elected to become eligible to participate in tax abatement agreements under the provisions of the Texas Property Redevelopment and Tax Abatement Act (Chapter 312 of the Texas Tax Code) (the "Act"); and,

WHEREAS, the County has adopted guidelines and criteria governing tax abatement agreements in a resolution dated on or about April 27, 2015 (the "Guidelines and Criteria"); and,

WHEREAS, a public hearing is required by Chapter 312 of the Texas Tax Code prior to approval of a reinvestment zone; and

WHEREAS, the County (a) timely published or posted all applicable notices of public hearing regarding the designation of the real estate described in the attached Exhibit A as a reinvestment zone for tax abatement purposes, and (b) timely notified all applicable presiding officers of the governing body of each taxing unit that includes in its boundaries real property that may be included in the proposed reinvestment zone;

WHEREAS, the improvements proposed by Electra Wind, LLC are feasible and of benefit to the reinvestment zone after expiration of an abatement agreement; and

WHEREAS, the property described on Exhibit A meets the criteria established in the Guidelines and Criteria for a reinvestment zone; and

WHEREAS, the designation of the reinvestment zone would contribute to the retention or expansion of primary employment or would attract major investment in the reinvestment zone that would be of benefit to the property described on Exhibit A and would contribute to the economic development of the County; and

WHEREAS, all interested members of the public were given an opportunity to make comment at the public hearing.

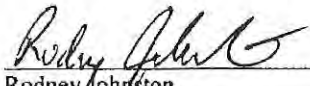
NOW, THEREFORE, BE IT ORDERED, by the Commissioners Court of Wilbarger County, that:

1. The County hereby designates the property located in Wilbarger County, Texas, having the property description in Exhibit A attached to this Order as a reinvestment zone under the County's Guidelines and Criteria, having determined that (a) the property described on Exhibit A meets the criteria established in the Guidelines and Criteria, and (b) the designation of such reinvestment zone would contribute to the retention or expansion of primary employment or would attract major investment in the reinvestment zone that would be of benefit to the property described on Exhibit A and that would contribute to the economic development of the County.
2. The reinvestment zone created by this Order to include the real property described in Exhibit A shall be known as the "Electra Wind, LLC Reinvestment Zone."

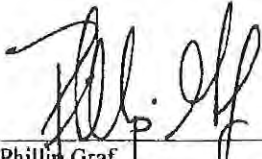
The foregoing Resolution was lawfully moved by Richard Jacobs, duly seconded by Rodney Johnston, and duly adopted by the Wilbarger County Commissioner's Court, the 27 day of April 2015.

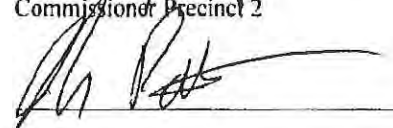

GREG TYRA
County Judge


Richard Jacobs
Commissioner Precinct 1


Rodney Johnston
Commissioner Precinct 3

Josh Patterson


Phillip Graf
Commissioner Precinct 2


Commissioner Precinct 4

ATTEST:

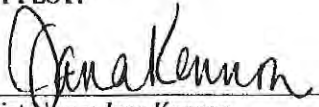

Print Name: Jana Kennon
Wilbarger County Clerk

Exhibit A

THE PROPOSED ELECTRA WIND, LLC REINVESTMENT ZONE INCLUDES THE FOLLOWING PROPERTY:

THE FOLLOWING SECTIONS IN BLOCK 12, H&TC RR CO SURVEY, WILBARGER COUNTY, TX: SECTIONS 1-4 AND 69-72;

THE FOLLOWING SECTIONS IN BLOCK 13, H&TC RR CO SURVEY, WILBARGER COUNTY, TX: SECTIONS 20-60;

THE FOLLOWING SECTIONS IN BLOCK 14, H&TC RR CO SURVEY, WILBARGER COUNTY, TX: SECTIONS 1-56;

THE FOLLOWING SECTIONS IN MK&T SURVEY, WILBARGER COUNTY, TX: SECTIONS 1-2;

THE FOLLOWING SECTIONS IN THE WAGGONER COLONY SUBDIVISION, WILBARGER COUNTY, TEXAS: SECTIONS 1-158,

ALL OF A-20, W. DANIEL SURVEY, WILBARGER COUNTY, TX;

ALL OF A-991, O.A. LINDSEY SURVEY, WILBARGER COUNTY, TX;

ALL OF A-2028, O.A. LINDSEY SURVEY, WILBARGER COUNTY, TX;

ALL OF A-571, W.M. ALSTON SURVEY, WILBARGER COUNTY, TX;

ALL OF A-1204, J.D. BUTLER SURVEY, WILBARGER COUNTY, TX;

ALL OF A-1108 J.B. SMALL SURVEY, WILBARGER COUNTY, TX;

ALL OF A-536, M.B. TATUM SURVEY, WILBARGER COUNTY, TX;

ALL OF A-1206, A.R. CUYLER SURVEY, WILBARGER COUNTY, TX;

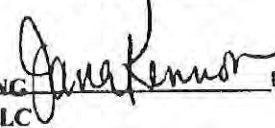
ALL OF A-1208, A.R. CUYLER SURVEY, WILBARGER COUNTY, TX; AND

ALL OF A-14 J. COLLINGSWORTH SURVEY, WILBARGER COUNTY, TX.

ALL OF A-987 W.B. JORDAN SURVEY, WILBARGER COUNTY, TX.

FILEDJana Kennon, County Clerk
Wilbarger County, Texas

APR 27 2015



Deputy

**RESOLUTION AND ORDER APPROVING AND AUTHORIZING
TAX ABATEMENT AGREEMENT WITH ELECTRA WIND, LLC
IN THE JURISDICTION OF WILBARGER COUNTY, TEXAS**

STATE OF TEXAS }

COUNTY OF WILBARGER }

WHEREAS, the Commissioners Court of Wilbarger County, Texas (the "County") has elected to become eligible to participate in tax abatement agreements under the provisions of the Texas Property Redevelopment and Tax Abatement Act (Chapter 312 of the Texas Tax Code) (the "Act"); and,

WHEREAS, the County has adopted guidelines and criteria governing tax abatement agreements in a resolution dated on or about April __, 2015 (the "Guidelines and Criteria"); and,

WHEREAS, the County has approved and designated the Electra Wind, LLC Reinvestment Zone in a resolution dated April __, 2015 (the "Reinvestment Zone"); and,

WHEREAS, a public hearing is required by Chapter 312 of the Texas Tax Code prior to approval of a form of proposed tax abatement agreement between the County and a party seeking to develop a project in an area within the Reinvestment Zone; and

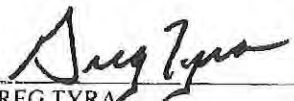
WHEREAS, the County (a) timely published or posted all applicable notices of public hearing regarding the form of a proposed tax abatement agreement between the County and Electra Wind, LLC such agreement being in the form of the attached Exhibit A (the "Tax Abatement Agreement"), (b) timely notified all applicable presiding officers of the governing body of each taxing unit that includes in its boundaries real property that may be included in the proposed reinvestment zone of the form of the Tax Abatement Agreement, and (c) timely notified all applicable presiding officers of the governing body of each taxing unit that includes in its boundaries real property that may be included in the proposed reinvestment zone of the County's intention to enter into such Tax Abatement Agreement with Electra Wind, LLC; and

WHEREAS, all interested members of the public were given an opportunity to make comment at the public hearing.

NOW, THEREFORE, BE IT ORDERED, by the Commissioners Court of Wilbarger County, that:

1. The County finds and determines that (a) the terms of the proposed Tax Abatement Agreement meet all of the requirements of the Act, the Guidelines and Criteria, and the Reinvestment Zone, will contribute to the retention or expansion of primary employment or would attract major investment in the Reinvestment Zone that would be of benefit to the property that is within the Reinvestment Zone, and will contribute to the economic development of the County; (b) the property subject to the proposed Tax Abatement Agreement meets all of the requirements of the Act, the Guidelines and Criteria and the Reinvestment Zone; and (c) the proposed project is feasible and the proposed abatement of taxes for such project will inure to the long-term benefit of the County.
2. The execution by the County of the Tax Abatement Agreement with Electra Wind, LLC in substantial form as the attached Exhibit A is hereby authorized and approved.

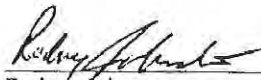
The foregoing Resolution was lawfully moved by Josh Patterson, duly seconded by Phillip Graf, and duly adopted by the Wilbarger County Commissioner's Court, the 27 day of April 2015.



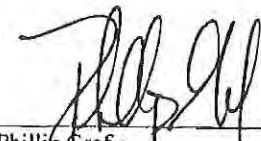
GREG TYRA
County Judge



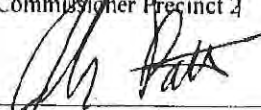
Richard Jacobs
Commissioner Precinct 1



Rodney Johnston
Commissioner Precinct 3

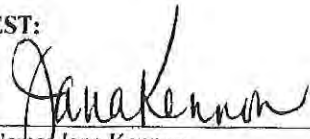


Phillip Graf
Commissioner Precinct 2



Josh Patterson
Commissioner Precinct 4

ATTEST:



Print Name: Jana Kennon
Wilbarger County Clerk

Exhibit A

Form of Tax Abatement Agreement

**Tax Abatement Agreement
between
Wilbarger County, Texas and Electra Wind, LLC**

State of Texas

County of Wilbarger

This Tax Abatement Agreement (the "**Agreement**") is made and entered into by and between Wilbarger County, Texas ("**County**"), acting through its duly elected officials, and Electra Wind, LLC, a Delaware limited liability company, the owner of Eligible Property (as hereinafter defined) to be located on a tract of land located in the Reinvestment Zone more specifically described in Exhibit A to this Agreement. This Agreement shall become effective upon final signature by both parties and remain in effect until fulfillment of the obligations described in Paragraph IV(D) herein, unless terminated earlier as provided herein.

I. Authorization

This Agreement is authorized and governed by Chapter 312 of the Texas Tax Code, as amended, and by the Guidelines & Criteria for Granting Tax Abatements and Reinvestment Zones of Wilbarger County, Texas (the "**Guidelines and Criteria**").

II. Definitions

As used in this Agreement, the following terms shall have the meaning set forth below:

- A. "Abatement" means the full or partial exemption from ad valorem taxes on property in a Reinvestment Zone as provided herein.
- B. "Calendar Year" means each year beginning on January 1 and ending on December 31.
- C. "Certificate" means a letter, provided by the Owner to the County, certifying that Owner has completed construction of the Project (as defined below). Upon receipt of the Certificate, the County may inspect the Site (as defined below) in accordance with this Agreement to determine that the Improvements (as defined below) are in place as certified.
- D. "Certified Appraised Value," means the appraised value, for property tax purposes, of the Project property within the Reinvestment Zone as certified by the Wilbarger County Appraisal District (the "**County Appraisal District**") for each taxable year.
- E. "Eligible Property" means property eligible for Abatement under the Guidelines and Criteria, including: buildings, structures, fixed machinery and equipment, site improvements; office space; other related fixed improvements necessary to the operation and administration of a project or facility; and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code and the

Guidelines and Criteria. Taxes on Real Property may be abated only to the extent the property's value for a given year exceeds its value for the year in which the Agreement is executed. Tangible personal property located on the Real Property at any time before the date the Agreement is signed is not eligible for Abatement. Tangible personal property eligible for Abatement shall not include inventory or supplies.

- F. "Force Majeure" includes events not reasonably within the control of the party whose performance is sought to be excused thereby, including the following causes and events (to the extent such causes and events are not reasonably within the control of the party claiming suspension): acts of God and the public enemy, strikes, lockouts or other industrial disturbances, inability to obtain material or equipment or labor, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water washouts, inclement weather, arrests and restraint of rulers and people, interruptions by government or court orders, present or future orders of any regulatory body, civil disturbances, explosions, breakage or accident to machinery or lines, freezing of lines, inability to obtain or delays in obtaining additional necessary rights-of-way or permits (provided Owner has used reasonable efforts to obtain such rights-of-way or permits), any laws, rules, orders, acts or restraint of government or governmental body or court, or the partial or entire failure of fuel supply or any other event that is beyond the reasonable control of the party claiming Force Majeure.
- G. "Improvements" means Eligible Property meeting the definition for improvements provided by Chapter 1 of the Texas Tax Code and includes, but is not limited to, any building, structure, or fixture erected on or affixed to the land.
- H. "Lender" means any entity or person providing, directly or indirectly, with respect to the Improvements or Project, any of (a) senior or subordinated construction, interim or long-term debt financing or refinancing, whether that financing or refinancing takes the form of private debt, public debt, or any other form of debt (including debt financing or refinancing), (b) a leasing transaction, including a sale leaseback, inverted lease, or leveraged leasing structure, (c) tax equity financing, partnership "flip" transaction, or other arrangements monetizing the value of any renewable energy incentives or tax credits associated with the Improvements or Project, (d) any interest rate protection agreements to hedge any of the foregoing obligations, and/or (e) any energy hedge provider. There may be more than one Lender. Owner, at its election, may send written notice to District with the name and notice information for any Lender.
- I. "Owner" means Electra Wind, LLC, a Delaware limited liability company, and any successor-in-interest or permitted assignee of Electra Wind, LLC. The term "Electra Wind, LLC," as used in this Agreement, means and includes all entities meeting the definition of "Owner." An "Affiliate" of Electra Wind, LLC means any entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with Electra Wind, LLC. For purposes of this definition, control of an entity means (i) the ownership, directly or indirectly, of fifty percent (50%) 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.

- J. "Real Property" means Eligible Property meeting the description for real property provided by Chapter 1 of the Texas Tax Code.
- K. "Reinvestment Zone" means the reinvestment zone, as that term is defined in Chapter 312 of the Texas Tax Code, created by Wilbarger County by that certain Order Designating Reinvestment Zone signed by the County Judge of Wilbarger County, Texas, and adopted on April ___, 2015, which Reinvestment Zone is described in Exhibit A to this Agreement.
- L. "Site" means the portion of the Reinvestment Zone on which Owner makes the Improvements for which the Abatement is granted hereunder.
- M. "Turbine Nameplate Capacity" means the generating capacity of an individual wind turbine as designated by the manufacturer(s) of the turbines to be constructed as Improvements hereunder, and where appropriate and expressly indicated, may refer to the total or overall generating capacity of the Improvements on the Site.

III. Improvements in Reinvestment Zone

Owner anticipates making the following Improvements on the Site:

- A. Owner anticipates constructing Improvements on the Site consisting of a wind power facility (the "Project"). The Project is expected to have a minimum overall Turbine Nameplate Capacity of 150 megawatts. The Project will have an anticipated generating capacity of up to 250 megawatts of gross electrical power. The Certified Appraised Value will depend upon annual appraisals by the County Appraisal District.
- B. The Improvements also include any other property in the Reinvestment Zone owned or leased by Owner meeting the definition of "Eligible Property" that is used to produce electrical power and perform other functions related to the production, distribution, and transmission of electrical power.
- C. Owner anticipates commencing construction of the project on or before December 31, 2015 and achieving commencement of commercial operations ("COD") by no later than December 31, 2016.

IV. Term and Portion of Tax Abatement; Taxability of Property

- A. The County and Owner specifically agree and acknowledge that the property in the Reinvestment Zone shall be taxable in the following ways before, during and after the Term of this Agreement:
 - 1. Property not eligible for Abatement, if any, shall be fully taxable at all times;

2. The Certified Appraised Value of property existing in the Reinvestment Zone prior to execution of this Agreement shall be fully taxable at all times;
 3. Prior to commencement of the abatement period designated in Paragraph IV(B), 100% of property taxes levied on the Certified Appraised Value of real and personal property owned by Owner located in the Reinvestment Zone will be owed and payable by Owner;
 4. All categories of county property taxes on the Certified Appraised Value of Eligible Property shall be abated for the periods and in the amounts as provided for by Paragraph IV(B) below; and
 5. 100% of the Certified Appraised Value of Eligible Property owned by Owner and existing in the Reinvestment Zone shall be fully taxable after expiration of the abatement period designated in Paragraph IV(B), including during the remainder of the Term.
- B. The County and Owner specifically agree and acknowledge that this Agreement shall provide for tax Abatement, under the conditions set forth herein, of all categories of county property taxes for the County as follows:
1. Beginning on the earlier of (a) January 1 of the first calendar year after the COD or (b) January 1 of the calendar year identified in a Notice of Abatement Commencement (as defined below) delivered by Owner, and ending upon the conclusion of ten full Calendar Years thereafter (which 10-year period is sometimes referred to in this Agreement as the "**abatement period**"), the Abatement percentage under this Agreement shall be 100% for each year of the abatement period.
 2. The foregoing percentage of property taxes on the Certified Appraised Value of all Improvements described in the Certificate (and actually in place in the Reinvestment Zone) is abated for the entire abatement period.
 3. The foregoing percentage of property taxes on the Certified Appraised Value of any and all otherwise taxable personal property owned by Owner and located in the Reinvestment Zone is abated for the entire abatement period.
 4. The base year value for the proposed Improvements is zero. The "base year" shall be the Calendar Year in which the Effective Date occurs.
 5. Owner shall provide certification of the COD in writing both to the County and to the County Appraisal District within sixty (60) days of the COD. If Owner, at its sole election, desires that the abatement period begin prior to January 1 of the of the first calendar year after the COD, then Owner may deliver a notice to the County and County Appraisal District stating such desire (a "**Notice of Abatement Commencement**"). If delivered by Owner,

the Notice of Abatement Commencement shall contain the following statement: "Owner elects for the abatement period to begin on January 1, ____"; the year stated in the Notice of Abatement Commencement shall be the first year of the abatement period, and the abatement period shall extend for 10 years beyond such date.

6. Notwithstanding any statement or implication in this Agreement to the contrary, the parties agree that the Abatement granted in this Agreement shall not extend beyond 10 years.
- C. All or a portion of the Improvements may be eligible for complete or partial exemption from ad valorem taxes as a result of existing law or future legislation. This Agreement is not to be construed as evidence that no such exemptions shall apply to the Improvements.
- D. Owner agrees that the Improvements, once constructed, will remain in place at least ten (10) Calendar Years after the date the Certificate for such Improvements is provided to the County by the Owner ("Term"); provided that nothing herein prevents Owner from replacing equipment or fixtures comprising the Improvements prior to that date so long as such replacement does not result in a material reduction of the Certified Appraised Value of the Improvements. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(D), THE SOLE REMEDY OF THE COUNTY, AND OWNER'S SOLE LIABILITY, WILL BE FOR OWNER TO PAY TO THE COUNTY THE FULL AMOUNT OF ACTUAL TAXES ABATED AT ANY TIME UNDER THIS AGREEMENT ON THE REMOVED IMPROVEMENTS, LESS ANY PAYMENTS OR PAYMENTS IN LIEU OF TAXES (INCLUDING THE PAYMENTS DESCRIBED IN PARAGRAPH IV(F) BELOW) MADE AT ANY TIME TO THE COUNTY FOR THE REMOVED IMPROVEMENTS. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(D), ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.
- E. During the abatement period, the County Appraisal District shall annually determine both (i) the Certified Appraised Value of the Eligible Property owned by Owner in the Reinvestment Zone and (ii) the taxable value (taking into account the terms of the Abatement in this Agreement) of the Eligible Property owned by Owner in the Reinvestment Zone (which taxable value shall be zero for each of the years during the abatement period). The County Appraisal District shall record both the Certified Appraised Value and the abated taxable value of the Eligible Property in the County appraisal records. The Certified Appraised Value listed in the County appraisal records shall be the standard used for calculating the amount of taxes to be recaptured by the County in the event of a uncured default by Owner under this Agreement.
- F. If the Improvements are constructed and the COD is achieved, Owner agrees to make an annual payment to the County for each megawatt of Turbine Nameplate Capacity of the Project listed in the Certificate as being located in the County (and actually

installed and in place in the Reinvestment Zone) during each of the ten (10) years that the Abatement is in effect in the amount as follows:

1. One thousand five hundred dollars (\$1,500) per megawatt of Turbine Nameplate Capacity for the first seven (7) years of the abatement period.
2. Two thousand dollars (\$2,000) per megawatt of Turbine Nameplate Capacity for eight (8) through ten (10) of the abatement period.

Each payment described in this Paragraph IV(F) shall be due on January 31 of the year following year for which the abatement applies. By way of illustration, if the first year of the abatement period is 2017, then the payment owed for 2017 shall be due and payable on January 31, 2018.

- G. If the Turbine Nameplate Capacity of the Project listed in the Certificate as being located in the County is less than 150 megawatts, the payments owed in Paragraph IV(F) shall be calculated as if the Turbine Nameplate Capacity of the Project were 150 megawatts.

V. Representations

The County and Owner make the following respective representations:

- A. Owner represents and agrees that (i) Owner, its successors and/or assigns, will have a taxable interest with respect to Improvements to be placed on the Site; (ii) construction of the proposed Improvements will be performed by the Owner, its successors and/or assigns and/or their contractors or subcontractors, (iii) Owner's or its successors' and assigns' use of the property in the Reinvestment Zone is limited to that which is consistent with the general purpose of encouraging development or redevelopment of the area during the period of the Abatement, (iv) all representations made in this Agreement and in the Application for Abatement are true and correct in all material respects to the best of Owner's knowledge, and (v) Owner will make required filings, if any, by Owner with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement that may be required in the future.
- B. The County represents that (i) the Reinvestment Zone and this Agreement have been created in accordance with Chapter 312 of the Texas Tax Code and the Guidelines and Criteria as both exist on the effective date of this Agreement; (ii) no interest in the Improvements or the land on which they are located is held, leased, or subleased by a member of the County Commissioners Court, (iii) that the property within the Reinvestment Zone is located within the legal boundaries of the County, and (iv) the County has made and will continue to make all required filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning the Reinvestment Zone and this Agreement.

VI. Access to and Inspection of Property by County Employees

- A. Owner shall allow the County's employees access to the Improvements for the purpose of inspecting any Improvements erected to ensure that the same are conforming to the minimum specifications of this Agreement and to ensure that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Owner twenty-four (24) hours' notice and shall be conducted in such a manner as to avoid any unreasonable interference with the construction and/or operation of the Improvements. All such inspections shall be made with one (1) or more representatives of Owner in accordance with all applicable safety standards.
- B. Owner shall, within ninety (90) days of the beginning of each Calendar Year, certify annually to the County its compliance with this Agreement by providing a written statement of compliance to the County Judge.

VII. Default, Remedies, and Limitation of Liability

- A. No party may terminate this Agreement unless (i) such party provides written notice by certified mail, return receipt requested (a "Notice") to the other party specifying a material default in the performance of a material covenant or obligation under this Agreement and (ii) such failure is not (x) excused by the occurrence an event of Force Majeure or (y) cured by the other party within sixty (60) days after Notice thereof, or if such failure cannot be cured within such sixty (60)-day period, the other party shall have such additional time to cure such default as is reasonably necessary as long as such party has commenced remedial action to cure such failure and continued to diligently and timely pursue the completion of such remedial action. Notwithstanding the preceding portions of this paragraph, if any default arises from a violation of law resulting from a change in law, or a change in the interpretation or enforcement of law, by a governmental entity, then such default shall not give rise to the termination of this Agreement so long as the defaulting party acts in accordance with a commercially reasonable plan of action to cure such default prepared by such defaulting party and delivered to the other party. If Owner believes that any alleged termination is improper, Owner may file suit in the proper court challenging such termination. In the event of default which remains uncured after all applicable notice and cure periods, the County may pursue the remedies provided for in Paragraph VII(D) below or the preceding Paragraph IV(D), as applicable.
- B. The County shall not declare a default, and no default will be deemed to have occurred, when the circumstances giving rise to such declaration are the result of "Force Majeure." Notwithstanding any other provision of this Agreement to the contrary, in the event a party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement (other than any obligation to make payment of any amount when due and payable hereunder), the obligation of such party, so far as it is affected by such Force Majeure, shall be suspended during the continuance of any condition or event of Force Majeure, but for no longer period, and such condition or event shall so far as possible be remedied with all reasonable dispatch. The party prevented or hindered from performing shall give prompt (but in no event later than twenty business days after the occurrence of such event) notice and reasonably full particulars of such event to the other party and shall take all

reasonable actions within its power to remove the basis for nonperformance (including securing alternative supply sources) and after doing so shall resume performance as soon as possible. The settlement of strikes or lockouts or resolution of differences with workers shall be entirely within the discretion of the affected party, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts or differences by acceding to the demands of the opposing party in such strike, lockout or difference when such course is inadvisable in the reasonably exercised discretion of the affected party.

- C. The County shall notify Owner and any Lender (but only if the County has been provided with the name and notice information of the Lender) of any default in writing in the manner prescribed herein. All contact information for purposes of a notice of default shall be provided to the County Judge. The notice shall specify the basis for the declaration of default, and Owner shall have the periods of time specified in Paragraph VII(A) above to cure any default. Any Lender of which the County has notice shall have the right to cure any default, including any default caused by an assignee or contractor of such Lender, during the same cure periods provided for Owner under this Agreement.
- D. As required by section 312.205 of the Texas Tax Code, if an Owner default remains uncured after all applicable notice and cure periods, the County shall be entitled to cancel the Agreement and recover the property tax revenue abated under this Agreement through the cancellation date.
- E. **LIMITATION OF LIABILITY: CANCELLATION OF THE AGREEMENT (RESULTING IN A FORFEITURE OF ANY RIGHT TO ABATEMENT HEREUNDER BEYOND THE CANCELLATION DATE) AND RECAPTURE OF PROPERTY TAXES ABATED ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN PARAGRAPH VII(D) OF THIS AGREEMENT (BUT LESS ANY PAYMENTS OR PAYMENTS IN LIEU OF TAXES, INCLUDING THE PAYMENTS DESCRIBED IN PARAGRAPH IV(F) ABOVE, MADE BY OWNER PRIOR TO CANCELLATION), ALONG WITH ANY REASONABLY INCURRED COURT COSTS AND ATTORNEYS' FEES, SHALL BE THE COUNTY'S SOLE REMEDY, AND OWNER'S SOLE LIABILITY, IN THE EVENT OWNER FAILS TO TAKE ANY ACTION REQUIRED BY THIS AGREEMENT, INCLUDING ANY FAILURE TO PAY AMOUNTS OWED UNDER THIS AGREEMENT. OWNER AND COUNTY AGREE THAT THE LIMITATIONS CONTAINED IN THIS PARAGRAPH ARE REASONABLE AND REFLECT THE BARGAINED-FOR RISK ALLOCATION AGREED TO BY THE PARTIES. IN THE EVENT OF A BREACH OF THIS AGREEMENT, ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.**
- F. Any notice of default delivered to Owner under this Agreement shall prominently state the following at the top of the notice:

NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH THE COUNTY. FAILURE TO CURE THIS DEFAULT WITHIN THE TIME PERIODS PROVIDED BY THE AGREEMENT SHALL RESULT IN TERMINATION OF THE TAX ABATEMENT AGREEMENT AND, IF THE DEFAULT INVOLVES FAILURE TO MAKE IMPROVEMENTS UNDER THE AGREEMENT, RECAPTURE OF TAXES ABATED PURSUANT TO THAT AGREEMENT.

VIII. Compliance with State and Local Regulations

Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any order, rule, statute or regulation of the County or the State of Texas.

IX. Assignment of Agreement

- A. The rights and responsibilities of Owner hereunder may be assigned, in whole or in part, without the County's prior consent in the following instances: (i) by Owner to an Affiliate of Owner, (ii) by Owner to a person or entity (whether or not an Affiliate of Owner) that acquires all or any portion of Owner's interest in the Improvements or the Project, (iii) by Owner to a Lender, or (iv) by a Lender to a third party after the Lender has exercised a right of foreclosure with respect to the Improvements or the Project; provided however, that Owner (or the party assigning the Agreement) shall give written notice of any such assignment to the County, and the assignment shall require that all conditions and obligations in this Agreement shall apply to and be binding upon the assignee.
- B. Except as expressly permitted by Paragraph IX(A), the rights and responsibilities of Owner hereunder may be assigned, in whole or in part, only after obtaining the County's prior consent which consent shall not be unreasonably withheld. Any assignment by Owner under this paragraph without first obtaining the consent of the County shall be a default under this Agreement subject to the notice provisions, cure provisions, remedies, and other terms and conditions of Article VII above. Owner shall give 60 days' written notice of any such intended assignment to the County, and the County shall respond with its consent or refusal within 30 days' receipt of Owner's notice of assignment. If the County responds to Owner's notice of assignment with a refusal, the parties agree to work together in good faith to resolve the County's objections to the assignment. Any assignment to a non-Affiliate shall require that all conditions and obligations in this Agreement shall apply to and be binding upon the assignee.
- C. No assignment under Paragraph IX(A) or IX(B) shall be allowed if (a) the County has declared a default hereunder that has not been cured within all applicable notice and cure periods, or (b) the assignee is delinquent in the payment of ad valorem taxes owed to the County or any other taxing jurisdiction in the County.
- D. The parties agree that a transfer of all or a portion of the ownership interests in Owner to a third party shall not be considered an assignment under the terms of this

Agreement and shall not require any consent of the County.

- E. Upon any assignment and assumption under Paragraph IX(A) or IX(B) of Owner's entire interest in the Agreement, Owner shall have no further rights, duties or obligations under the Agreement. Upon any assignment and assumption under Paragraph IX(A) or IX(B) of only a portion of Owner's interest in the Agreement (for example, if only portion of the Improvements or Project is transferred by Owner to a third party), then (i) each of Owner and each assignee of a portion of this Agreement shall be considered an Owner party under this Agreement, (ii) the County shall cause the property taxes owned by each of the Owner parties to be separately assessed, and (iii) neither of the Owner parties shall have any further rights, duties, or obligations under the Agreement as to the portion of the Improvements or Project owned by another Owner party.
- F. In addition to its rights under Paragraph IX(A) and IX(B), Owner may mortgage, pledge, or otherwise encumber its interest in this Agreement or the Project to a Lender for the purpose of financing the operations of the Project or constructing the Project or acquiring additional equipment following any initial phase of construction. Owner's encumbering its interest in this Agreement may include an assignment of Owner's rights and obligations under this Agreement for purposes of granting a security interest in this Agreement. In the event Owner takes any of the actions permitted by this subparagraph, it may provide written notice of such action to the County with such notice to include the name and notice information of the Lender. If Owner does not provide the name and notice information of a Lender to the County, then such Lender shall not have the notice rights or other rights of a Lender under this Agreement.

X. Notice

All notices, demands, or other communications of any type (collectively, "Notices") given shall be given in accordance with this Section. All Notices shall be in writing and delivered, by commercial delivery service to the office of the person to whom the Notice is directed (provided that that delivery is confirmed by the courier delivery service); by United States Postal Service (USPS), postage prepaid, as a registered or certified item, return receipt requested in a proper wrapper and with proper postage; by recognized overnight delivery service as evidenced by a bill of lading, or by facsimile transmission. Notices delivered by commercial delivery service shall be deemed delivered on receipt or refusal; notices delivered by USPS shall be deemed to have been given upon deposit with the same; facsimile notice shall be effective upon receipt by the sender of an electronic confirmation. Regardless of the method of delivery, in no case shall notice be deemed delivered later than actual receipt. In the event of a notice of default given pursuant to Article VII, such notice shall be given by at least two (2) methods of delivery and in a manner consistent with Section VII(F). All Notices shall be mailed or delivered to the following addresses:

To the Owner: Electra Wind, LLC
c/o Lincoln Clean Energy, LLC
401 N. Michigan Avenue
Suite 501
Chicago, IL 60611
Attn: General Counsel

To the County: County Judge of Wilbarger County, Texas
Wilbarger County Courthouse
1700 Wilbarger, Room 12
Vernon, Texas 76384

Any party may designate a different address by giving the other party at least ten (10) days written notice in the manner prescribed above.

XI. Severability

In the event any section or other part of this Agreement is held invalid, illegal, factually insufficient, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid sections or other part. In the event that (i) the term of the Abatement with respect to any property is longer than allowed by law, or (ii) the Abatement applies to a broader classification of property than is allowed by law, then the Abatement shall be valid with respect to the classification of property not deemed overly broad and for the portion of the term of the Abatement not deemed excessive. Any provision required by the Tax Code to be contained herein that does not appear herein is incorporated herein by reference.

XII. Applicable Law

This Agreement shall be construed under the laws of the State of Texas.

XIII. Amendment

Except as otherwise provided, this Agreement may be modified by the parties hereto upon mutual written consent to include other provisions which could have originally been included in this Agreement or to delete provisions that were not originally necessary to this Agreement pursuant to the procedures set forth in Chapter 312 of the Texas Tax Code.

XIV. Guidelines and Criteria

This Agreement is entered into by the parties consistent with the Guidelines and Criteria. To the extent this Agreement modifies any requirement or procedure set forth in the Guidelines and Criteria, those Guidelines and Criteria are deemed amended for purposes of this Agreement only, this Agreement is deemed to have been granted a variance from the Guidelines and Criteria, and the provisions of this Agreement shall control.

XV. Entire Agreement

This Agreement contains the entire and integrated Tax Abatement Agreement between the County and Owner and supersedes any and all other negotiations and agreements, whether written or oral, between the parties. This Agreement has not been executed in reliance upon any representation or promise except those contained herein.

[remainder of this page intentionally blank]

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the County as authorized by the County Commissioners Court and executed by the Owner on the respective dates shown below. The later of the dates shown below shall be the "**Effective Date**" of this Agreement.

ATTEST/SEAL:

WILBARGER COUNTY, TEXAS

GREG TYRA
County Judge

Date

Richard Jacobs
Commissioner Precinct 1

Phillip Graf
Commissioner Precinct 2

Rodney Johnston
Commissioner Precinct 3

Josh Patterson
Commissioner Precinct 4

ATTEST:

Print Name: Jana Kennon
Wilbarger County Clerk

OWNER:

Electra Wind, LLC

By: Lincoln Clean Energy, LLC, its sole member

By: _____

Name: _____

Its: _____

Exhibit A

Attached is the Order Designating the Electra Wind, LLC Reinvestment Zone duly passed by the Wilbarger County Commissioners Court on April ____, 2015.

**RESOLUTION AND ORDER APPROVING AND AUTHORIZING
ROAD AND RIGHT-OF-WAY AGREEMENT WITH ELECTRA WIND, LLC
IN THE JURISDICTION OF WILBARGER COUNTY, TEXAS**

STATE OF TEXAS }

COUNTY OF WILBARGER }

WHEREAS, Electra Wind, LLC is constructing a wind energy project in Wilbarger County, Texas (the "Wind Project");

WHEREAS, in connection with the Wind Project, Electra Wind, LLC has requested that the County grant certain rights over the County roads and County-owned rights-of-way for the benefit of the Wind Project;

WHEREAS, County desires to grant such rights to Electra Wind, LLC by entering into a road and right-of-way agreement with Electra Wind, LLC;

NOW, THEREFORE, BE IT ORDERED, by the Commissioners Court of Wilbarger County, that:

1. The County finds and determines that the terms of the proposed Road and Right-of-Way Agreement would be beneficial to the Project and the County and that the County has the authority to make the statements, representations, and agreements contained in the agreement.
2. The execution by the County of the Road and Right-of-Way Agreement with Electra Wind, LLC in substantial form as the attached Exhibit A is hereby authorized and approved.

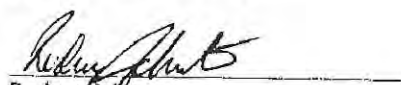
The foregoing Resolution was lawfully moved by Phillip Graf, duly seconded by Rodney Johnston, and duly adopted by the Wilbarger County Commissioner's Court, the 27 day of April 2015.



GREG TYRA
County Judge



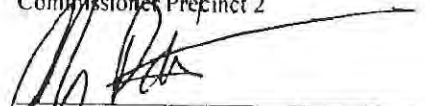
Richard Jacobs
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Rodney Johnston
Commissioner Precinct 3

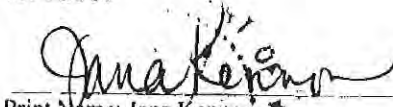


Phillip Graf
Commissioner Precinct 2



Josh Ratterson
Commissioner Precinct 4

ATTEST:



Print Name: Jana Kenyon
Wilbarger County Clerk

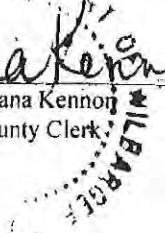


Exhibit A

Form of Road and Right-of-Way Agreement

Tab Item 17

Signature and Certification Page:

See attached signature and certification page below.

Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print
here

David Thweatt

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Signature (Authorized School District Representative)

Date

4-20-15

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print
here

Declan Flanagan

Print Name (Authorized Company Representative (Applicant))

Chief Executive Officer

Title

sign
here

Signature (Authorized Company Representative (Applicant))

April 3, 2015

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

3 day of April, 2015

Notary Public in and for the State of ~~Texas~~ Illinois

My Commission expires: February 23, 2019

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

Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of: 09/02/2015 09:32:47 AM

This Page is Not Sufficient for Filings with the Secretary of State

ELECTRA WIND, LLC	
Texas Taxpayer Number	32055164449
Mailing Address	401 N MICHIGAN AVE STE 501 CHICAGO, IL 60611-5883
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	09/16/2014
Texas SOS File Number	0802064901
Registered Agent Name	NATIONAL REGISTERED AGENTS, INC.
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 11, 2015

David Thweatt
Superintendent
Harrold Independent School District
18106 Steward St.
Harrold, Texas 76364

Dear Superintendent Thweatt:

On May 26, 2015, the Comptroller issued written notice Electra Wind, LLC (the applicant) submitted a completed application (Application #1069) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on April 20, 2015, to the Harrold Independent School District (the school district) by the applicant.

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

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

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024(d)	Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application #1069.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

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

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. See Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-286) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of May 26, 2015, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Korry Castillo, Director, Data Analysis & Transparency, by email at korry.castillo@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Korry Castillo

Attachment A – Economic Impact Analysis

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

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

Applicant	Electra Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy – Wind
School District	Harrold ISD
2013-14 Enrollment in School District	120
County	Wilbarger
Proposed Total Investment in District	\$102,058,250
Proposed Qualified Investment	\$102,058,250
Limitation Amount	\$20,000,000
Number of new qualifying jobs committed to by applicant*	2
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$846
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$843
Minimum annual wage committed to by applicant for qualified jobs	\$44,000
Minimum weekly wage required for non-qualifying jobs	
Minimum annual wage required for non-qualifying jobs	
Investment per Qualifying Job	\$51,029,125
Estimated M&O levy without any limit (15 years)	\$10,559,527
Estimated M&O levy with Limitation (15 years)	\$4,531,070
Estimated gross M&O tax benefit (15 years)	\$6,028,457
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

Table 2 is the estimated statewide economic impact of Electra Wind, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2015	3	6	9	\$120,000	\$246,211	\$366,211
2016	50	55	105	\$2,000,000	\$4,347,656	\$6,347,656
2017	2	14	16	\$88,000	\$1,498,914	\$1,586,914
2018	2	10	12	\$88,000	\$888,563	\$976,563
2019	2	6	8	\$88,000	\$1,132,703	\$1,220,703
2020	2	4	6	\$88,000	\$888,563	\$976,563
2021	2	2	4	\$88,000	\$644,422	\$732,422
2022	2	(2)	0	\$88,000	\$278,211	\$366,211
2023	2	4	6	\$88,000	\$400,281	\$488,281
2024	2	2	4	\$88,000	\$888,563	\$976,563
2025	2	(4)	-2	\$88,000	-\$820,422	-\$732,422
2026	2	4	6	\$88,000	-\$88,000	\$0
2027	2	(6)	-4	\$88,000	-\$1,064,563	-\$976,563
2028	2	0	2	\$88,000	-\$88,000	\$0
2029	2	(4)	-2	\$88,000	-\$820,422	-\$732,422
2030	2	(8)	-6	\$88,000	-\$332,141	-\$244,141
2031	2	(2)	0	\$88,000	-\$332,141	-\$244,141

Source: CPA, REMI, Electra Wind, LLC

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

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives										
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		Harrold ISD I&S Levy	Harrold ISD M&O Levy	Harrold ISD M&O and I&S Tax Levies	Wilbarger County	Wilbarger Hospital District	Vernon College	Estimated Total Property Taxes
			Tax Rate ¹	0.0000	1.1700		0.4388	0.156691	0.217669	
2017	\$101,165,240	\$101,165,240		\$0	\$1,183,633	\$1,183,633	\$443,913	\$158,517	\$220,205	\$1,627,546
2018	\$93,072,021	\$93,072,021		\$0	\$1,088,943	\$1,088,943	\$408,400	\$145,835	\$202,589	\$1,497,343
2019	\$85,626,259	\$85,626,259		\$0	\$1,001,827	\$1,001,827	\$375,728	\$134,169	\$186,382	\$1,377,555
2020	\$78,776,159	\$78,776,159		\$0	\$921,681	\$921,681	\$345,670	\$123,435	\$171,471	\$1,267,351
2021	\$72,474,066	\$72,474,066		\$0	\$847,947	\$847,947	\$318,016	\$113,560	\$157,754	\$1,165,963
2022	\$66,676,141	\$66,676,141		\$0	\$780,111	\$780,111	\$292,575	\$104,476	\$145,133	\$1,072,686
2023	\$61,342,049	\$61,342,049		\$0	\$717,702	\$717,702	\$269,169	\$96,117	\$133,523	\$986,871
2024	\$56,434,685	\$56,434,685		\$0	\$660,286	\$660,286	\$247,635	\$88,428	\$122,841	\$907,921
2025	\$51,919,911	\$51,919,911		\$0	\$607,463	\$607,463	\$227,825	\$81,354	\$113,014	\$835,288
2026	\$47,766,318	\$47,766,318		\$0	\$558,866	\$558,866	\$209,599	\$74,846	\$103,972	\$768,465
2027	\$43,945,012	\$43,945,012		\$0	\$514,157	\$514,157	\$192,831	\$68,858	\$95,655	\$706,987
2028	\$40,429,411	\$40,429,411		\$0	\$473,024	\$473,024	\$177,404	\$63,349	\$88,002	\$650,428
2029	\$37,195,058	\$37,195,058		\$0	\$435,182	\$435,182	\$163,212	\$58,281	\$80,962	\$598,394
2030	\$34,219,454	\$34,219,454		\$0	\$400,368	\$400,368	\$150,155	\$53,619	\$74,485	\$550,523
2031	\$31,481,897	\$31,481,897		\$0	\$368,338	\$368,338	\$138,143	\$49,329	\$68,526	\$506,481
			Total	\$0	\$10,559,527	\$10,559,527	\$3,960,274	\$1,414,173	\$1,964,514	\$14,519,801

Source: CPA, Electra Wind, LLC

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Wilbarger County, with all property tax incentives sought being granted using estimated market value from the application. The project has

applied for a value limitation under Chapter 313, Tax Code and tax abatements with the county, the hospital district and Vernon College.

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

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Harrold ISD I&S Levy	Harrold ISD M&O Levy	Harrold ISD M&O and I&S Tax Levies	Wilbarger County	Wilbarger Hospital District	Vernon College	Estimated Total Property Taxes
2017	\$101,165,240	\$20,000,000		0.0000	1.1700		0.4388	0.156691	0.217669	
2018	\$93,072,021	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$0	\$234,000
2019	\$85,626,259	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$0	\$234,000
2020	\$78,776,159	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$0	\$234,000
2021	\$72,474,066	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$0	\$234,000
2022	\$66,676,141	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$0	\$234,000
2023	\$61,342,049	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$0	\$234,000
2024	\$56,434,685	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$0	\$234,000
2025	\$51,919,911	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$0	\$234,000
2026	\$47,766,318	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$0	\$234,000
2027	\$43,945,012	\$43,945,012		\$0	\$514,157	\$514,157	\$192,831	\$68,858	\$95,655	\$706,987
2028	\$40,429,411	\$40,429,411		\$0	\$473,024	\$473,024	\$177,404	\$63,349	\$88,002	\$650,428
2029	\$37,195,058	\$37,195,058		\$0	\$435,182	\$435,182	\$163,212	\$58,281	\$80,962	\$598,394
2030	\$34,219,454	\$34,219,454		\$0	\$400,368	\$400,368	\$150,155	\$53,619	\$74,485	\$550,523
2031	\$31,481,897	\$31,481,897		\$0	\$368,338	\$368,338	\$138,143	\$49,329	\$68,526	\$506,481
			Total	\$0	\$ 4,531,070	\$ 4,531,069	\$ 821,744	\$ 293,437	\$ 407,631	\$ 5,352,813
			Difference	\$ -	\$ 6,028,457	\$ 6,028,458	\$ 3,138,530	\$ 1,120,737	\$ 1,556,884	\$ 9,166,988

Source: CPA, Electra Wind, LLC

¹Tax Rate per \$100 Valuation

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

Attachment B – Tax Revenue over 25 Years

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$59,406	\$59,406	\$0	\$0
Limitation Period (10 Years)	2017	\$234,000	\$293,406	\$949,633	\$949,633
	2018	\$234,000	\$527,406	\$854,943	\$1,804,576
	2019	\$234,000	\$761,406	\$767,827	\$2,572,403
	2020	\$234,000	\$995,406	\$687,681	\$3,260,084
	2021	\$234,000	\$1,229,406	\$613,947	\$3,874,031
	2022	\$234,000	\$1,463,406	\$546,111	\$4,420,142
	2023	\$234,000	\$1,697,406	\$483,702	\$4,903,844
	2024	\$234,000	\$1,931,406	\$426,286	\$5,330,129
	2025	\$234,000	\$2,165,406	\$373,463	\$5,703,592
	2026	\$234,000	\$2,399,406	\$324,866	\$6,028,458
Maintain Viable Presence (5 Years)	2027	\$514,157	\$2,913,562	\$0	\$6,028,458
	2028	\$473,024	\$3,386,586	\$0	\$6,028,458
	2029	\$435,182	\$3,821,768	\$0	\$6,028,458
	2030	\$400,368	\$4,222,136	\$0	\$6,028,458
	2031	\$368,338	\$4,590,474	\$0	\$6,028,458
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$338,871	\$4,929,345	\$0	\$6,028,458
	2033	\$311,761	\$5,241,107	\$0	\$6,028,458
	2034	\$286,821	\$5,527,927	\$0	\$6,028,458
	2035	\$263,875	\$5,791,802	\$0	\$6,028,458
	2036	\$242,765	\$6,034,567	\$0	\$6,028,458
	2037	\$223,344	\$6,257,911	\$0	\$6,028,458
	2038	\$205,476	\$6,463,387	\$0	\$6,028,458
	2039	\$189,038	\$6,652,425	\$0	\$6,028,458
	2040	\$173,915	\$6,826,340	\$0	\$6,028,458
	2041	\$160,002	\$6,986,342	\$0	\$6,028,458

\$6,986,342

Is greater than

\$6,028,458

Analysis Summary

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

Yes

Source: CPA, Electra Wind, LLC

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

Attachment C – Limitation as a Determining Factor

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

Methodology

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

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

Determination

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

- Per the applicant, the land has no existing improvements.
- Per the applicant, it “has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners, a limited-notice-to-proceed contract with a contractor, and environmental consultants to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider.”
- Per the applicant, “In order for the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work, solely located within the Vernon ISD boundary, before the statutorily imposed deadline of December 31, 2014. In order to complete this minimum amount of PTC qualification work, the Applicant received a TPDES General Permit TXR150014688.” TPDES stands for Texas Pollutant Discharge Elimination System.
- Per the applicant, “The amount of PTC qualification work completed prior to December 31, 2014, constitutes less than 0.06% of total estimated investment for the project. The Applicant’s completion of this minor amount of PTC qualification work does not legally or financially commit it to constructing the project.”
- The Comptroller’s Office found information on the applicant’s website which describes this project as a late stage development and Texas as a “major” development focus.
- Per the applicant, “Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been

offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, permits, and limited improvements, in order to reallocate resources in areas with more favorable economics.”

Supporting Information

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

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

Supporting Information

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



Application for Appraised Value Limitation on Qualified Property

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

1. In Tab 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
☒ Land has no existing improvements ☐ Land has existing improvements (complete Section 13)
☐ Expansion of existing operation on the land (complete Section 13) ☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

Supporting Information

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

Tab Item 5

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

The Applicant for this Project has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners, a limited-notice-to-proceed contract with a contractor, and environmental consultants to assess the suitability of the site, and agreements with the transmission provider.

In order for the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work, solely located within the Vernon ISD boundary, before the statutorily imposed deadline of December 31, 2014. In order to complete this minimum amount of PTC qualification work, the Applicant received a TPDES General Permit TXR150014688. Applicant timely completed the amount of PTC qualification work required for the project to qualify for the federal income tax PTC, which expired on December 31, 2014 and has not been renewed at the time this application was submitted. The amount of PTC qualification work completed prior to December 31, 2014, constitutes less than 0.06% of total estimated investment for the project. The Applicant's completion of this minor amount of PTC qualification work does not legally or financially commit it to constructing the project.

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

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

Supporting Information

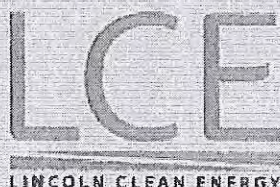
Additional information
provided by the Applicant or
located by the Comptroller

ABOUT

PROJECTS

NEWS

CONTACT



Lincoln Clean Energy, LLC

401 N. Michigan Avenue

Suite 501

Chicago, IL 60611

info@lincolnclean.com

Operational

Development

LCE Development Pipeline

LCE has successfully developed projects in most of the major electric markets in the United States with a heavy emphasis on Texas. A combination of large scale, growing electricity demand and a favorable regulatory framework continue to make Texas a major focus of the company's efforts across wind, solar and natural gas power projects.

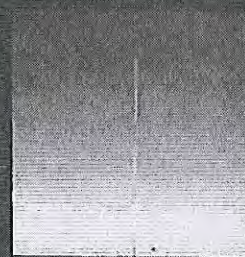
Horse Creek Wind

Project size: 400 MW

Location: Haskell County, Texas

Status: Late Stage Development

Site selected due to optimum transmission location and wind resource.

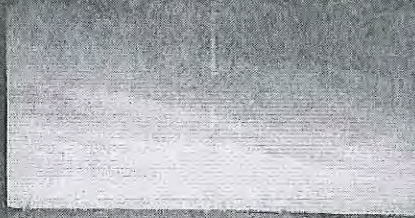


Electra Wind

Project size: 300 MW

Location: Wilbarger
County, Texas

Status: Late Stage
Development



Site interconnects to the Competitive Renewable Energy Zone (CREZ) substation which is best located to serve electricity demand in the Dallas/Ft Worth area.

Nazareth Solar

Project size: 260 MW (dc)
Location: Swisher County, Texas
Status: Late stage development

Carefully selected site location delivers lowest cost of solar power due to combination of solar resource, interconnection and straightforward construction.



Rockwood Energy Center

Project size: 1,068 MW
Location: Colorado County, Texas
Status: Late stage development

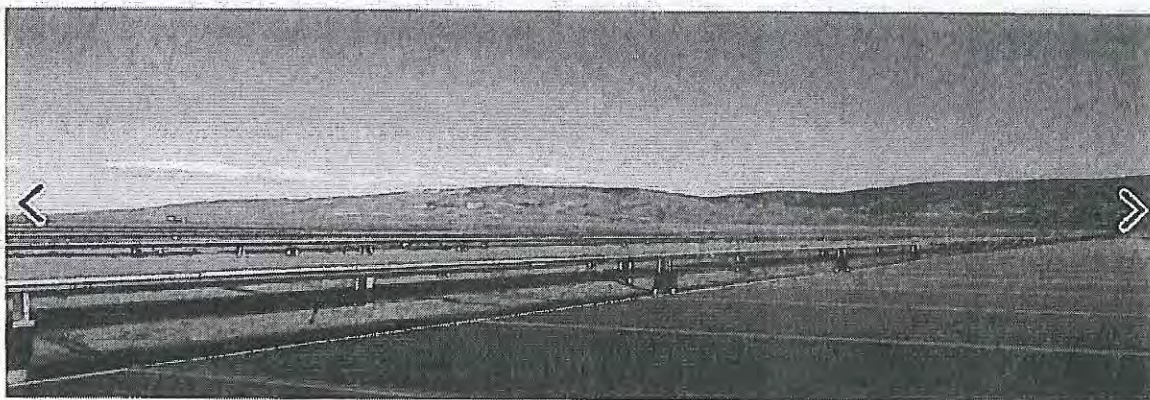
One of the best locations for new gas-fired generation in South Texas. On track for 2015 Notice to Proceed. Ideally located close to Houston, Austin and San Antonio electricity demand.



Shawnee Energy Center

Project size: 960 MW
Location: Hill County, Texas
Status: Mid stage development

Gas-fired project located south of Dallas/Ft Worth.



Our Approach

Learn more about LCE's approach to project development

Our Projects

Learn more about LCE's completed and future projects

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Attachment D

Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED ELECTRA WIND,
LLC PROJECT IN THE HARROLD INDEPENDENT SCHOOL
DISTRICT
(PROJECT # 1069)**

PREPARED BY



**UPDATED
SEPTEMBER 24, 2015**

Executive Summary

Electra Wind, LLC (Company) has requested that the Harrold Independent School District (HISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to HISD on April 20, 2015 the Company plans to invest \$101.2 million to construct a manufacturing facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

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

Under the provisions of Chapter 313, HISD may offer a minimum value limitation of \$20 million. This value limitation, under the proposed application, will begin in 2017-18 and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report, incorporating the major legislative changes adopted in May. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to HISD	\$997,973
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$5,030,485

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. At the time the application is determined complete—typically 4-6 weeks after receipt—the Comptroller will deliver a Completeness Letter to the company and the school district.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. After the certificate

is received, the district has until the 150th day from the receipt of the Completeness Letter or until December 31st, whichever is earlier, to adopt an agreement.

Each value limitation agreement is unique and to ensure the proper revenue-loss protection and maximum supplemental benefits are in place, an understanding of the school district's finances and a thorough knowledge of the Ch. 313 statute are required. MCA and O'Hanlon, McCollom & Demerath will ensure the best interests of HISD are secured. After the Comptroller's certificate is received, O'Hanlon, McCollom & Demerath will contact the school district to discuss the value limitation agreement and begin negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees.

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

How the 313 Agreement Interacts with Texas School Finance

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of three components: Tier I, Tier II and additional state aid for tax reduction.

Tier I provides state funding based on ADA and special student populations, as well as transportation. The local funds for Tier I are M&O taxes raised at the compressed tax rate—\$1.00 per \$100 of taxable value for most school districts (less any recapture payments owed to the state from high property-wealth school districts).

Tier II guarantees a specific amount of funding per student in weighted average daily attendance for each penny of a school district's tax effort above a specified level. There are two levels of Tier II funding—funding under the six so-called golden pennies and the eleven so-called copper pennies. Voter approval is required in most cases to access the last two golden pennies and the eleven copper pennies.

Additional State Aid for Tax Reduction (ASATR) guarantees a school district a set amount of state and local M&O funds per student in weighted average daily attendance to compensate for the mandatory reduction in, or compression of, the local M&O tax rate that was adopted in 2005 or 2006. For more detailed information on the school finance funding system, please review the Texas Education Agency's [School Finance 101: Funding of Texas Public Schools](#). For the 2015-16 school year it is estimated that 227 school districts will receive ASATR hold-harmless funding (\$290 million in state funding). ASATR funding is expected to be eliminated by the 2017-18 school year under current law.

For a school district that approves a Chapter 313 value limitation, the first year is often problematic financially. The implementation of the value limitation often results in an M&O revenue loss to the school district in the first year of the limitation that would not be reimbursed by the state, but require some type of compensation from the Company under

the revenue protection provisions of the agreement. This is because the general school finance formula system calculates state aid entitlements using the property value for the preceding year as certified by the Comptroller.

School districts that receive ASATR funding may not require as large of a company revenue-loss payment as those districts that are considered to be on "formula". **As ASATR is reduced, more districts will be considered on "formula" and the revenue losses may be greater than anticipated in the initial revenue-loss estimates.**

HISD receives ASATR funding under current law. In most instances smaller revenue losses would be anticipated in years 2-10 of the limitation when the state M&O property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study. **If the full value of the project increases significantly during the value limitation period, the revenue losses may be greater than originally estimated.**

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

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

Underlying School District Data Assumptions

A key element in any analysis of the school finance implications of a Chapter 313 agreement is the provision for revenue protection in the agreement between the school district and the applicant. The agreement calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. 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. This approach also reduces guess work as to future changes in school finance and property tax laws.

The general approach used here to analyze the future revenue stream of the school district under a value limitation is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. Student enrollment counts are held constant at 113 students in average daily attendance (ADA) in analyzing the effects of the project on the finances of HISD. The District's local tax base reached \$94.8 million for the 2014 tax year (the most recent year available) and is maintained for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$1.1700 is used throughout this analysis.

HISD has estimated 2014-15 state property wealth per weighted ADA or WADA of approximately \$355,660. As a result, HISD is considered a Chapter 41 or recapture district under the school finance system. Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

Recent legislative changes are incorporated into these estimates. The basic allotment was raised from \$5,040 to \$5,140 per WADA, which is used throughout the state aid calculations. The Tier II guaranteed yield level for up to six cents of tax effort was increased from \$61.86 in 2014-15 to \$74.28 and \$77.53, respectively, for the 2015-16 and 2016-17 school years.

While the mandated school district homestead exemption will be increased from \$15,000 to \$25,000—assuming voter approval of a constitutional amendment election scheduled in November—no data are currently available on the tax base reductions associated with this change. Given that the models below focus exclusively on the Electra Wind, LLC project values, however, the anticipated homestead exemption change is not expected to have an impact on this analysis.

The M&O tax rate for 2014 is maintained at \$1.1700 per \$100. Although the impact of the Chapter 313 project value returning to the total tax roll for M&O funding purposes could result in a lower M&O tax rate that analysis is beyond the scope of this revenue report.

Table 1 – Base District Information with Electra Wind 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
QTP0	2015-16	112.58	243.38	\$1.1700	\$0.0000	\$94,789,200	\$94,789,200	\$94,644,243	\$94,644,243	\$388,881	\$388,881
QTP1	2016-17	112.58	243.38	\$1.1700	\$0.0000	\$94,789,200	\$94,789,200	\$94,644,243	\$94,644,243	\$388,881	\$388,881
QTP2/VL1	2017-18	112.58	243.38	\$1.1700	\$0.0000	\$195,954,440	\$114,789,200	\$94,644,243	\$94,644,243	\$388,881	\$388,881
VL2	2018-19	112.58	243.38	\$1.1700	\$0.0000	\$187,861,221	\$114,789,200	\$195,809,483	\$114,644,243	\$804,555	\$471,058
VL3	2019-20	112.58	243.38	\$1.1700	\$0.0000	\$180,415,459	\$114,789,200	\$187,716,264	\$114,644,243	\$771,301	\$471,058
VL4	2020-21	112.58	243.38	\$1.1700	\$0.0000	\$173,565,359	\$114,789,200	\$180,270,502	\$114,644,243	\$740,708	\$471,058
VL5	2021-22	112.58	243.38	\$1.1700	\$0.0000	\$167,263,266	\$114,789,200	\$173,420,402	\$114,644,243	\$712,562	\$471,058
VL6	2022-23	112.58	243.38	\$1.1700	\$0.0000	\$161,465,341	\$114,789,200	\$167,118,309	\$114,644,243	\$686,667	\$471,058
VL7	2023-24	112.58	243.38	\$1.1700	\$0.0000	\$156,131,249	\$114,789,200	\$161,320,384	\$114,644,243	\$662,844	\$471,058
VL8	2024-25	112.58	243.38	\$1.1700	\$0.0000	\$151,223,885	\$114,789,200	\$155,986,292	\$114,644,243	\$640,927	\$471,058
VL9	2025-26	112.58	243.38	\$1.1700	\$0.0000	\$146,709,111	\$114,789,200	\$151,078,928	\$114,644,243	\$620,763	\$471,058
VL10	2026-27	112.58	243.38	\$1.1700	\$0.0000	\$142,555,518	\$114,789,200	\$146,564,154	\$114,644,243	\$602,213	\$471,058
VP1	2027-28	112.58	243.38	\$1.1700	\$0.0000	\$138,734,212	\$138,734,212	\$142,410,561	\$114,644,243	\$585,146	\$471,058
VP2	2028-29	112.58	243.38	\$1.1700	\$0.0000	\$135,218,611	\$135,218,611	\$138,589,255	\$138,589,255	\$569,445	\$569,445
VP3	2029-30	112.58	243.38	\$1.1700	\$0.0000	\$131,984,258	\$131,984,258	\$135,073,654	\$135,073,654	\$555,000	\$555,000
VP4	2030-31	112.58	243.38	\$1.1700	\$0.0000	\$129,008,654	\$129,008,654	\$131,839,301	\$131,839,301	\$541,710	\$541,710
VP5	2031-32	112.58	243.38	\$1.1700	\$0.0000	\$126,271,097	\$126,271,097	\$128,863,697	\$128,863,697	\$529,484	\$529,484

*Basic Allotment: \$5,140; AISD Yield: \$77.53; Equalized Wealth: \$514,000 per WADA

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

M&O Impact of the Electra Wind project on HISD

School finance models were prepared for HISD under these assumptions through the 2031-32 school year. Under the proposed agreement, a model is established to make a calculation of the “Baseline Revenue Model” by adding the total value of the project to the model, but without assuming that a value limitation is approved. This is detailed in Table 2.

Additionally, a separate model is established to make a calculation of the "Value Limitation Revenue Model" by adding the project's limited value of \$20 million to the model. These results are shown in Table 3.

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	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
QTP0	2015-16	\$931,745	\$347,285	\$75,342	\$0	\$158,397	\$50,906	\$0	\$4,500	\$1,568,175
QTP1	2016-17	\$931,745	\$347,285	\$75,342	\$0	\$158,397	\$55,580	\$0	\$4,500	\$1,572,849
QTP2/VL1	2017-18	\$1,939,398	\$347,285	\$0	\$0	\$329,698	\$115,581	\$0	\$4,500	\$2,736,462
VL2	2018-19	\$1,858,466	\$38,600	\$0	-\$935,841	\$315,939	\$0	-\$100,339	\$4,500	\$1,181,325
VL3	2019-20	\$1,784,008	\$38,600	\$0	-\$860,195	\$303,281	\$555	-\$92,434	\$4,500	\$1,178,315
VL4	2020-21	\$1,715,507	\$38,600	\$0	-\$790,507	\$291,636	\$4,808	-\$85,151	\$4,500	\$1,179,393
VL5	2021-22	\$1,652,486	\$38,600	\$0	-\$726,304	\$280,922	\$8,734	-\$78,442	\$4,500	\$1,180,497
VL6	2022-23	\$1,594,507	\$38,600	\$0	-\$667,151	\$271,066	\$12,338	-\$72,261	\$4,500	\$1,181,600
VL7	2023-24	\$1,541,166	\$38,600	\$0	-\$612,649	\$261,998	\$15,682	-\$66,565	\$4,500	\$1,182,732
VL8	2024-25	\$1,492,092	\$38,600	\$0	-\$562,432	\$253,656	\$18,772	-\$61,317	\$4,500	\$1,183,871
VL9	2025-26	\$1,446,945	\$38,600	\$0	-\$516,161	\$245,981	\$21,626	-\$56,482	\$4,500	\$1,185,010
VL10	2026-27	\$1,405,409	\$38,600	\$0	-\$473,524	\$238,920	\$24,222	-\$52,027	\$4,500	\$1,186,100
VP1	2027-28	\$1,362,407	\$38,600	\$0	-\$434,120	\$231,609	\$26,564	-\$47,753	\$4,500	\$1,181,807
VP2	2028-29	\$1,327,954	\$38,600	\$0	-\$400,025	\$225,752	\$28,807	-\$44,003	\$4,500	\$1,181,586
VP3	2029-30	\$1,296,257	\$38,600	\$0	-\$368,588	\$220,363	\$30,883	-\$40,545	\$4,500	\$1,181,470
VP4	2030-31	\$1,267,096	\$38,600	\$0	-\$339,605	\$215,407	\$32,803	-\$37,357	\$4,500	\$1,181,445
VP5	2031-32	\$1,240,268	\$38,600	\$0	-\$312,883	\$210,845	\$34,520	-\$34,417	\$4,500	\$1,181,433

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

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	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
QTP0	2015-16	\$931,745	\$347,285	\$75,342	\$0	\$158,397	\$50,906	\$0	\$4,500	\$1,568,175
QTP1	2016-17	\$931,745	\$347,285	\$75,342	\$0	\$158,397	\$55,580	\$0	\$4,500	\$1,572,849
QTP2/VL1	2017-18	\$1,127,745	\$347,285	\$0	\$0	\$191,717	\$67,242	\$0	\$4,500	\$1,738,489
VL2	2018-19	\$1,127,745	\$147,285	\$0	\$0	\$191,717	\$43,687	-\$20,559	\$4,500	\$1,494,375
VL3	2019-20	\$1,127,745	\$147,285	\$0	\$0	\$191,717	\$43,687	-\$20,559	\$4,500	\$1,494,375
VL4	2020-21	\$1,127,745	\$147,285	\$0	\$0	\$191,717	\$43,687	-\$20,559	\$4,500	\$1,494,375
VL5	2021-22	\$1,127,745	\$147,285	\$0	\$0	\$191,717	\$43,687	-\$20,559	\$4,500	\$1,494,375
VL6	2022-23	\$1,127,745	\$147,285	\$0	\$0	\$191,717	\$43,687	-\$20,559	\$4,500	\$1,494,375
VL7	2023-24	\$1,127,745	\$147,285	\$0	\$0	\$191,717	\$43,687	-\$20,559	\$4,500	\$1,494,375
VL8	2024-25	\$1,127,745	\$147,285	\$0	\$0	\$191,717	\$43,687	-\$20,559	\$4,500	\$1,494,375
VL9	2025-26	\$1,127,745	\$147,285	\$0	\$0	\$191,717	\$43,687	-\$20,559	\$4,500	\$1,494,375
VL10	2026-27	\$1,127,745	\$147,285	\$0	\$0	\$191,717	\$43,687	-\$20,559	\$4,500	\$1,494,375
VP1	2027-28	\$1,362,407	\$147,285	\$0	\$0	\$231,609	\$52,795	-\$24,837	\$4,500	\$1,773,759
VP2	2028-29	\$1,327,954	\$38,600	\$0	-\$400,025	\$225,752	\$28,807	-\$44,003	\$4,500	\$1,181,586
VP3	2029-30	\$1,296,257	\$38,600	\$0	-\$368,588	\$220,363	\$30,883	-\$40,545	\$4,500	\$1,181,470
VP4	2030-31	\$1,267,096	\$38,600	\$0	-\$339,605	\$215,407	\$32,803	-\$37,357	\$4,500	\$1,181,445
VP5	2031-32	\$1,240,268	\$38,600	\$0	-\$312,883	\$210,845	\$34,520	-\$34,417	\$4,500	\$1,181,433

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

Table 4 displays the results of the comparison between the Baseline Revenue Model and the Value Limitation Revenue Model (Tables 2 and 3). The difference between the two models indicates there will be a total revenue loss of \$997,973 over the course of the Agreement. Nearly all of the reduction in M&O taxes under the limitation agreement is offset through a reduction in recapture costs owed to the state under current law.

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	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
QTP0	2015-16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2016-17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2017-18	-\$811,653	\$0	\$0	\$0	-\$137,981	-\$48,339	\$0	\$0	-\$997,973
VL2	2018-19	-\$730,721	\$108,685	\$0	\$935,841	-\$124,222	\$43,687	\$79,779	\$0	\$313,050
VL3	2019-20	-\$656,263	\$108,685	\$0	\$860,195	-\$111,564	\$43,132	\$71,875	\$0	\$316,060
VL4	2020-21	-\$587,762	\$108,685	\$0	\$790,507	-\$99,919	\$38,879	\$64,592	\$0	\$314,982
VL5	2021-22	-\$524,741	\$108,685	\$0	\$726,304	-\$89,205	\$34,953	\$57,883	\$0	\$313,878
VL6	2022-23	-\$466,762	\$108,685	\$0	\$667,151	-\$79,349	\$31,349	\$51,702	\$0	\$312,776
VL7	2023-24	-\$413,421	\$108,685	\$0	\$612,649	-\$70,281	\$28,005	\$46,006	\$0	\$311,643
VL8	2024-25	-\$364,347	\$108,685	\$0	\$562,432	-\$61,939	\$24,915	\$40,758	\$0	\$310,504
VL9	2025-26	-\$319,200	\$108,685	\$0	\$516,161	-\$54,264	\$22,061	\$35,923	\$0	\$309,366
VL10	2026-27	-\$277,664	\$108,685	\$0	\$473,524	-\$47,203	\$19,465	\$31,467	\$0	\$308,275
VP1	2027-28	\$0	\$108,685	\$0	\$434,120	\$0	\$26,231	\$22,916	\$0	\$591,952
VP2	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2029-30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2030-31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

M&O Impact on the Taxpayer

Table 5 summarizes the impact of the property value limitation in terms of the potential tax savings to the taxpayer under the property value limitation agreement. The focus of this table is on the M&O tax rate only. A \$1.1700 M&O tax rate is assumed in 2014-15 (the most recent year available) and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$6.0 million over the life of the agreement. The HISD revenue losses are expected to total approximately \$997,973 over the course of the agreement. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to total \$5,030,485 million. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the initial limitation year under these estimates, there would still be a substantial tax benefit to the Company under the value limitation agreement for the remaining years that the limitation is in effect.

**Table 5 - Estimated Financial Impact of the Electra Wind Project Property Value Limitation Request
Submitted to HISD at \$1.1700 M&O Tax Rate**

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits
QTP0	2015-16	\$0	\$0	\$0	\$1.170	\$0	\$0	\$0	\$0	\$0
QTP1	2016-17	\$5,077,397	\$5,077,397	\$0	\$1.170	\$59,406	\$59,406	\$0	\$0	\$0
QTP2/VL1	2017-18	\$101,165,240	\$20,000,000	\$81,165,240	\$1.170	\$1,183,633	\$234,000	\$949,633	-\$949,633	\$0
VL2	2018-19	\$93,072,021	\$20,000,000	\$73,072,021	\$1.170	\$1,088,943	\$234,000	\$854,943	-\$48,340	\$806,603
VL3	2019-20	\$85,626,259	\$20,000,000	\$65,626,259	\$1.170	\$1,001,827	\$234,000	\$767,827	\$0	\$767,827
VL4	2020-21	\$78,776,159	\$20,000,000	\$58,776,159	\$1.170	\$921,681	\$234,000	\$687,681	\$0	\$687,681
VL5	2021-22	\$72,474,066	\$20,000,000	\$52,474,066	\$1.170	\$847,947	\$234,000	\$613,947	\$0	\$613,947
VL6	2022-23	\$66,676,141	\$20,000,000	\$46,676,141	\$1.170	\$780,111	\$234,000	\$546,111	\$0	\$546,111
VL7	2023-24	\$61,342,049	\$20,000,000	\$41,342,049	\$1.170	\$717,702	\$234,000	\$483,702	\$0	\$483,702
VL8	2024-25	\$56,434,685	\$20,000,000	\$36,434,685	\$1.170	\$660,286	\$234,000	\$426,286	\$0	\$426,286
VL9	2025-26	\$51,919,911	\$20,000,000	\$31,919,911	\$1.170	\$607,463	\$234,000	\$373,463	\$0	\$373,463
VL10	2026-27	\$47,766,318	\$20,000,000	\$27,766,318	\$1.170	\$558,866	\$234,000	\$324,866	\$0	\$324,866
VP1	2027-28	\$43,945,012	\$43,945,012	\$0	\$1.170	\$514,157	\$514,157	\$0	\$0	\$0
VP2	2028-29	\$40,429,411	\$40,429,411	\$0	\$1.170	\$473,024	\$473,024	\$0	\$0	\$0
VP3	2029-30	\$37,195,058	\$37,195,058	\$0	\$1.170	\$435,182	\$435,182	\$0	\$0	\$0
VP4	2030-31	\$34,219,454	\$34,219,454	\$0	\$1.170	\$400,368	\$400,368	\$0	\$0	\$0
VP5	2031-32	\$31,481,897	\$31,481,897	\$0	\$1.170	\$368,338	\$368,338	\$0	\$0	\$0
						\$10,618,933	\$4,590,474	\$6,028,458	-\$997,973	\$5,030,485

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

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, although HISD does not currently levy an I&S rate. The value of the Electra Wind project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value is expected to increase the District's projected wealth per ADA to \$840,699 in the peak year of I&S taxable project value.

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

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

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



Estimated Financial Impact of the Electra Wind, LLC Chapter 313 (#1069) Property Value Limitation Request Submitted to HARROLD ISD

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits	School District Tax Benefit Lesser of \$100 per ADA or 40%	Company Tax Benefit
QTP0	2015-16	\$0	\$0	\$0	\$1.170	\$0	\$0	\$0	\$0	\$0	\$50,000	-\$50,000
QTP1	2016-17	\$5,077,397	\$5,077,397	\$0	\$1.170	\$59,406	\$59,406	\$0	\$0	\$0	\$50,000	-\$50,000
QTP2/VL1	2017-18	\$101,165,240	\$20,000,000	\$81,165,240	\$1.170	\$1,183,633	\$234,000	\$949,633	-\$949,633	\$0	\$50,000	-\$50,000
VL2	2018-19	\$83,072,021	\$20,000,000	\$73,072,021	\$1.170	\$1,088,943	\$234,000	\$854,943	-\$39,099	\$815,844	\$50,000	\$765,844
VL3	2019-20	\$85,626,259	\$20,000,000	\$65,626,259	\$1.170	\$1,001,827	\$234,000	\$767,827	\$0	\$767,827	\$50,000	\$717,827
VL4	2020-21	\$78,776,159	\$20,000,000	\$58,776,159	\$1.170	\$921,681	\$234,000	\$687,681	\$0	\$687,681	\$50,000	\$637,681
VL5	2021-22	\$72,474,066	\$20,000,000	\$52,474,066	\$1.170	\$847,947	\$234,000	\$613,947	\$0	\$613,947	\$50,000	\$563,947
VL6	2022-23	\$66,676,141	\$20,000,000	\$46,676,141	\$1.170	\$780,111	\$234,000	\$546,111	\$0	\$546,111	\$50,000	\$496,111
VL7	2023-24	\$61,342,049	\$20,000,000	\$41,342,049	\$1.170	\$717,702	\$234,000	\$483,702	\$0	\$483,702	\$50,000	\$433,702
VL8	2024-25	\$56,434,685	\$20,000,000	\$36,434,685	\$1.170	\$660,286	\$234,000	\$426,286	\$0	\$426,286	\$50,000	\$376,286
VL9	2025-26	\$51,919,911	\$20,000,000	\$31,919,911	\$1.170	\$607,463	\$234,000	\$373,463	\$0	\$373,463	\$50,000	\$323,463
VL10	2026-27	\$47,766,318	\$20,000,000	\$27,766,318	\$1.170	\$555,866	\$234,000	\$324,866	\$0	\$324,866	\$50,000	\$274,866
VP1	2027-28	\$43,945,012	\$43,945,012	\$0	\$1.170	\$514,157	\$514,157	\$0	\$0	\$0	\$50,000	-\$50,000
VP2	2028-29	\$40,429,411	\$40,429,411	\$0	\$1.170	\$473,024	\$473,024	\$0	\$0	\$0	\$50,000	-\$50,000
VP3	2029-30	\$37,195,058	\$37,195,058	\$0	\$1.170	\$435,182	\$435,182	\$0	\$0	\$0	\$50,000	-\$50,000
VP4	2030-31	\$34,219,454	\$34,219,454	\$0	\$1.170	\$400,368	\$400,368	\$0	\$0	\$0	\$0	\$0
VP5	2031-32	\$31,481,897	\$31,481,897	\$0	\$1.170	\$368,338	\$368,338	\$0	\$0	\$0	\$0	\$0
		\$10,618,933	\$4,590,474	\$6,028,458	-\$988,732	\$5,039,726	\$750,000	\$4,289,726				

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

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this table.

Attachment E

Taxable Value of Property

Glenn Hegar

Texas Comptroller of Public Accounts

Welcome to your official online window on state government services from the Texas Comptroller of Public Accounts.

2014 ISD Summary Worksheet

244/Wilbarger

244-901/Harrold ISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family Residences	39,350	N/A	39,350	39,350
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	99,940	N/A	99,940	99,940
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	6,427,430	.8277	7,765,159	6,427,430
D2. Real Prop Farm & Ranch	284,740	N/A	284,740	284,740
E. Real Prop NonQual Acres	3,640,570	N/A	3,640,570	3,640,570
F1. Commercial Real	913,510	N/A	913,510	913,510
F2. Industrial Real	1,354,090	N/A	1,354,090	1,354,090
G. Oil, Gas, Minerals	51,626,780	1.0120	51,014,605	51,626,780
J. Utilities	30,349,770	.9946	30,514,549	30,349,770
L1. Commercial Personal	500,530	N/A	500,530	500,530
L2. Industrial Personal	382,170	N/A	382,170	382,170
M. Other Personal	73,750	N/A	73,750	73,750
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	95,692,630		96,582,963	95,692,630
Less Total Deductions	1,048,387		1,048,387	1,048,387
Total Taxable Value	94,644,243		95,534,576	94,644,243 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
95,010,383	94,644,243	95,010,383	94,644,243	94,644,243	94,644,243
Loss To the Additional \$10,000 Homestead Exemption		50% of the loss to the Local Optional Percentage Homestead Exemption			
366,140		0			

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

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
95,010,383	94,644,243	95,010,383	94,644,243	94,644,243	94,644,243

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

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

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

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

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

Attachment F

TEA's Facilities Value



TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Michael Williams
Commissioner

May 28, 2015

Mr. Dale Owen, President
Board of Trustees
Harrold Independent School District
18106 Stewart Street
Harrold, TX 76364-0400

Dear Mr. Owen:

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

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", with a stylized flourish at the end.

Al McKenzie, Manager
Foundation School Program Support

AM/rk
Cc: David Thweatt

Attachment G

Participation Agreement

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

by and between

HARROLD INDEPENDENT SCHOOL DISTRICT

and

ELECTRA WIND, LLC

(Texas Taxpayer ID # 32055164449)

TEXAS COMPTROLLER APPLICATION NUMBER 1066

Dated

September 24, 2015

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

STATE OF TEXAS §

COUNTY OF WILBARGER §

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 **HARROLD INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as "District," a lawfully created [independent or consolidated] school district within the State of Texas operating under and subject to the Texas Education Code, and **ELECTRA WIND, LLC**, Texas Taxpayer Identification Number 32055164449 hereinafter referred to as "Applicant." Applicant and District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on March 30, 2015, the Superintendent of Schools of the Harrold Independent School District, acting as agent of the Board of Trustees of District, received from Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

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

WHEREAS, the Application was delivered to the Texas Comptroller's Office for review pursuant to Section 313.025(a-1) of the TEXAS TAX CODE; and,

WHEREAS, the District and Texas Comptroller's Office have determined that the application is complete and May 26, 2015 is the Application Review Start Date as that term is defined by 34 TEX. ADMIN. CODE 9.1051;

WHEREAS, pursuant to 34 TEX. ADMIN. CODE §9.1054, the Application was delivered for review to the Wilbarger Appraisal District established in Wilbarger County, Texas (the "Wilbarger County Appraisal District"), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on August 21, 2015 issued a certificate for

limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.026 of the TEXAS TAX CODE;

WHEREAS, on September 24, 2015, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on September 24, 2015, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) Applicant is eligible for the Limitation on Appraised Value of Applicant's Qualified Property; (iii) the project proposed by Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset District's maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in Applicant's decision to invest capital and construct the project in this state; and (v) this Agreement is in the best interest of District and the State of Texas;

WHEREAS, on September 24, 2015, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on September 24, 2015, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes; and,

WHEREAS, on September 24, 2015, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I **DEFINITIONS**

Section 1.1 DEFINITIONS.

Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEX.

ADMIN. CODE §9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEX. ADMIN. CODE §9.1051.

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

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

“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 District, and the Constitution and general laws of the State applicable to the 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 Applicant’s ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement.

“Applicant” means Electra Wind, LLC, (Texas Taxpayer ID # 32055164449), the company listed in the Preamble of this Agreement and that listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include Applicant’s assigns and successors-in-interest as approved according to Section 10.2 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in Section 3.3 of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with District by Applicant on November 20, 2014. The term includes all forms required by Comptroller, the schedules attached thereto, and all other documentation submitted by Applicant for the purpose of obtaining an Agreement with District. The term also includes all amendments and supplements thereto submitted by Applicant.

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

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

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

"Appraisal District" means the Wilbarger Appraisal District.

"Board of Trustees" means the Board of Trustees of the Harrold Independent School District

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

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

"County" means Wilbarger County, Texas.

"District" or "School District" means the Harrold Independent School District, being a duly authorized and operating school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on Applicant's Qualified Property or the Applicant's Qualified Investment.

"Final Termination Date" means the last date of the final year in which Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

"Force Majeure" means those causes generally recognized under Texas law as constituting impossible conditions. Each party must inform the other in writing with proof of receipt within three business days of the existence of such force majeure or otherwise waive this right as a defense.

"Land" means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

"Maintain Viable Presence" means (i) the development, construction and operation during 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; (ii) the retention during the term of this Agreement of the number of New Qualifying Jobs set forth in its Application by Applicant; (iii) and continue the average weekly wage paid by Applicant for all Non-Qualifying Jobs created by Applicant that exceeds the county average weekly wage for all jobs in the county where the administrative office of District is maintained.

"M&O Amount" shall have the meaning assigned to such term in Section 4.2 of the Agreement.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace 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.

"New Qualifying Jobs" means the total number of jobs to be created and maintained by Applicant after the Application Approval Date in connection with the Project which is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(4) of the TEXAS TAX CODE.

"Qualified Investment" has the meaning set forth in Chapter 313 of the TEXAS TAX CODE, as interpreted by Comptroller's Rules, as these provisions existed on the Application Review Start Date.

"Non-Qualifying Jobs" means the number of New Non-Qualifying Jobs, as defined in 34 TAC §9.0151, to be created and maintained by the Applicant after the Application Approval Date in connection with the Project which is the subject of its Application.

"Qualified Property" has the meaning set forth in Chapter 313 of the Texas Tax Code and as interpreted by Comptroller's Rules and the Texas Attorney General, as these provisions existed on the date of the Application is approved by District,

"Qualifying Time Period" means the period that begins on the date of approval of this Agreement by 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 Section 313.021(4)(A) of the Texas Tax Code and during which Applicant shall make investment on the land where the qualified property in the amount required by the Act, the Comptroller's rules, and this Agreement and as further identified in Section 2.3.C of this Agreement.

"Revenue Protection Amount" means the amount calculated pursuant to Section 4.2 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 Chapter 313 of the Texas Tax Code. 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, and any school district written finding or report filed with the comptroller as required under this subchapter.

"Supplemental Payment" has the meaning as set forth in Article VI of this Agreement.

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on Applicant's Qualified Property for each tax year of the Tax Limitation Period of this Agreement pursuant to Section 313.054 of the TEXAS TAX CODE.

"Tax Limitation Period" means the Tax Years for which the Applicant's Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

"Tax Year" shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (*i.e.*, the calendar year).

"Taxable Value" shall have the meaning assigned to such term in Section 1.04(10) of the TEXAS TAX CODE.

"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 of the TEXAS TAX CODE, which are set forth at 19 TEX. ADMIN. CODE, Part 2, together with any court or administrative decisions interpreting same.

ARTICLE II
AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY.

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

Section 2.2. PURPOSE.

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

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is May 26, 2015, which will determine Applicant's Qualified Property and applicable wage standard.

B. The Application Approval Date for this Agreement is September 24, 2015, which will determine the qualifying time period.

C. The Qualifying Time Period for this agreement:

1. Starts on September 24, 2015, Application Approval Date; and
2. Ends on December 31, 2017; being the second complete tax year after the effective date of this agreement

D. The Tax Limitation Period for this Agreement:

1. Starts on January 1, 2017
2. Ends on December 31, 2026.

E. The Final Termination Date for this Agreement is December 31, 2031.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Subsection B. This Agreement, and the obligation and responsibilities created by this Agreement, terminate on the

Final Termination Date identified in Subsection E, unless extended by the express terms of this Agreement.

2.4. TAX LIMITATION.

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

- A. The Market Value of the Applicant's Qualified Property; or,
- B. Twenty Million Dollars (\$20,000,000.00)

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 Section 313.052 of the TEXAS TAX CODE.

2.5. QUALIFIED INVESTMENT FOR TAX LIMITATION ELIGIBILITY.

In order to be eligible and entitled to receive the value limitation identified in 2.4 for the Qualified Property identified in Article III, Applicant shall:

- A. have completed Qualified Investment in the amount of Twenty Million Dollars (\$20,000,000.00) by the end of the Qualifying Time Period;
- B. have created the number of Qualifying Jobs specified in, and in the time period specified on, Schedule C of the Application; and
- C. be paying the average weekly wage of all jobs in the county in which District's administrative office is located for all non-qualifying jobs created by Applicant.

2.6. TAX LIMITATION OBLIGATIONS.

In order to receive and maintain the limitation authorized by 2.4, Applicant shall:

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

D. create and Maintain Viable Presence on and/or with the qualified property and perform additional obligations as more fully specified in Article VII of this Agreement.

ARTICLE III **QUALIFIED PROPERTY**

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE.

At the time of making the Qualified Investment and during the period starting with the Application Approval Date and ending on the Final Termination Date, the Land is and shall be within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT.

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

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY.

The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes. 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 Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY.

If at any time after the Application Approval Date there is a material change in the Qualified Property located on the land described in **EXHIBIT 2**; or, upon a reasonable request of District, Comptroller, the Appraisal District, or the State Auditor's Office, Applicant shall provide to District, Comptroller, the Appraisal District or the State Auditor's Office 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 Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE.

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

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES.

In conformance with the provisions of Texas Tax Code § 313.027(f)(1), it is the intent of the Parties that the District shall be compensated over the course of this Agreement by the Applicant for: (i) any monetary loss that the District incurs in its Maintenance and Operations Revenue; or, (ii) for any new uncompensated operating cost incurred as a sole and direct result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement, in all cases subject to the limitations contained in this Agreement. 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, and paid by the Applicant to the District in addition to any and all support due under Article VI, but subject to the limitations contained in this Agreement.

A. The calculation of the amount of any Revenue Protection Amount required to be paid by Applicant under this Article IV shall be made for the first time for the first complete tax year following the start of Commercial Operations.

B. For purposes of this Article IV, the term "Commercial Operations" means the date on which Project described in **EXHIBIT 3** below becomes commercially operational and placed into service, as determined by Applicant using reasonable industry standards.

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

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT.

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 at the tax rate actually adopted by the District for the applicable year.
- ii. "New M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to Maintenance and Operations Revenue because of any portion of this agreement.

In making the calculations required by this Section 4.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- 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 4.2 results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for years 2017 through 2026 of this Agreement under Section 4.2, Subsection *ii* of this Agreement will reflect the Tax Limitation Amount for such year.

- v. All calculations made under this Section 4.2 shall be made by a methodology which isolates the full M&O Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or on account of or otherwise arising out of any other factors not contained in this Agreement.

Section 4.3. CUMULATIVE PAYMENT LIMITATION.

In no event shall the Cumulative Payments made by Applicant to the District exceed an amount equal to One Hundred Percent (100%) of Applicant's Cumulative Unadjusted Tax Benefit under this Agreement from the Commencement Date through Tax Year 2029. For each year of this Agreement, amounts due and owing by Applicant to the District which, by virtue of the application of payment limitation set forth in this Section are not payable to the District for a given year, shall be carried forward to future years, but shall be subject, in each subsequent year to the limit set forth in this Section.

Section 4.4. CALCULATIONS TO BE MADE BY THIRD PARTY.

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") selected each year by the District.

Section 4.5. DATA USED FOR CALCULATIONS.

The calculations under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Tax Code §26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 4.4. 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 Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.6. DELIVERY OF CALCULATIONS.

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.4 of this Agreement shall forward to the Parties the calculations required under Section 4.2 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 four (4) years after the Final Termination date of this Agreement. 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 4.6, if such fee is timely paid.

Section 4.7. 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 of the year next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 4.6, above, 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, reports required by any state agency, disclosures, 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 and Section 4.6, above, in excess of Twelve Thousand Dollars (\$12,000.00).

Section 4.8. RESOLUTION OF DISPUTES.

Should the Applicant disagree with the Third Party calculations made pursuant to Section 4.6 of this Agreement, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the calculation. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the District's Board of Trustees. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of the calculations.

Section 4.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.

In the event that, at the time the Third Party selected under Section 4.4 makes its calculations under this Agreement, the Applicant has appealed the taxable values placed by the 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 initially placed upon the Qualified Property by the 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 4.10. EFFECT OF STATUTORY CHANGES.

Notwithstanding any other provision in this Agreement, but subject only to the limitations contained in Section 7.1, 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, the Applicant shall make payments to the District, 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.

Section 4.11. OPTION TO CANCEL AGREEMENT

In addition to the foregoing, in the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment and so long as the Appraised Value Limitation described in Section 2.4 has not been applied to Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes for such tax year, the Applicant shall have the option, during the Qualifying Time Period, to terminate this Agreement by notifying the District in writing of its exercise of such option. Any termination of this Agreement under the immediately preceding sentence shall be effective immediately prior to the beginning of the Tax Year immediately following the Tax Year during which such notification is delivered to the District. Upon any termination this Agreement under this Section 4.12, 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 V

PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES.

In addition to the amounts determined pursuant to Article IV or Article VI of this Agreement, Applicant on an annual basis shall also indemnify and reimburse District for the following:

A. all non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the Project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the Project; and

B. any other loss of District revenues related to the Project which are, or may be attributable to the payment by Applicant to or on behalf any other third party beneficiary.

ARTICLE VI

SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS.

In interpreting the provisions of Article IV and VI, the Parties agree as follows:

A. Amounts Exclusive of Indemnity Amounts. In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article IV and Article V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article VI. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under Article VI of this agreement are separate and independent of the obligation of the Applicant to pay the amounts described in Article IV and Article V; provided, however, that all payments under Articles IV, V and VI are subject to such limitations as are contained in Section 7.1, and that all payments under Article VI are subject to the separate limitations contained in Section 6.4.

B. As used in Article IV and this Article VI, the following terms shall be defined as follows:

i. "Cumulative Payments" means for each year of this Agreement the total of all payments, calculated under each of Article IV, Article V and Article VI of this Agreement for the current Tax Year which are paid by or owed by Applicant to the District, plus payments paid by Applicant for all previous Tax Years under Article IV, Article V and Article VI of this Agreement.

ii. "Cumulative Unadjusted Tax Benefit" means for each Tax Year of this Agreement, the Unadjusted Tax Benefit for the applicable Tax Year added to the Unadjusted Tax Benefit from all previous Tax Years of this Agreement.

iii. "Unadjusted Tax Benefit" means for each year of this Agreement the total of all gross tax savings calculated for each year of the Agreement by multiplying the Applicant's taxable value for debt service taxes for each applicable Tax Year, minus the Tax Limitation Amount defined in Section 2.4 above, as Twenty Million Dollars (\$20,000,000.00), multiplied by the District's Maintenance & Operations tax rate for the applicable Tax Year.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

A. Notwithstanding the foregoing, the total annual Supplement Payment made pursuant to this article shall:

i. not exceed in any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year; and

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

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

C. For purposes of this Agreement, the amount of the Annual Limit shall be \$50,000 based upon the District's 2014-2015 Average Daily Attendance of 120, rounded to the whole number.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO SUPPLEMENTAL PAYMENT LIMITATION.

A. During the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period, District shall, subject to the limitations set forth in Subsection 6.3(B) and Section 7.1, below, be entitled to receive supplemental payments equal to the Annual Limit, as defined in Section 6.2(C), above.

B. Beginning with the first year of the Tax Limitation Period, as defined in Section 2.3(D)(1), above, and continuing thereafter until December 31 of the third year following the end of the Tax Limitation Period, the supplemental payment owed by Applicant set forth in Subsection 6.3.(A) shall be further limited by the Stipulated Supplemental Payment Limit calculated under Section 6.4 below.

C. The amount owed by Applicant after taking into account the limitations in this Subsection 6.3(B) and Section 7.1 is known as the "Stipulated Supplemental Payment."

Section 6.4. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT LIMIT.

The Parties agree that for each Tax Year of this Agreement, beginning with the first year of the Tax Limitation Period, the supplemental payment owed by Applicant shall not exceed the "Stipulated Supplemental Payment Limit," as defined below. The Stipulated Supplemental Payment Limit will be calculated annually using 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;

Minus,

Any amounts previously paid to the District under Article IV for such Tax Year;

Multiplied by,

The number 0.4;

Minus,

Any amounts previously paid to the District under Sections 6.2 and 6.3, above, 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 selected pursuant to Section 4.4, above, shall adjust the Stipulated Supplemental Payment Limit and the Stipulated Supplemental Payment amount (if necessary) calculations to reflect any changes in the data.

Section 6.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.4, above.

B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6, above.

C. The payment of all amounts due under this Article shall be made by December 31 of the tax year for which the payment is due.

Section 6.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY.

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

Any designation of a successor beneficiary under this Section shall not alter the Cumulative Payments, Unadjusted Tax Benefit, Cumulative Unadjusted Tax Benefit, or the Stipulated Supplemental Payments calculated as described in this Article VI above.

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 7.1 ANNUAL LIMITATION.

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by Applicant to District for such Tax Year, plus the sum of all payments otherwise due from Applicant to District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance

and operations ad valorem taxes that Applicant would have paid to District for such Tax Year (determined by using 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 4.2 of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from Applicant to District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

Section 7.2. OPTION TO TERMINATE AGREEMENT.

In the event that any payment otherwise due from Applicant to District under Article IV, Article V, and/or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1 above, then the Applicant shall have the option to terminate this Agreement. Applicant may exercise such option to terminate this Agreement by notifying 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 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred.

Section 7.3. EFFECT OF OPTIONAL TERMINATION.

Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

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

B. the provisions of this Agreement regarding payments, records and dispute resolution shall survive the termination or expiration dates of this Agreement.

ARTICLE VIII **ADDITIONAL OBLIGATIONS OF APPLICANT**

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE.

In order to receive and maintain the limitation authorized by 2.4 in addition to the other obligations required by this Agreement, Applicant shall Maintain Viable Presence in District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided Applicant makes

commercially reasonable efforts to remedy the cause of such Force Majeure. The Final Termination Date will only be extended for the mutually agreed length of the Force Majeure.

Section 8.2. REPORTS.

In order to receive and maintain the limitation authorized by 2.4 in addition to the other obligations required by this Agreement, Applicant shall submit the following reports completed by Applicant to the satisfaction of Comptroller on the dates indicated on the form and starting on the first such due date after the Application Approval Date:

A. The Annual Eligibility Report, Form 50-772 located at Comptroller website <http://www.window.state.tx.us/taxinfo/taxforms/50-772.pdf>;

B. The Biennial Progress Report, Form 50-773, located at Comptroller website <http://www.window.state.tx.us/taxinfo/taxforms/50-773.pdf>; and

C. The Job Creation Compliance Report, Form 50-825, located at the Comptroller website http://www.texasahead.org/tax_programs/chapter313/forms.php.

Section 8.3. COMPTROLLER'S ANNUAL REPORT ON CHAPTER 313 AGREEMENTS.

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

Section 8.4. DATA REQUESTS.

During the term of this Agreement, and upon the written request of District, the State Auditor's Office, or Comptroller, the Applicant shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW.

Applicant shall allow authorized employees of District, the Comptroller, the Appraisal District, and/or the State Auditor's Office to have access to Applicant's Qualified Property and/or business records, in accordance with Section 22.07 of the TEXAS TAX CODE, from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of Applicant's Qualified Property.

A. 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 Applicant's Qualified Property.

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

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; INDEPENDENT AUDITS.

This Agreement is subject to review and audit by the State Auditor pursuant to Section 2262.003 of the TEXAS GOVERNMENT CODE and Section 331.010(a) of the TEXAS TAX CODE, and the following requirements:

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

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

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

C. Comptroller may require, at Applicant's or District's sole cost and expense, as applicable, independent audits by a qualified certified public accounting firm of Applicant's, District's or the Comptroller's books, records, or property. The independent auditor shall provide Comptroller with a copy of such audit at the same time it is provided to Applicant and/or District.

D. In addition to and without limitation on the other audit provisions of this Agreement, pursuant to Section 2262.003 of the TEXAS GOVERNMENT CODE, the state auditor may conduct an audit or investigation of Applicant or District or any other entity or person receiving funds from the state directly under this Agreement or indirectly through a subcontract under this Agreement. The acceptance of funds by Applicant or District or any other entity or person directly under this Agreement or indirectly through a subcontract under this Agreement acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, Applicant or District or other entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. This Agreement may be amended unilaterally by Comptroller to comply with any rules and procedures of the state auditor in the implementation and enforcement of Section 2262.003 of the TEXAS GOVERNMENT CODE.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS.

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

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct; and

B. acknowledges that if Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that Applicant has violated any of the representations, warranties, guarantees, certifications or affirmations included in the Application or this Agreement, Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by 34 Tex. Admin. Code § 9.1053(f)(2)(L).

ARTICLE IX **MATERIAL BREACH OR EARLY TERMINATION**

Section 9.1. EVENTS CONSTITUTING 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. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to an material representation,

information, or fact or is not complete as to any material fact or representation or such application;

B. Applicant failed to have complete Qualified Investment as required by Section 2.5 of this Agreement;

C. Applicant failed to create the number of Qualifying Jobs specified in Schedule C of the Application;

D. Applicant failed to pay the average weekly wage of all jobs in the county in which District's administrative office is located for all Non-Qualifying Jobs created by Applicant;

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

F. Applicant failed to provide payments to the District that protect District from the payment of extraordinary education related expenses related to the project, as more fully specified in Article V of this Agreement;

G. Applicant failed to provide such supplemental payments as more fully specified in Article VI of this Agreement;

H. Applicant failed to create and Maintain Viable Presence on and/or with the qualified property as more fully specified in Article VIII of this Agreement;

I. Applicant failed to submit the reports required to be submitted by section 8.2 to the satisfaction of Comptroller on the dates indicated on the form;

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

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

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

M. Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made

pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V, and VI, of this Agreement; or

N. Applicant fails either to:

i. Implement a plan to remedy non-compliance as required by Comptroller pursuant to 34 TAC Section 9.1059; or

ii. Pay a penalty assessed by Comptroller pursuant to 34 TAC Section 9.1059.

Section 9.2. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.

A. In the event that Applicant terminates this Agreement without the consent of District, except as provided in Section 7.2 of this Agreement, or in the event that Applicant 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 9.3, then 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 9.3.C on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, Applicant shall be entitled to a credit for all payments made to District pursuant to Article IV, V, and VI of this Agreement.

B. Notwithstanding Section 9.2.A, in the event that District determines that Applicant has failed to Maintain Viable Presence and provides written notice of termination of the Agreement, then Applicant shall pay to 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 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 Applicant to District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.2.C. For purposes of this liquidated damages calculation, Applicant shall be entitled to a credit for all payments made to District pursuant to Article IV, V, and VI. 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.

C. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, District shall first determine the base amount of recaptured taxes less all credits under Section 9.2.A owed for each Tax Year during the Tax Limitation Period. District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.2.A had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in

accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.3. LIMITED STATUTORY CURE OF MATERIAL BREACH.

In accordance with the provisions of Section 313.0275 of the Texas Tax Code, for any full tax year which commences after the project has become operational, Applicant may cure the Material Breaches of this Agreement, defined in Sections 9.1.C. or 9.1.D, above, without the termination of the remaining term of this Agreement. In order to cure its non-compliance with Sections 9.1.C. or 9.1.D for the particular Tax Year of non-compliance only, Applicant may make the liquidated damages payment required by Section 313.0275(b) of the Texas Tax Code, in accordance with the provisions of Section 313.0275(c) of the Texas Tax Code.

Section 9.3. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT.

A. 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 District as required by Section 8.1 of this Agreement, failing to make any payment required under this Agreement when due, or has otherwise committed a material breach of this Agreement, District shall provide 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 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.

B. 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 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, 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 9.2.A and B (net of all credits under Section 9.2.A and B), and the amount of any penalty and/or interest under Section 9.2.C that are owed to District.

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

Section 9.4. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under the second Section 9.3, 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 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 the second Section 9.3, 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 Wilbarger County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) District shall bear one-half of such mediator's fees and expenses and Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

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

C. In any event where a dispute between District and Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section, either District or 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 9.5. LIMITATION OF OTHER DAMAGES.

Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, District's damages for such a default shall under no circumstances exceed the greater of either any amounts calculated under Sections 9.2 above, or the monetary sum of the difference between the payments and credits due and owing to Applicant at the time of such default and District taxes that would have been lawfully payable to District had this Agreement not been executed. In addition, District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that

the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. BINDING ON SUCCESSORS.

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

ARTICLE X.
MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile 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.

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

David Thweatt, Superintendent
Harrold Independent School District
18106 Stewart Street
Harrold, Texas 76364
Fax: (940) 886-2215
Email: david.thweatt@harroldisd.net

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

Declan Flanagan
Chief Executive Officer
Lincoln Clean Energy, LLC
401 North Michigan Avenue, Suite 501
Chicago, Illinois 60611
Fax: (312) 237-4707
Email: dflanagan@lincolnclean.com

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

Section 10.2. AMENDMENTS TO AGREEMENT; WAIVERS.

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

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

- i. Applicant shall submit to District and Comptroller:
 - a. a written request to amend the Application and this Agreement which shall specify the changes Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by District and considered by Comptroller;
 - c. and any additional information requested by District or Comptroller necessary to evaluate the amendment or modification; and
- ii. Comptroller shall review the request and any additional information and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by Comptroller by the end of the 90 day period, the request is denied;
- iii. If Comptroller has not denied the request, District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

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

- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the Texas Tax Code;

ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

iii. define minimum eligibility requirements for the recipient of limited value.

D. This Agreement may not be amended to extend the value limitation time period beyond its ten year statutory term.

Section 10.4. ASSIGNMENT.

Any assignment of the interests of Applicant in this Agreement is considered an amendment to the Agreement and Applicant may only assign this Agreement, or a portion of this Agreement, after complying with the provisions of Section 10.2 regarding amendments to the Agreement.

Section 10.5. 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 10.6. 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 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 10.7. 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 the County.

Section 10.8. 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 10.9. 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 10.9, 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 10.10. 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 10.11. 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 10.12. 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 10.13. PUBLICATION OF DOCUMENTS.

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

A. Within seven (7) days of such document, the school district shall submit a copy to Comptroller for Publication on Comptroller's Internet website;

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

C. This Section does not require the publication of information that is confidential under Section 313.028 of the Texas Tax Code.

Section 10.14. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS.

Applicant shall immediately notify District in writing of any actual or anticipated change in the control or ownership of Applicant and of any legal or administrative investigations or proceedings initiated against Applicant regardless of the jurisdiction from which such proceedings originate.

Section 10.15. DUTY TO DISCLOSE.

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

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 24 day of September, 2015.

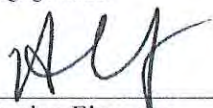
ELECTRA WIND, LLC

By: Electra Wind HoldCo, LLC
Its: Sole and Managing Member

By: Electra Wind SponsorCo, LLC
Its: Sole and Managing Member

By: Electra Wind SponsorCo Guarantor, LLC
Its: Sole and Managing Member

By: Lincoln Clean Energy, LLC
Its: Sole and Managing Member

By: 
Name: Declan Flanagan
Title: CEO

**HARROLD INDEPENDENT SCHOOL
DISTRICT**

By: 
DALE OWEN
President
Board of Trustees

Attest:

By: 
LARUE RAINWATER
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The Electra Wind, LLC Reinvestment Zone was created on April 27, 2015 by action of the Wilbarger County Commissioners Court. As a result of the action of the Commissioners Court, all of the following real and tangible personal property is within the boundaries of the *Electra Wind, LLC Reinvestment Zone*. A map of the reinvestment zone is attached as the last page of this **EXHIBIT 1** following the legal description of the zone.

Exhibit A

THE PROPOSED ELECTRA WIND, LLC REINVESTMENT ZONE INCLUDES THE FOLLOWING PROPERTY;

THE FOLLOWING SECTIONS IN BLOCK 12, H&TC RR CO SURVEY, WILBARGER COUNTY, TX: SECTIONS 1-4 AND 69-72;

THE FOLLOWING SECTIONS IN BLOCK 13, H&TC RR CO SURVEY, WILBARGER COUNTY, TX: SECTIONS 20-60;

THE FOLLOWING SECTIONS IN BLOCK 14, H&TC RR CO SURVEY, WILBARGER COUNTY, TX: SECTIONS 1-56;

THE FOLLOWING SECTIONS IN MK&T SURVEY, WILBARGER COUNTY, TX: SECTIONS 1-2;

THE FOLLOWING SECTIONS IN THE WAGGONER COLONY SUBDIVISION, WILBARGER COUNTY, TEXAS: SECTIONS 1-158,

ALL OF A-20, W. DANIEL SURVEY, WILBARGER COUNTY, TX;

ALL OF A-991, O.A. LINDSEY SURVEY, WILBARGER COUNTY, TX;

ALL OF A-2028, O.A. LINDSEY SURVEY, WILBARGER COUNTY, TX;

ALL OF A-571, W.M. ALSTON SURVEY, WILBARGER COUNTY, TX;

ALL OF A-1204, J.D. BUTLER SURVEY, WILBARGER COUNTY, TX;

ALL OF A-1108 J.B. SMALL SURVEY, WILBARGER COUNTY, TX;

ALL OF A-536, M.B. TATUM SURVEY, WILBARGER COUNTY, TX;

ALL OF A-1206, A.R. CUYLER SURVEY, WILBARGER COUNTY, TX;

ALL OF A-1208, A.R. CUYLER SURVEY, WILBARGER COUNTY, TX; AND

ALL OF A-14 J. COLLINGSWORTH SURVEY, WILBARGER COUNTY, TX.

ALL OF A-987 W.B. JORDAN SURVEY, WILBARGER COUNTY, TX.

MAP OF REINVESTMENT ZONE

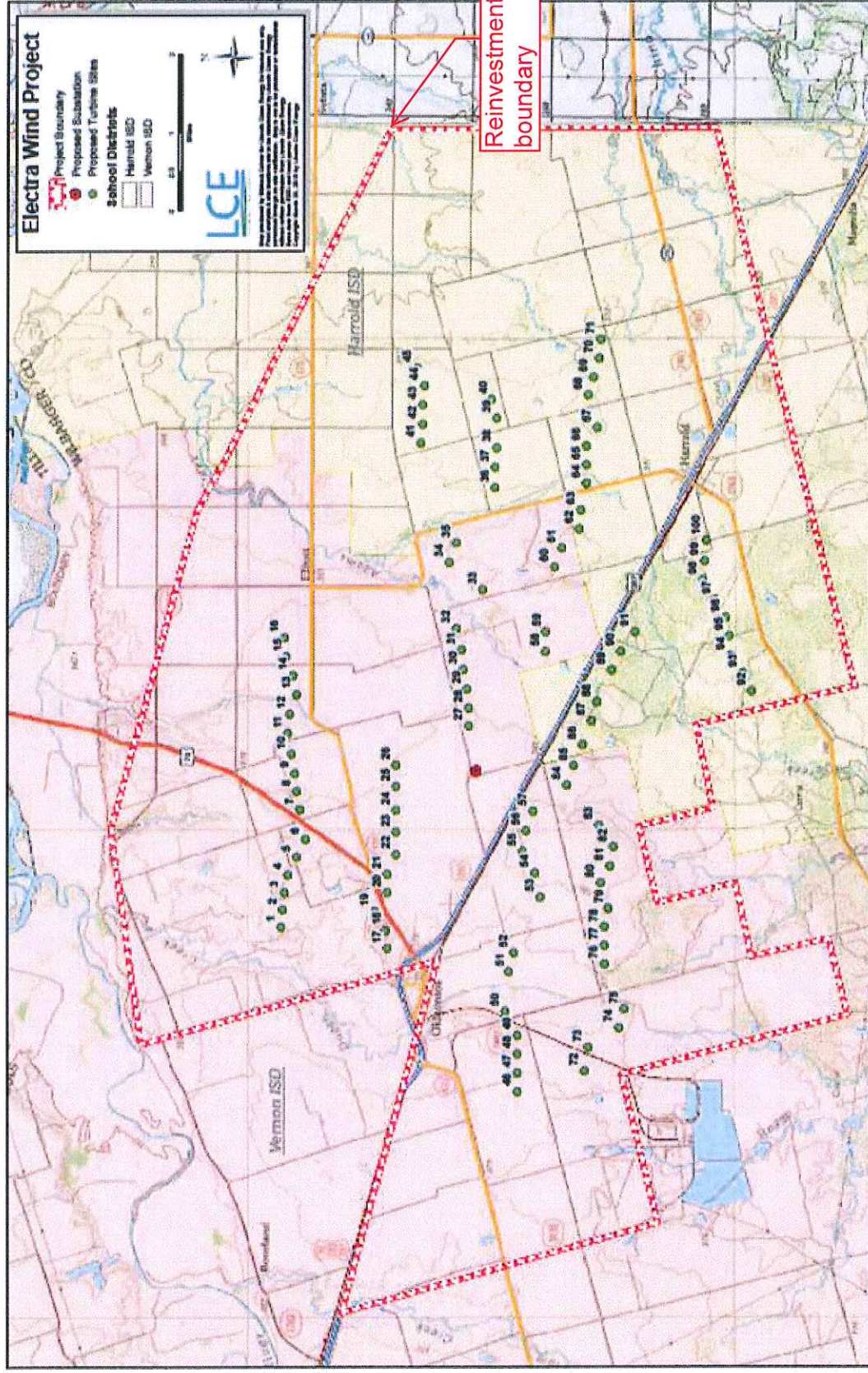


EXHIBIT 2

DESCRIPTION AND LOCATION OF THE APPLICANT'S QUALIFIED INVESTMENT

All Qualified Property owned or leased by the Applicant and located within the boundaries of both the Harrold Independent School District and the Electra Wind, LLC Reinvestment Zone first placed in service after May 26, 2015 will be included in and subject to this Agreement. Specifically, all Qualified Investment of the Applicant located in the sections of land identified in **EXHIBIT 1** and within the boundaries indicated on the map attached as the last page of **EXHIBIT 3**.

EXHIBIT 3

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property within Harrold ISD necessary for the commercial operations of the wind farm with an operating capacity of approximately 230 MW AC described in Tab 4 of the Application. Furthermore, all Qualified Property will be located within the boundaries indicated on the map attached on the last page of this **EXHIBIT 3**.

The qualified investment in Harrold ISD is expected to include approximately forty-one (41) GE 2.3MW wind turbine generators, including 80-meter towers, nacelles, rotors with 116m rotor diameter, and reinforced concrete foundations), pads, underground and overhead electric collection cables, access roads, met towers, spare parts and control systems as necessary for the commercial generation of electricity.

The project may include one or more buildings used to operate the project and hold maintenance supplies, replacement parts, and related equipment and various appurtenant equipment and personal property as is customarily used in the ownership, operation and maintenance of wind power facility. All of the property would be qualified property that would be subject to the appraised value limitation agreement.

Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

September 2, 2015

President and Members
Board of Trustees
Harrold Independent School District
18106 Stewart Street
Harrold, Texas 76364

Re: *Recommendations and Findings of the firm Concerning Application of Electra Wind LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Harrold Independent School District, with respect to the pending Application of Electra Wind LLC 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 over the course of the Agreement.

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

Sincerely,

Daniel T. Casey

www.moakcasey.com

Phone 512-485-7878

400 W. 15th Street★Suite 1410★Austin, TX 78701-1648

Fax 512-485-7888

O'HANLON, MCCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

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

September 2, 2015

President and Members
Of the Board of Trustees
Harrold Independent School District
18106 Stewart Street
Harrold, Texas 76364

*Re: Recommendations and Findings of the Firm Concerning Application of Electra
Wind LLC for Limitation on Appraised Value of Property for School District
Maintenance and Operations Taxes*

Dear President and Members of the Board of Trustees:

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

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.

4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Application of Electra Wind LLC 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", with a stylized flourish at the end.

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 24, 2015

David Thweatt
Superintendent
Harrold Independent School District
18106 Steward St.
Harrold, Texas 76364

Re: Agreement for Limitation on Appraised Value of Property for School District
Maintenance and Operations Taxes by and between Harrold Independent
School District and Electra Wind, LLC

Dear Superintendent Thweatt:

This office has been provided with the "Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes" by and between Harrold Independent School District and Electra Wind, LLC (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 Jenny Hicks, Economic Development & Local Government Section, at (512) 463-4794.

Sincerely,

A handwritten signature in blue ink, reading "Korry Castillo", is positioned above the printed name.

Korry Castillo
Director
Data Analysis & Transparency Division

cc: Tom Alvis, Moak, Casey & Associates LLP
Declan Flanagan, Lincoln Clean Energy, LLC

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

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

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

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

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

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

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