

FINDINGS
of the
DIMMITT INDEPENDENT
SCHOOL DISTRICT
BOARD OF TRUSTEES

Under Chapter 313 of the
Texas Tax Code

ON THE APPLICATION FOR
APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY

SUBMITTED BY

BETHEL WIND FARM LLC

Comptroller Application Number 1085

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

STATE OF TEXAS §
 §
COUNTY OF CASTRO §

PREAMBLE

On the 28th day of December, 2015, a public meeting of the Board of Trustees of the Dimmitt Independent School District (the “Board”) was held to solicit input from interested parties on the application by Bethel Wind Farm LLC and its predecessor in interest Orion Wind Resources, LLC (“Bethel Wind Farm” or “Applicant”) for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board considered the application by Bethel Wind Farm for a Limitation on Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District’s administrative staff and the consultants retained by the District to advise the Board in this matter and reviewing the Comptroller’s Economic Impact Evaluation under Texas Tax Code §313.026 and 34 T.A.C. §9.1054, the Board of Trustees of the Dimmitt Independent School District makes the following Findings regarding the Application:

On or about the 25th day of June, 2015, the Board of Trustees for the Dimmitt Independent School District received an Application for Appraised Value Limitation on Qualified Property from Bethel Wind Farm’s predecessor in interest, Orion Wind Resources, LLC, pursuant to Chapter 313 of the Texas Tax Code (the “Application”). The general nature of Applicant’s investment in qualified property set forth in the Application is for equipment and material related to the construction of a wind turbine electric generation facility (the “Property”). See Application, Tab 4, attached hereto as Attachment A. The Board agreed to consider such Application, and the District’s Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District, which was delivered to the Texas Comptroller of Public Accounts immediately upon a determination that the Application was complete. The Comptroller acknowledged receipt of the Application on or about July 17, 2015. On or about August 4, 2015, on behalf of Applicant, the District submitted Amendment No. 001 (reinvestment zone legal description and map), and Amendment No. 002 (amended wage data and reinvestment zone resolution) on or about August 19, 2015. The Comptroller issued its notice of completeness by letter dated September 17, 2015, the Application Review Start Date. Thereafter, on or about December 2, 2015, on behalf of Applicant, the District submitted Amendment No. 003 to change all references regarding Orion Wind Resources, LLC to its successor in interest to the Application, Bethel Wind Farm, LLC. The Application and Amendments Nos. 001, 002, and 003 are collectively referred to as the

“Application.” A copy of the Application and Comptroller’s completeness letter of September 17, 2015 are attached hereto as Attachment A.

The Texas Taxpayer Identification number for Bethel Wind Farm LLC is 32057966445. Bethel Wind Farm is an entity subject to Chapter 171 of the Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts as required by Texas Tax Code §313.024(a). See Attachments A, B and C.

The Board acknowledged receipt of the Application and necessary application fee as established by §313.025(a)(1) of the Texas Tax Code and Local District Policy.

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

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

The Application was reviewed by the Texas Comptroller’s Office pursuant to Texas Tax Code §§313.025 and 313.026. After receipt of the Application, the Texas Comptroller’s Office caused an Economic Impact Evaluation to be conducted. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value on December 8, 2015 that the Application be approved (the “Certification”). See Attachment C. The Board of Trustees has carefully considered such Evaluation and Certification. Copies of the Certification and Economic Impact Evaluation are attached to these Findings as Attachments C and D.

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

The Board has confirmed that the taxable value of industrial property in the Dimmitt Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, falls within a rural school district, Category III of §313.054 of the Texas Tax Code. See Comptroller’s “2014 ISD Summary Worksheet,” attached hereto as Attachment G; *see also* Attachment D.

After receipt of the completed Application, the District entered into negotiations with Bethel Wind Farm regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the “Agreement”) pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The parties were able to agree upon language for inclusion into a draft agreement pursuant to Texas Tax Code §313.027. Some of the terms agreed to by the parties were at variance with specific language contained in Comptroller Form 50-286. Such changes were submitted to the Texas Comptroller for review pursuant to 34 Tex. Admin. Code

§9.1055(e)(1). At the specific direction of the Comptroller's Office, the parties used the template Texas Economic Development Agreement. As required by the Comptroller's Office, the parties changed only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement was submitted to and approved by the Comptroller as set out under 34 Texas Administrative Code §9.1015, *et seq.* See copy of December 18, 2015 Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I. 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. To date, no new form 50-286 has been issued.

After review of the Comptroller's Certification and Economic Impact Evaluation, and in consideration of its own analysis of Bethel Wind Farm's Application and all other substantive documentation related thereto, the Board, in addition to the above Findings, further finds as follows:

Board Finding Number 1.

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

In support of Finding Number 1, the Comptroller's Certification states:

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 [renewable electric power generation] 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.

* * *

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

See Attachment C.

Board Finding Number 2.

The Project proposed by Applicant is reasonably likely to generate tax revenue sufficient to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period.

In support of Finding Number 2, the Certification states:

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.

Also in support of Finding Number 2, the Economic Impact Evaluation states:

Attachment B - Tax Revenue over 25 Years

This represents the Comptroller's determination that Bethel Wind Farm 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 and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

[see tables on next pages]

	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	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2017	\$208,000	\$208,000	\$4,084,922	\$4,084,922
	2018	\$208,000	\$416,000	\$3,741,770	\$7,826,693
	2019	\$208,000	\$624,000	\$3,426,067	\$11,252,759
	2020	\$208,000	\$832,000	\$3,135,607	\$14,388,367
	2021	\$208,000	\$1,040,000	\$2,868,384	\$17,256,751
	2022	\$208,000	\$1,248,000	\$2,622,526	\$19,879,278
	2023	\$208,000	\$1,456,000	\$2,396,338	\$22,275,615
	2024	\$208,000	\$1,664,000	\$2,188,238	\$24,463,853
	2025	\$208,000	\$1,872,000	\$1,996,780	\$26,460,634
	2026	\$208,000	\$2,080,000	\$1,820,624	\$28,281,258
Maintain Viable Presence (5 Years)	2027	\$1,866,563	\$3,946,563	\$0	\$28,281,258
	2028	\$1,717,462	\$5,664,025	\$0	\$28,281,258
	2029	\$1,580,282	\$7,244,307	\$0	\$28,281,258
	2030	\$1,454,067	\$8,698,374	\$0	\$28,281,258
	2031	\$1,337,941	\$10,036,315	\$0	\$28,281,258
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$1,231,105	\$11,267,420	\$0	\$28,281,258
	2033	\$1,132,810	\$12,400,230	\$0	\$28,281,258
	2034	\$1,042,369	\$13,442,599	\$0	\$28,281,258
	2035	\$959,169	\$14,401,768	\$0	\$28,281,258
	2036	\$882,617	\$15,284,385	\$0	\$28,281,258
	2037	\$812,182	\$16,096,567	\$0	\$28,281,258
	2038	\$747,374	\$16,843,941	\$0	\$28,281,258
	2039	\$687,748	\$17,531,689	\$0	\$28,281,258
	2040	\$632,887	\$18,164,576	\$0	\$28,281,258
	2041	\$582,417	\$18,746,992	\$0	\$28,281,258
		\$18,746,992	is less than	\$28,281,258	
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?					No

Source: CPA, Bethel Wind Farm 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.

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2016	200	2,237	2437	\$8,000,000	\$129,451,172	\$137,451,172	\$19,630,432	-\$4,188,538	\$23,818,970
2017	10	78	88	\$482,030	\$16,363,673	\$16,845,703	\$823,975	\$1,762,390	-\$938,415
2018	10	13	23	\$482,030	\$10,260,158	\$10,742,188	\$617,981	\$1,754,761	-\$1,136,780
2019	10	(22)	-12	\$482,030	\$5,377,345	\$5,859,375	\$381,470	\$1,670,837	-\$1,289,367
2020	10	(45)	-35	\$482,030	\$2,325,587	\$2,807,617	\$244,141	\$1,487,732	-\$1,243,591
2021	10	(49)	-39	\$482,030	\$128,322	\$610,352	\$152,588	\$1,296,997	-\$1,144,409
2022	10	(37)	-27	\$482,030	\$128,322	\$610,352	\$198,364	\$1,113,892	-\$915,528
2023	10	(33)	-23	\$482,030	-\$359,960	\$122,070	\$144,958	\$946,045	-\$801,087
2024	10	(31)	-21	\$482,030	-\$482,030	\$0	\$183,105	\$823,975	-\$640,870
2025	10	(16)	-6	\$482,030	-\$604,100	-\$122,070	\$175,476	\$701,904	-\$526,428
2026	10	(16)	-6	\$482,030	-\$604,100	-\$122,070	\$144,958	\$587,463	-\$442,505
2027	10	(10)	0	\$482,030	-\$237,889	\$244,141	\$106,812	\$457,764	-\$350,952
2028	10	(8)	2	\$482,030	-\$237,889	\$244,141	\$99,182	\$350,952	-\$251,770
2029	10	(10)	0	\$482,030	-\$237,889	\$244,141	\$61,035	\$274,658	-\$213,623
2030	10	(12)	-2	\$482,030	-\$726,171	-\$244,141	\$38,147	\$183,105	-\$144,958
2031	10	(12)	-2	\$482,030	-\$482,030	\$0	\$7,629	\$91,553	-\$83,924
2032	10	(6)	4	\$482,030	-\$482,030	\$0	-\$15,259	\$22,888	-\$38,147
2033	10	(12)	-2	\$482,030	-\$726,171	-\$244,141	-\$68,665	-\$61,035	-\$7,630
2034	10	(16)	-6	\$482,030	-\$970,311	-\$488,281	-\$137,329	-\$114,441	-\$22,888
2035	10	(18)	-8	\$482,030	-\$1,702,733	-\$1,220,703	-\$190,735	-\$190,735	\$0
2036	10	(22)	-12	\$482,030	-\$2,191,014	-\$1,708,984	-\$244,141	-\$259,399	\$15,258
2037	10	(26)	-16	\$482,030	-\$2,435,155	-\$1,953,125	-\$305,176	-\$350,952	\$45,776
2038	10	(31)	-21	\$482,030	-\$3,167,577	-\$2,685,547	-\$305,176	-\$404,358	\$99,182
2039	10	(28)	-18	\$482,030	-\$3,167,577	-\$2,685,547	-\$366,211	-\$503,540	\$137,329
2040	10	(35)	-25	\$482,030	-\$4,388,280	-\$3,906,250	-\$442,505	-\$587,463	\$144,958
2041	10	(31)	-21	\$482,030	-\$4,144,139	-\$3,662,109	-\$473,022	-\$671,387	\$198,365
Total							\$20,462,034	\$6,195,068	\$14,266,966
							\$33,013,958	is greater than	\$28,281,258
Analysis Summary									
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?									Yes
Source: CPA, Bethel Wind Farm LLC									

See Attachment D.

Board Finding Number 3.

The Applicant will satisfy the requirements of Texas Tax Code §313.051(b) by creating ten (10) new qualifying jobs, which Applicant affirms such new qualifying jobs will meet all of the requirements set out in Texas Tax Code §313.021(3).

See Attachments A and D.

Board Finding Number 4.

The ability of the Applicant to locate the proposed wind energy facility in another

state or another region of this state is significant because of the highly competitive marketplace for economic development. Therefore, the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construction the Project in Texas.

See Attachment C.

In support of Finding Number 4, the Economic Impact Evaluation states:

The Comptroller has determined that the limitation on appraised value is a determining factor in the Bethel Wind Farm 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 applicant has made no existing investment to date on the project site.
- Per the applicant, no construction has commenced at the project site.
- According to applicant, it has a number of similar projects in other states, and appears to have a clear ability to build in other locations.
- Per the applicant, it "received a storm water permit to dig two holes in order to qualify for PTC."
- PTC stands for production tax credit.
- Per the applicant, economic return is a primary input for its decision to decide which state to invest in and many other states offer various tax incentives such that this project requires this incentive to be financially competitive.

See Attachment D.

Bethel Wind Farm further states, in Tab 5 of its Application, that:

Invenergy maintains a large portfolio of wind developments across the country, including in the nearby states of New Mexico, Oklahoma, and Kansas, all with similar wind resources and competitive regulatory environments. While the project entity, Bethel Wind Farm LLC, is specific to this location in Texas, the economic return for the project is constantly compared to returns from other locations within and outside of Texas. Invenergy has limited capital, human, and turbine resources, and must pick the best projects to advance as a company each year. The economic return is a primary input for this decision, and state and local incentives contribute to increase that economic return. Invenergy has other projects in similar stages of development in locations such as; Arriba, CO; Upstream, NE; Monument, KS; Red Plains, OK; Horn Mountain, NM. Many of these states mentioned offer other various tax incentives that require this project to receive a value limitation agreement to be financially competitive and allow it the best possibility of moving forward.

See Attachment A.

Board Finding Number 5.

The proposed limitation on appraised value for the qualified property is \$20,000,000.

See Attachments A and D.

Board Finding Number 6.

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

In support of this Finding, McDowell & Brown, LLC estimate in the District's Financial Impact Report, based on Bethel Wind Farm's Application, that the project would add \$412,781,000 to the tax base at the peak investment level for the 2017 tax year. This additional value is fully taxable for debt service taxes and can be used to meet any current or future debt needs. See Table I of Attachment E. See also Table 4 of Attachment D. In addition, the projected revenue gains from the proposed Agreement would be approximately \$1,539,846. See estimated supplemental payments in Table VI of Attachment E; see also Attachment H at Section 6.2.A.

Board Finding Number 7.

The effect of the Applicant's proposal, if approved, is not expected to increase the District's instructional facility needs. Dimmitt ISD can easily accommodate the projected student growth anticipated from Applicant's project with its existing facilities. However, possible increases in and/or changes to class size and personnel could cause the District to incur extraordinary educational expenses.

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

Bethel Wind Farm LLC provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that ten full-time employees are expected. It is not known whether these would be new employees to the Dimmitt ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

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

This minimal projected student growth can easily be accommodated with the current facilities of Dimmitt ISD.

See Attachment E. See also TEA's Facilities Impact Review Letter at Attachment F.

Board Finding Number 8.

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

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2015-2016	1.0400	0.330	0	0	0	0
2016-2017	1.0400	0.178	0	0	0	0
2017-2018	1.0400	0.105	4,292,922	4,084,922	(4,722,679)	(637,757)
2018-2019	1.0400	0.111	3,949,770	3,741,770	0	3,741,770
2019-2020	1.0400	0.116	3,634,067	3,426,067	0	3,426,067
2020-2021	1.0400	0.121	3,343,607	3,135,607	0	3,135,607
2021-2022	1.0400	0.126	3,076,384	2,868,384	0	2,868,384
2022-2023	1.0400	0.131	2,830,526	2,622,526	0	2,622,526
2023-2024	1.0400	0.137	2,604,338	2,396,338	0	2,396,338
2024-2025	1.0400	0.142	2,396,238	2,188,238	0	2,188,238
2025-2026	1.0400	0.147	2,204,780	1,996,780	0	1,996,780
2026-2027	1.0400	0.152	2,028,624	1,820,624	0	1,820,624
2027-2028	1.0400	0.157	1,866,563	0	0	0
2028-2029	1.0400	0.161	1,717,462	0	0	0
2029-2030	1.0400	0.167	1,580,282	0	0	0
2030-2031	1.0400	0.171	1,454,067	0	0	0
2031-2032	1.0400	0.175	1,337,941	0	0	0
Totals			38,317,573	28,281,258	(4,722,679)	23,558,579

Board Finding Number 9.

The projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does receive a limitation on appraised value with the projected depreciations of investment, is discernible from Table II of Attachment E (subtracting the amounts in the column labeled "Tax Savings with Agreement" from the column labeled "Taxes w/o Agreement"),

and is based on the assumption that the projected total maintenance and operations tax rate and interest and sinking fund tax rate per \$100 in valuation in each year of the Agreement will be as indicated in the Table.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2015-2016	1.0400	0.330	0	0	0	0
2016-2017	1.0400	0.178	0	0	0	0
2017-2018	1.0400	0.105	4,292,922	4,084,922	(4,722,679)	(637,757)
2018-2019	1.0400	0.111	3,949,770	3,741,770	0	3,741,770
2019-2020	1.0400	0.116	3,634,067	3,426,067	0	3,426,067
2020-2021	1.0400	0.121	3,343,607	3,135,607	0	3,135,607
2021-2022	1.0400	0.126	3,076,384	2,868,384	0	2,868,384
2022-2023	1.0400	0.131	2,830,526	2,622,526	0	2,622,526
2023-2024	1.0400	0.137	2,604,338	2,396,338	0	2,396,338
2024-2025	1.0400	0.142	2,396,238	2,188,238	0	2,188,238
2025-2026	1.0400	0.147	2,204,780	1,996,780	0	1,996,780
2026-2027	1.0400	0.152	2,028,624	1,820,624	0	1,820,624
2027-2028	1.0400	0.157	1,866,563	0	0	0
2028-2029	1.0400	0.161	1,717,462	0	0	0
2029-2030	1.0400	0.167	1,580,282	0	0	0
2030-2031	1.0400	0.171	1,454,067	0	0	0
2031-2032	1.0400	0.175	1,337,941	0	0	0
Totals			38,317,573	28,281,258	(4,722,679)	23,558,579

See also Comptroller's estimates at Table 4 of Attachment D.

Board Finding Number 10.

Based upon the Applicant's certification that the Application is true and correct, the Comptroller's Economic Impact Evaluation, the Comptroller's Certification, and the consultants' review of these and other documents, the Board has determined that the information provided by the Applicant in its Application was true and correct when it was submitted (see Attachments C, D and E).

Board Finding Number 11.

The Applicant (Taxpayer Id. 32057966445) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity. See Attachments A, B and C.

Board Finding Number 12.

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. Should it be required, the District will cooperate with the Applicant's efforts to ensure that the area remains designated as a reinvestment zone through the Final Termination Date of the Agreement.

See Attachment A, Tab 16.

Board Finding Number 13.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, includes adequate and appropriate revenue protection provisions for the District.

In support of this Finding and based on the information provided by Applicant in its Application, the District's Financial Impact Analysis demonstrates that the District will incur a revenue loss during tax year 2017 (school year 2017-18). However, the negative consequences of granting the value limitation are offset through the revenue protection provision of the Agreement and other revenue protection provisions agreed to by the Applicant and the District. See Table II in Attachment E, and proposed Agreement, Articles IV, at Attachment H.

Board Finding Number 14.

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

Board Finding Number 15.

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

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

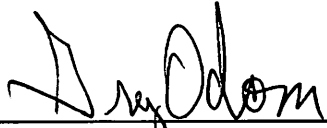
IT IS FURTHER ORDERED that the Application attached hereto as Attachment A is hereby APPROVED; and,

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

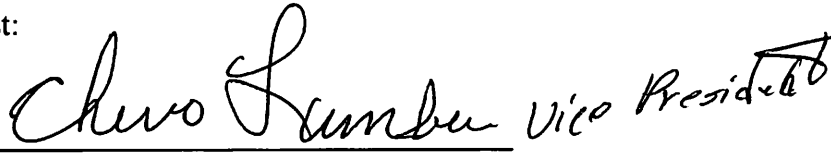
IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of the Dimmitt Independent School District Board of Trustees.

Dated this 28th day of December, 2015.

Dimmitt Independent School District

By 
Signature
Greg Odom President
Printed Name and Title

Attest:

By  Vice President
Signature
Chevo Lumbra
Printed Name and Title

LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Application and Comptroller's Completeness Letter
B	Franchise Tax Certification of Account Status
C	Comptroller's Certification Letter
D	Comptroller Economic Impact Analysis
E	District's Financial Impact Analysis
F	TEA's Facilities Impact Letter
G	Comptroller's 2014 ISD Property Value Study Report
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's December 18, 2015 Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 17, 2015

Bryan Davis
Superintendent
Dimmitt Independent School District
608 W. Halsell St.
Dimmitt, Texas 79027

Dear Superintendent Davis:

On July 17, 2015, the Comptroller's office received from Dimmitt Independent School District (Dimmitt ISD) an application from Orion Wind Resources, LLC for a limitation on appraised value (App #1085).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on Sept. 17, 2015.

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

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

Should you have any questions, please contact Jenny Hicks with our office. She can be reached by email at jenny.hicks@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-4794, or direct in Austin at 512-463-4794.

Sincerely,

A handwritten signature in black ink, appearing to read "Korry Castillo", is written over a large, stylized flourish.

Korry Castillo
Director
Data Analysis & Transparency Division

cc: Audie Sciumbato, Underwood Law Firm, P.C.
Nicholas Hiza, Orion Wind Resources, LLC

ORION WIND RESOURCES LLC

CHAPTER 313 APPLICATION FOR APPRAISED VALUE LIMITATION TO DIMMITT ISD

Comptroller Copy

TAB 1

Pages 1 through 9 of application.



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

June 25, 2015

Date Application Received by District

<u>Brian</u> First Name <u>Superintendent</u> Title <u>Dimmitt ISD</u> School District Name <u>608 W. Halsell St.</u> Street Address <u>608 W. Halsell St.</u> Mailing Address <u>Dimmitt</u> City <u>(806) 647-3101 Ext.511</u> Phone Number <u></u> Mobile Number (optional)	<u>Davis</u> Last Name <u>TX</u> State <u>(806) 647-5433</u> Fax Number <u>brdavis@dimmittisd.net</u> Email Address <u>79027</u> ZIP
--	--

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

SECTION 1: School District Information *(continued)*

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

Audie First Name Attorney Title Underwood Law Firm, P.C Firm Name (806) 364-2626 Phone Number Mobile Number <i>(optional)</i>	Sciumbato Last Name Fax Number Audie.Sciumbato@uwlaw.com Email Address
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4. On what date did the district determine this application complete? July 16, 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)*

Kelly First Name Vice President, Development Title One South Wacker Drive, Suite 1900 Street Address One South Wacker Drive, Suite 1900 Mailing Address Chicago City (312) 582-1421 Phone Number Mobile Number <i>(optional)</i>	Meyer Last Name Bethel Wind Farm LLC Organization IL State 60606 ZIP Fax Number KMeyer@invenergyllc.com Business Email Address
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2. Will a company official other than the authorized company representative be responsible for responding to future information requests? ☐ Yes ☒ No

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

First Name Title Street Address Mailing Address City Phone Number Mobile Number <i>(optional)</i>	Last Name Organization State ZIP Fax Number Business Email Address
--	--

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

Application for Appraised Value Limitation on Qualified Property

SECTION 2: Applicant Information (continued)**4. Authorized Company Consultant (If Applicable)**

Evan Horn
 First Name Last Name
 Agent
 Title
 Ryan LLC
 Firm Name
 (512) 476-0022
 Phone Number Fax Number
 Evan.Horn@Ryan.com
 Business Email Address

SECTION 3: Fees and Payments

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

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

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

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

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

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Bethel Wind Farm LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32057966445
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

SECTION 5: Applicant Business Structure

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

☒ 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
Note: Received a storm water permit to dig two holes in order to qualify for PTC.
5. Has the applicant received any local or state permits for activities on the proposed project site? ☒ Yes ☐ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☐ Yes ☒ No

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

SECTION 9: Projected Timeline

1. Application approval by school board November 2015
2. Commencement of construction December 2015
3. Beginning of qualifying time period November 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 Castro County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Castro 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: Castro, \$0.542, 100% (Name, tax rate and percent of project)	City: (Name, tax rate and percent of project)
Hospital District: Castro County Hospital, \$0.329, 100% (Name, tax rate and percent of project)	Water District: High Plains UWCD, \$0.008026, 100% (Name, tax rate and percent of project)
Other (describe): (Name, tax rate and percent of project)	Other (describe): Hereford ISD, \$1.04, 5% (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? 10,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
- Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☒ Yes ☐ No

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (**Tab 11**).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☒ No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (**Tab 9**);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
 - c. owner (**Tab 9**);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
 - e. a detailed map showing the location of the land with vicinity map (**Tab 11**).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☐ Yes ☒ No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
 - b. legal description of reinvestment zone (**Tab 16**);
 - c. order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
 - d. guidelines and criteria for creating the zone (**Tab 16**); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**).
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? July 2015

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

1. In **Tab 10**, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In **Tab 10**, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in **Tab 10**:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 0.00
5. In **Tab 10**, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property
(that property described in response to question 2): \$ 0.00

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

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? 10
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 684.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,040.00
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 927.00
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? 48,203.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 48,203.00
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**.

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>

TAB 2

Proof of Payment of Application Fee

Please find on the attached page, copy of the check for the \$80,000 application fee to Dimmitt Independent School District.

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)*

CHECKLIST ITEM #3

Combined Group Membership Documentation

The entity, Bethel Wind Farm LLC, was formed on 8/5/2015 after the latest combined group franchise tax filing was completed. Attached to this application is the aforementioned filing, of which Bethel Wind Farm LLC will be included in future years.

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

TAB 4

Detailed Description of the Project

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

Orion Wind Resources, LLC (Orion) is requesting an appraised value limitation from Dimmitt Independent School District (ISD) for the Orion Wind Project (the "Project"), a proposed wind powered electric generating facility in Castro County. The proposed Dimmitt ISD Project (this application) will be constructed within a Reinvestment Zone that will be created by Castro County in July or August of 2015. A map showing the location of the project is included in TAB 11.

The proposed Project is anticipated to have a capacity of up to 320 MW, with approximately 312 MW located in Dimmitt ISD and the remaining 8 MWs to be located in Hereford ISD (Hereford ISD portion is not included in this application and Orion is not requesting a value limitation on that portion of the project). The exact number and location of wind turbines and size of each turbine will vary depending upon ongoing wind and siting analysis, turbine manufacturer's availability, prices, and the megawatt generating capacity of the Project when completed. Current plans are to install 2.0 MW Vestas turbines with an estimated 156 turbines located in Dimmitt ISD. Orion is also constructing an overhead transmission generation tie line in Dimmitt ISD which is estimated to be up to approximately 7 miles in length. The Applicant requests a value limitation for all materials, facilities and equipment installed for the Project, including but not limited to, wind turbines, towers, foundations, roadways, buildings and offices, meteorological towers, collection system, communication system, electric substation, electric switchyard, electric transformers, transmission line and associated towers, and interconnection facilities.

Full construction of the Project is anticipated to begin in December of 2015 with completion by December 31, 2016.

**NOTE:* The map in TAB 11 shows the potential locations of 156 wind turbines, a collector substation and an operations and maintenance (O&M) building within Dimmitt ISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

CHECKLIST ITEM #5

Documentation to assist in determining if limitation is a determining factor

Invenergy maintains a large portfolio of wind developments across the country, including in the nearby states of New Mexico, Oklahoma, and Kansas, all with similar wind resources and competitive regulatory environments. While the project entity, Bethel Wind Farm LLC, is specific to this location in Texas, the economic return for the project is constantly compared to returns from other locations within and outside of Texas. Invenergy has limited capital, human, and turbine resources, and must pick the best projects to advance as a company each year. The economic return is a primary input for this decision, and state and local incentives contribute to increase that economic return. Invenergy has other projects in similar stages of development in locations such as; Arriba, CO; Upstream, NE; Monument, KS; Red Plains, OK; Horn Mountain, NM. Many of these states mentioned offer other various tax incentives that require this project to receive a value limitation agreement to be financially competitive and allow it the best possibility of moving forward.

TAB 6

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

- | | |
|----------------------------------|--------|
| 1) Castro County | - 100% |
| 2) Castro County Hospital | - 100% |
| 3) High Plains Water District #1 | - 100% |
| 4) Dimmitt ISD | - 95% |
| 5) Hereford ISD | - 5% |

TAB 7

Description of Qualified Investment

Orion Wind Resources, LLC plans to construct up to a 320 MW wind farm in Castro County.

This application covers all qualified property within Dimmitt ISD necessary for the commercial operations of the proposed wind farm described in Tab 4. Approximately one hundred and fifty-six (156) will be located in Dimmitt ISD. For purposes of this application, the Project anticipates using 2.0 MW turbines manufactured by Vestas. Orion is also constructing up to approximately 7 miles of generation transmission tie line that will be in Dimmitt ISD.

This application covers all qualified investment and qualified property necessary for the commercial operations of the wind farm.

Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, buildings and offices, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, spare parts, and control systems necessary for commercial generation of electricity.

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

TAB 8

Description of Qualified Property

(See Tab 7)

TAB 9

Description of Land

See Attached

TAB 9 Attachment

All of Sections 120, 121, 122, 123, 142, 143, 144, 145, 164, 165, 166, and 167, Block M-7, BS & F Survey, Castro County, Texas.

All of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12, J.T. Jowell Subdivision of Capital Leagues 489 and 491, Castro County, Texas.

All of Section 1, J.A. Carter Survey, Castro County, Texas.

All of Section 2, T.L. Crews Survey, Castro County, Texas.

All of Sections 1, 12, and 13, Block 0-4, D & SE RR CO Survey, Castro County, Texas.

All of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, and 30, 31, & 32, Block 0-3, EL & RR CO Survey, Castro County, Texas.

All of Sections 1, 2, 3, and 4, S.S. Evants Survey, Castro County, Texas.

All of Section 5, W.R. Evants Survey, Castro County, Texas.

All of League 3, Gregg CSL Survey, Castro County, Texas.

All of Sections 31, 32, 33, and 34, Bock M10A, HE & WT RR CO Survey, Castro County, Texas.

All of Sections 1, 2, 3, and 4, G.W. Irwin Jr. Survey, Castro County, Texas.

All of Sections 5, 6, and 7, G.W. Nelson Survey, Castro County, Texas.

All of Sections 1, 2, and 7, W.A. Odell Survey, Castro County, Texas.

All of League 6, Block M-10-A, R.T. Higginbotham Survey, Castro County, Texas.

All of League 490, Abner Taylor Survey, Castro County, Texas.

All of Sections 47, 48, 56, 57, 64, 65, 66, 67, 70, 71, 74, and 75, Block T, R.M. Thomson Survey, Castro County, Texas.

All of Sections 20, 21, 22, 23, 24, 25, 41, 42, and 43, Block T-4, T.A. Thomson Survey, Castro County, Texas.

All of League 7, Block M-10A, R. Williams Survey, Castro County, Texas.

All of Sections 23, 24, & 25, Block H, Kelly Subdivision, Castro County, Texas.

TAB 10

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

None

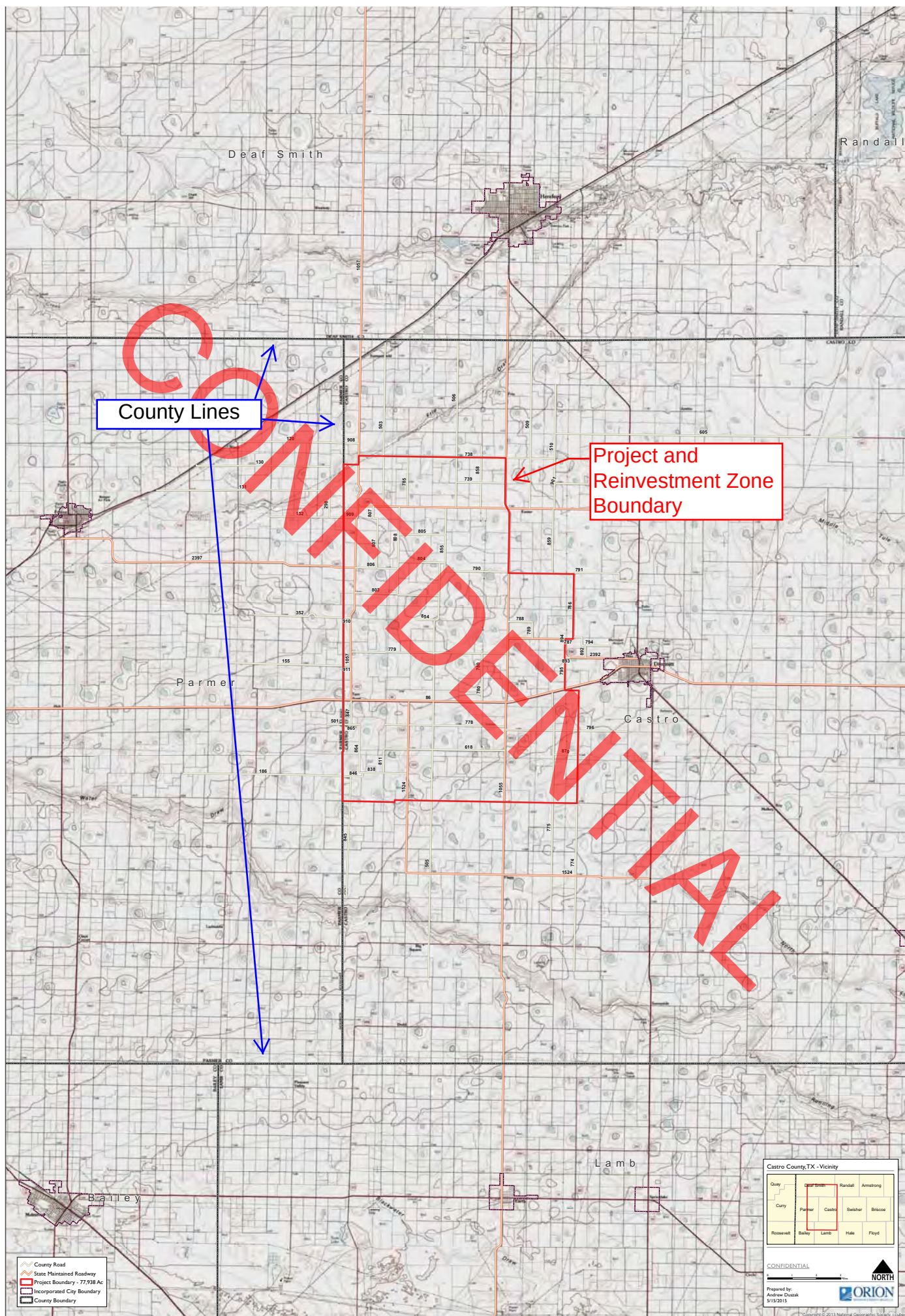
TAB 11

Maps that clearly show:

- a) Project vicinity
- b) Qualified investment including location of new building or new improvements
- c) Qualified property including location of new building 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

CONFIDENTIAL

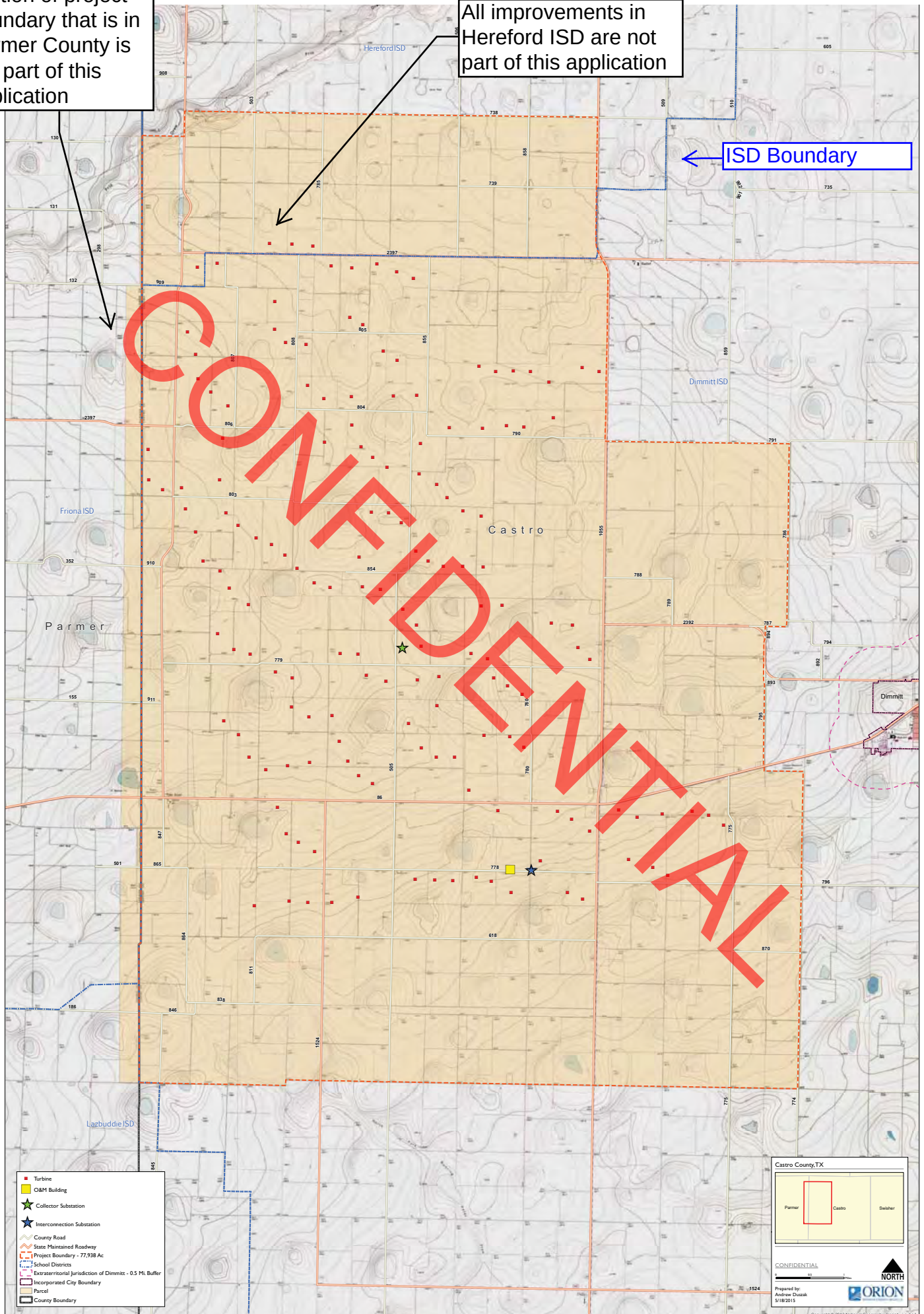
11 a) - Vicinity Map



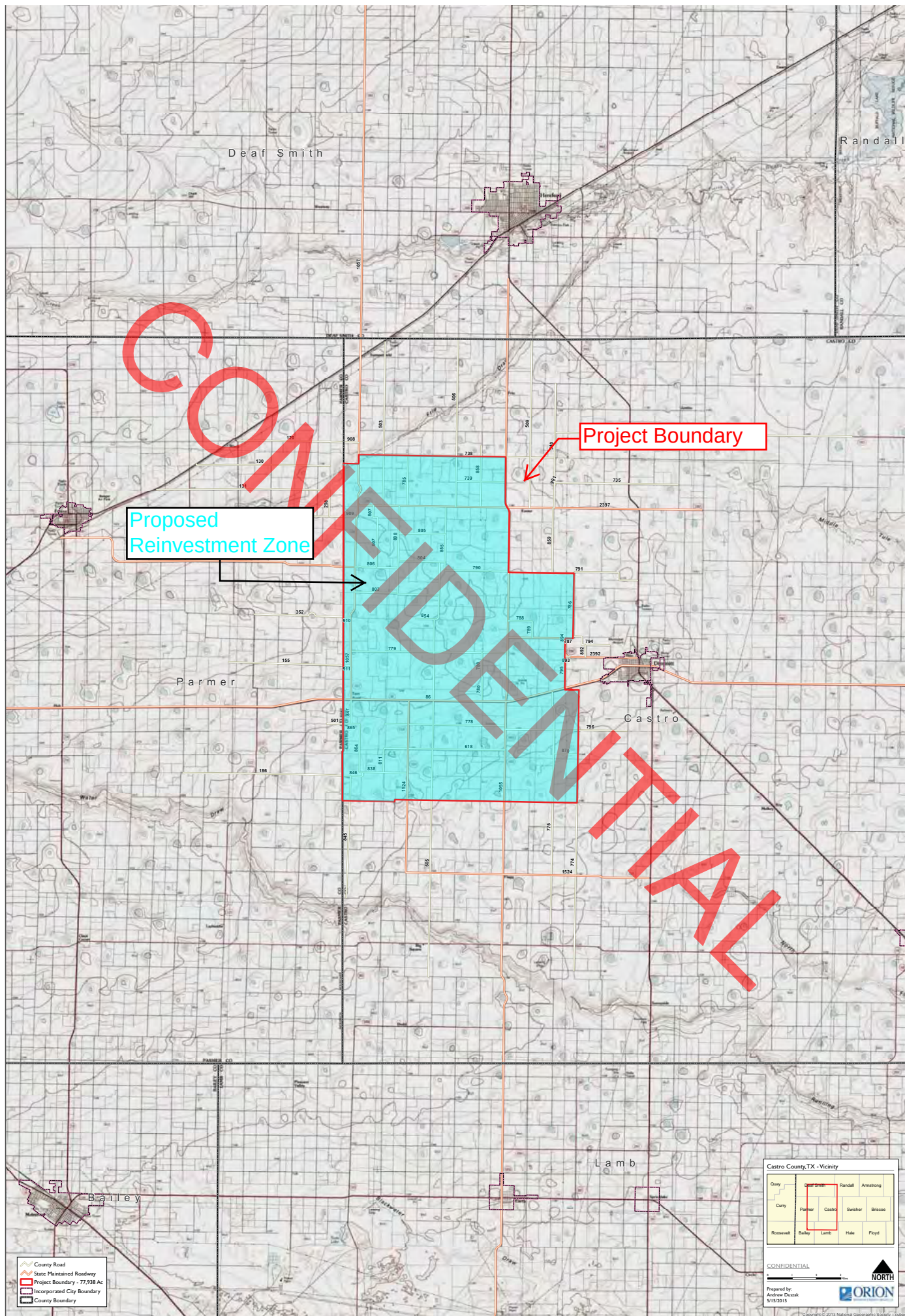
Portion of project boundary that is in Parmer County is not part of this application

All improvements in Hereford ISD are not part of this application

ISD Boundary



11 f) - Proposed Reinvestment Zone



TAB 12

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

Not Applicable

TAB 13

Calculation of three possible wage requirements with TWC documentation

- Castro County average weekly wage for all jobs (all industries)
- Castro County average weekly wage for all jobs (manufacturing)
- See attached Council of Governments Regional Wage Calculation and Documentation

ORION WIND RESOURCES LLC
TAB 13 TO CHAPTER 313 APPLICATION

CASTRO COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2015	\$ 664	\$ 34,528
SECOND	2014	\$ 648	\$ 33,696
THIRD	2014	\$ 670	\$ 34,840
FOURTH	2014	\$ 755	\$ 39,260
AVERAGE		\$ 684	\$ 35,581

CASTRO COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2015	\$ 947	\$ 49,244
SECOND	2014	\$ 943	\$ 49,036
THIRD	2014	\$ 847	\$ 44,044
FOURTH	2014	\$ 1,045	\$ 54,340
AVERAGE		\$ 946	\$ 49,166
X		110%	110%
		\$ 1,040	\$ 54,083

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Panhandle	2014	\$ 843	\$ 43,821
X		110%	110%
		\$ 927	\$ 48,203

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

Back

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	1st Qtr	Castro County	Private	00	0	10	Total, All Industries	\$664
2014	2nd Qtr	Castro County	Private	00	0	10	Total, All Industries	\$648
2014	3rd Qtr	Castro County	Private	00	0	10	Total, All Industries	\$670
2014	4th Qtr	Castro County	Private	00	0	10	Total, All Industries	\$755

Quarterly Employment and Wages (QCEW)

Back

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2015	1st Qtr	Castro County	Private	31	2	31-33	Manufacturing	\$947
2014	2nd Qtr	Castro County	Private	31	2	31-33	Manufacturing	\$943
2014	3rd Qtr	Castro County	Private	31	2	31-33	Manufacturing	\$847
2014	4th Qtr	Castro County	Private	31	2	31-33	Manufacturing	\$1,045

2014 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$24.18	\$50,305
1. Panhandle Regional Planning Commission	\$21.07	\$43,821
2. South Plains Association of Governments	\$16.75	\$34,834
3. NORTEX Regional Planning Commission	\$20.23	\$42,077
4. North Central Texas Council of Governments	\$25.32	\$52,672
5. Ark-Tex Council of Governments	\$17.80	\$37,017
6. East Texas Council of Governments	\$19.87	\$41,332
7. West Central Texas Council of Governments	\$19.41	\$40,365
8. Rio Grande Council of Governments	\$17.82	\$37,063
9. Permian Basin Regional Planning Commission	\$23.65	\$49,196
10. Concho Valley Council of Governments	\$18.70	\$38,886
11. Heart of Texas Council of Governments	\$20.98	\$43,636
12. Capital Area Council of Governments	\$28.34	\$58,937
13. Brazos Valley Council of Governments	\$17.57	\$36,547
14. Deep East Texas Council of Governments	\$17.76	\$36,939
15. South East Texas Regional Planning Commission	\$29.21	\$60,754
16. Houston-Galveston Area Council	\$26.21	\$54,524
17. Golden Crescent Regional Planning Commission	\$23.31	\$48,487
18. Alamo Area Council of Governments	\$19.46	\$40,477
19. South Texas Development Council	\$13.91	\$28,923
20. Coastal Bend Council of Governments	\$25.12	\$52,240
21. Lower Rio Grande Valley Development Council	\$16.25	\$33,808
22. Texoma Council of Governments	\$20.51	\$42,668
23. Central Texas Council of Governments	\$18.02	\$37,486
24. Middle Rio Grande Development Council	\$20.02	\$41,646

110% x \$43,821 =
 \$48,203

Source: Texas Occupational Employment and Wages

Data published: July 2015

Data published annually, next update will be July 31, 2016

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 14

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

See attached Schedules A1, A2, B, C and D

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2015	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	0
Investment made after filing complete application with district, but before final board approval of application				0	0	0	0	0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				0	0	0	0	0
Complete tax years of qualifying time period	QTP1	2016-2017	2016	420,700,000	500,000	0	0	421,200,000
	QTP2	2017-2018	2017	0	0	0	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				420,700,000	500,000	0	0	421,200,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				421,200,000				

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

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

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

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

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

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

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

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property {SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below				
				420,700,000	500,000	0	0	421,200,000
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2015-2016	2015	0	0	0	0	0
	0	2016-2017	2016	0	0	0	0	0
Value limitation period***	1	2017-2018	2017	0	0	0	0	0
	2	2018-2019	2018	0	0	0	0	0
	3	2019-2020	2019	0	0	0	0	0
	4	2020-2021	2020	0	0	0	0	0
	5	2021-2022	2021	0	0	0	0	0
	6	2022-2023	2022	0	0	3,120,000	0	3,120,000
	7	2023-2024	2023	0	0	3,120,000	0	3,120,000
	8	2024-2025	2024	0	0	3,120,000	0	3,120,000
	9	2025-2026	2025	0	0	3,120,000	0	3,120,000
	10	2026-2027	2026	0	0	3,120,000	0	3,120,000
Total Investment made through limitation				420,700,000	500,000	15,600,000	0	436,800,000
Continue to maintain viable presence	11	2027-2028	2027			4,680,000		4,680,000
	12	2028-2029	2028			4,680,000		4,680,000
	13	2029-2030	2029			4,680,000		4,680,000
	14	2030-2031	2030			4,680,000		4,680,000
	15	2031-2032	2031			4,680,000		4,680,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032			4,680,000		4,680,000
	17	2033-2034	2033			4,680,000		4,680,000
	18	2034-2035	2034			4,680,000		4,680,000
	19	2035-2036	2035			4,680,000		4,680,000
	20	2036-2037	2036			4,680,000		4,680,000
	21	2037-2038	2037			4,680,000		4,680,000
	22	2038-2039	2038			4,680,000		4,680,000
	23	2039-2040	2039			4,680,000		4,680,000
	24	2040-2041	2040			4,680,000		4,680,000
	25	2041-2042	2041			4,680,000		4,680,000

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

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

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

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

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

Date

6/23/2015

Applicant Name

ORION WIND RESOURCES, LLC

Form 50-296A

ISD Name

Dimmitt ISD

Revised May 2014

				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	0	0	0	0
	0	2016-2017	2016	0	0	0	0	0	0
Value Limitation Period	1	2017-2018	2017	0	495,000	412,286,000	412,781,000	412,781,000	20,000,000
	2	2018-2019	2018	0	482,600	379,303,000	379,785,600	379,785,600	20,000,000
	3	2019-2020	2019	0	470,500	348,959,000	349,429,500	349,429,500	20,000,000
	4	2020-2021	2020	0	458,700	321,042,000	321,500,700	321,500,700	20,000,000
	5	2021-2022	2021	0	447,200	295,359,000	295,806,200	295,806,200	20,000,000
	6	2022-2023	2022	0	436,000	271,730,000	272,166,000	272,166,000	20,000,000
	7	2023-2024	2023	0	425,100	249,992,000	250,417,100	250,417,100	20,000,000
	8	2024-2025	2024	0	414,500	229,993,000	230,407,500	230,407,500	20,000,000
	9	2025-2026	2025	0	404,100	211,594,000	211,998,100	211,998,100	20,000,000
	10	2026-2027	2026	0	394,000	194,666,000	195,060,000	195,060,000	20,000,000
Continue to maintain viable presence	11	2027-2028	2027	0	384,200	179,093,000	179,477,200	179,477,200	179,477,200
	12	2028-2029	2028	0	374,600	164,766,000	165,140,600	165,140,600	165,140,600
	13	2029-2030	2029	0	365,200	151,585,000	151,950,200	151,950,200	151,950,200
	14	2030-2031	2030	0	356,100	139,458,000	139,814,100	139,814,100	139,814,100
	15	2031-2032	2031	0	347,200	128,301,000	128,648,200	128,648,200	128,648,200
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032	0	338,500	118,037,000	118,375,500	118,375,500	118,375,500
	17	2033-2034	2033	0	330,000	108,594,000	108,924,000	108,924,000	108,924,000
	18	2034-2035	2034	0	321,800	99,906,000	100,227,800	100,227,800	100,227,800
	19	2035-2036	2035	0	313,800	91,914,000	92,227,800	92,227,800	92,227,800
	20	2036-2037	2036	0	306,000	84,561,000	84,867,000	84,867,000	84,867,000
	21	2037-2038	2037	0	298,400	77,796,000	78,094,400	78,094,400	78,094,400
	22	2038-2039	2038	0	290,900	71,572,000	71,862,900	71,862,900	71,862,900
	23	2039-2040	2039	0	283,600	65,846,000	66,129,600	66,129,600	66,129,600
	24	2040-2041	2040	0	276,500	60,578,000	60,854,500	60,854,500	60,854,500
	25	2041-2042	2041	0	269,600	55,732,000	56,001,600	56,001,600	56,001,600

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

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date 8/6/2015
Applicant Name ORION WIND RESOURCES, LLC
ISD Name Dimmitt ISD

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2015-2016	2015	0	0	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2016-2017	2016	200 FTE	40,000	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2017-2018	2017	N/A	N/A	0	10	48,203
	2	2018-2019	2018	N/A	N/A	0	10	48,203
	3	2019-2020	2019	N/A	N/A	0	10	48,203
	4	2020-2021	2020	N/A	N/A	0	10	48,203
	5	2021-2022	2021	N/A	N/A	0	10	48,203
	6	2022-2023	2022	N/A	N/A	0	10	48,203
	7	2023-2024	2023	N/A	N/A	0	10	48,203
	8	2024-2025	2024	N/A	N/A	0	10	48,203
	9	2025-2026	2025	N/A	N/A	0	10	48,203
	10	2026-2027	2026	N/A	N/A	0	10	48,203
Years Following Value Limitation Period	11 through 25	2027-2042	2027-2041	N/A	N/A	0	10	48,203

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

C1.

Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
If yes, answer the following two questions:

☐

Yes

☒

No

C1a.

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

☐

Yes

☐

No

C1b.

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

☐

Yes

☐

No

Schedule D: Other Incentives (Estimated)

Date 6/23/2015
Applicant Name ORION WIND RESOURCES, LLC
ISD Name Dimmitt 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: Castro County	2017	10 Years	Annual Avg. of \$1,708,775	see detail below	451,200
	City:	N/A	N/A	N/A	N/A	N/A
	Other: Castro Hospital	2017	10 Years	Annual Avg. of \$1,037,245	see detail below	268,800
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A		N/A	
Texas Enterprise Fund	N/A	N/A	N/A		N/A	
Employee Recruitment	N/A	N/A	N/A		N/A	
Skills Development Fund	N/A	N/A	N/A		N/A	
Training Facility Space and Equipment	N/A	N/A	N/A		N/A	
Infrastructure Incentives	N/A	N/A	N/A		N/A	
Permitting Assistance	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
TOTAL				2,746,020		720,000

Additional information on incentives for this project:

County Terms: Orion Wind Resources, LLC expects to apply for an abatement structured as follows: 100% abatement for 10 years with PILOT payment of \$1,410 per installed MW capacity
Hospital Terms: Orion Wind Resources, LLC expects to apply for an abatement structured as follows: 100% abatement for 10 years with PILOT payment of \$840 per installed MW capacity

TAB 15

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

None

TAB 16

Description of Reinvestment Zone 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 established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

16 a) Not Applicable

16 b) Will be submitted once Castro County creates the Reinvestment Zone

16 c) Will be submitted once Castro County creates the Reinvestment Zone

**RESOLUTION OF THE COMMISSIONERS COURT
OF CASTRO COUNTY, TEXAS
DESIGNATING REINVESTMENT ZONE NUMBER 2015-01**

**A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE
FOR A COMMERCIAL/INDUSTRIAL TAX ABATEMENT IN CASTRO COUNTY,
TEXAS, ESTABLISHING THE BOUNDARIES THEREOF, AND PROVIDING FOR AN
EFFECTIVE DATE.**

WHEREAS, the Commissioners Court of Castro County, Texas desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Property Tax Code § 312.001, *et seq.*), and the Tax Abatement Guidelines and Criteria of Castro County (the "Guidelines"); and

WHEREAS, on August 10, 2015, a hearing before the Commissioners Court of Castro County, Texas was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Castro County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

WHEREAS, the Commissioners Court of Castro County, Texas at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone; and

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

BE IT RESOLVED BY THE COMMISSIONERS COURT OF CASTRO COUNTY, TEXAS:

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

SECTION 2. That the Commissioners Court of Castro County, Texas, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed

reinvestment zone; and

- (b) That the boundaries of the proposed reinvestment zone should be the area described in the description attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B", both Exhibits being incorporated herein by reference for all purposes, and the contents of Exhibit "B" controlling in the event of any discrepancy between Exhibit "A" and Exhibit "B"; and,
- (c) That creation of the reinvestment zone will result in benefits to Castro County, Texas and to land included in the reinvestment zone and that the improvements sought are feasible and practical; and
- (d) The reinvestment zone meets the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of Castro County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Castro County, Texas.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, the Castro County Commissioners Court hereby creates Castro County Reinvestment Zone Number 2015-01; a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit "A" and depicted in Exhibit "B", and such reinvestment zone is hereby designated and shall hereafter be referred to as Castro County Reinvestment Zone Number 2015-01.

SECTION 4. That Castro County Reinvestment Zone Number 2015-01 shall take effect on August 10, 2015 and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of designation, and may be renewed for an additional five (5) year period thereafter.

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

SECTION 6. That it is hereby found, determined and declared that sufficient notice of the date, hour, place and subject, of the meeting of the Castro County Commissioners Court at which this Resolution was adopted was posted at a place convenient and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding

officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

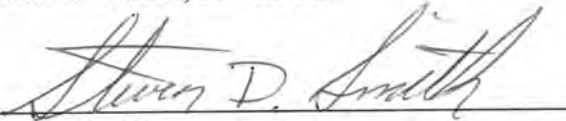
PASSED, APPROVED AND ADOPTED on this the 10th day of August, 2015.



Tom McClain
Commissioner, Precinct 1



Tim Elliot
Commissioner, Precinct 2



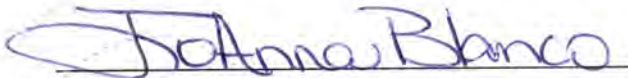
Steve Smith
Commissioner, Precinct 3



Ralph Brockman
Commissioner, Precinct 4



Carroll Gerber
County Judge



County Clerk

[COUNTY SEAL]

EXHIBIT A
DESCRIPTION OF
CASTRO COUNTY
REINVESTMENT ZONE 2015-01

All of Sections 120, 121, 122, 123, 142, 143, 144, 145, 164, 165, 166, and 167, Block M-7, BS & F Survey, Castro County, Texas.

All of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12, J.T. Jowell Subdivision of Capital Leagues 489 and 491, Castro County, Texas.

All of Section 1, J.A. Carter Survey, Castro County, Texas.

All of Section 2, T.L. Crews Survey, Castro County, Texas.

All of Sections 1, 12, and 13, Block 0-4, D & SE RR CO Survey, Castro County, Texas.

All of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, and 30, 31, & 32, Block 0-3, EL & RR CO Survey, Castro County, Texas.

All of Sections 1, 2, 3, and 4, S.S. Evants Survey, Castro County, Texas.

All of Section 5, W.R. Evants Survey, Castro County, Texas.

All of League 3, Gregg CSL Survey, Castro County, Texas.

All of Sections 31, 32, 33, and 34, Block M10A, HE & WT RR CO Survey, Castro County, Texas.

All of Sections 1, 2, 3, and 4, G.W. Irwin Jr. Survey, Castro County, Texas.

All of Sections 5, 6, and 7, G.W. Nelson Survey, Castro County, Texas.

All of Sections 1, 2, and 7, W.A. Odell Survey, Castro County, Texas.

All of League 6, Block M-10-A, R.T. Higginbotham Survey, Castro County, Texas.

All of League 490, Abner Taylor Survey, Castro County, Texas.

All of Sections 47, 48, 56, 57, 64, 65, 66, 67, 70, 71, 74, and 75, Block T, R.M. Thomson Survey, Castro County, Texas.

All of Sections 20, 21, 22, 23, 24, 25, 41, 42, and 43, Block T-4, T.A. Thomson Survey, Castro County, Texas.

All of League 7, Block M-10A, R. Williams Survey, Castro County, Texas.

All of Sections 23, 24, & 25, Block H, Kelly Subdivision, Castro County, Texas.

EXHIBIT B

MAP OF

REINVESTMENT ZONE 2015-01

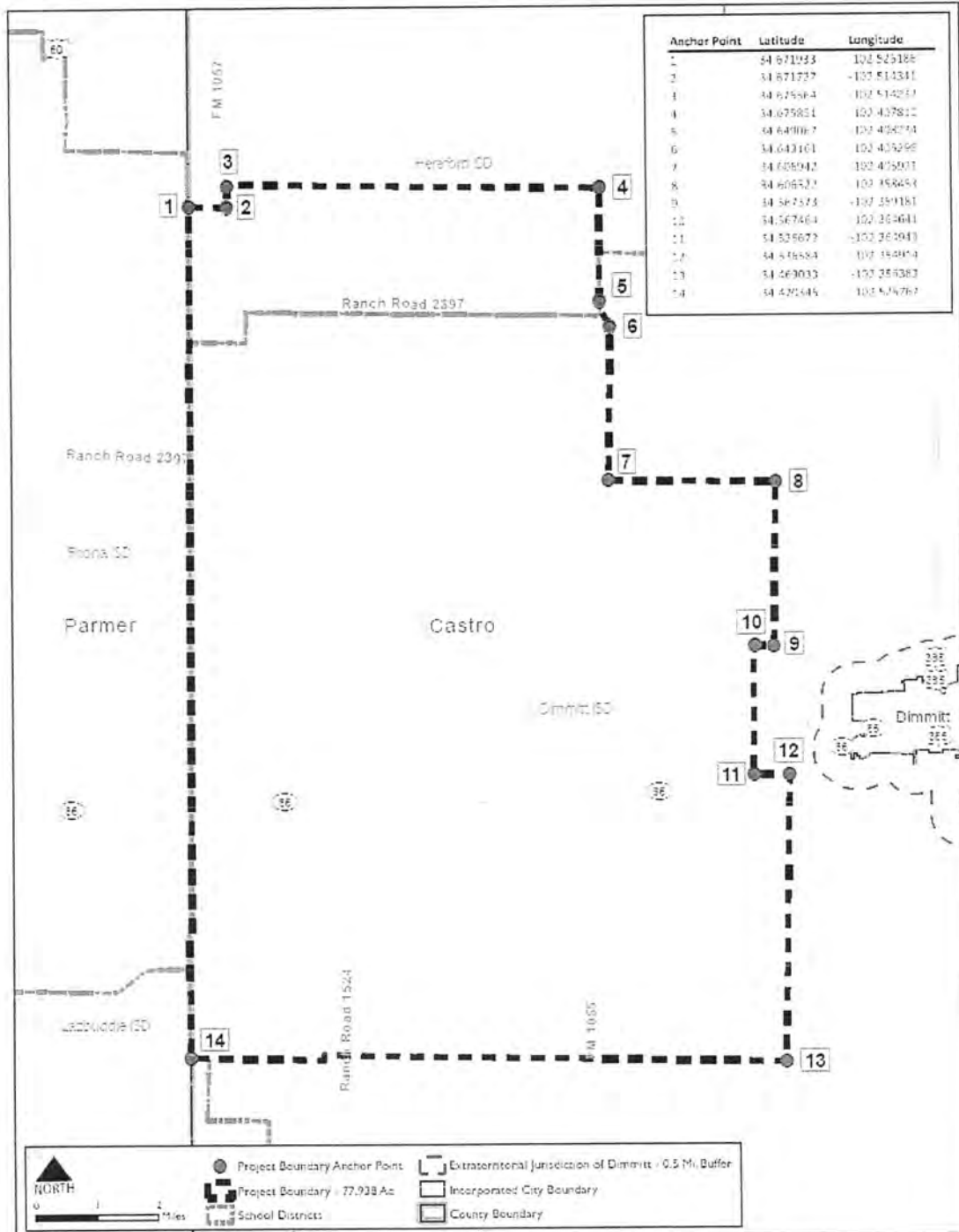


Exhibit "B"

(e) Ineligible Property. The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; housing; hotel accommodations; deferred maintenance investments; property to be rented or leased, except as provided in Section 2 (f); any improvements, including those to produce, store or distribute natural gas, fluids or gases, that are not integral to the operation of the facility; property owned or used by the State of Texas or its political subdivision or by any organization owned, operated, or directed by a political subdivision of the State of Texas.

(f) Owned and Leased Facilities. If a leased facility is granted abatement, the agreement shall be executed with the lessor and the lessee. "If the land is leased, but the facility constructed or installed thereon is owned by the lessee, the lessee shall execute the Agreement."

(g) Value and Term of Abatement. A tax abatement agreement granted by Castro County shall be up to but not exceeding ten (10) years in duration and up to but not exceeding 100% of the ad valorem property taxes assessed.

(h) Economic Qualification. In order to be eligible to receive tax abatement, the planned improvement:

(1) Must be reasonably expected to increase the value of the property in the amount of at least \$1,000,000 for new businesses and \$500,000 for existing businesses;

(2) Must be expected to prevent the loss of employment, retain employment, or create employment on a permanent basis;

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

(i) Existing Business. Recognizing the importance of cosmetic improvements to the community of those existing businesses that modernize or expand over and above normal repair and upkeep, they may be granted a two-year tax abatement of the amount of value the facility is increased. (If a business has a building appraised at \$500,000.00 and modernization or expansion changes the appraised value to \$1,000,000.00, \$500,000.00 of the new value could be abated for two years beginning January 1 after the year completed.)

#12

Resolution 03-11-13-01

**GUIDELINES AND CRITERIA FOR GRANTING TAX
ABATEMENT IN REINVESTMENT ZONES CREATED IN THE
JURISDICTION OF CASTRO COUNTY, TEXAS.**

WHEREAS, the creation and retention of job opportunities that bring new wealth is one of the highest civic priorities; and,

WHEREAS, new jobs and investments will benefit the area economy, provide needed opportunities, strengthen the real estate market, and generate tax revenue to support local services; and,

WHEREAS, Castro County must compete with other localities across the nation currently offering tax inducements to attract new and modernization projects; and,

WHEREAS, any tax incentives offered in Castro County would reduce needed tax revenue unless these tax incentives are strictly limited in application to those new and existing industries that bring new wealth to the community; and,

WHEREAS, the abatement of property taxes, when offered to attract primary jobs in industries that bring in money from outside a community instead of merely recirculation dollars within a community, has been shown to be an effective method of enhancing and diversifying an area's economy; and,

WHEREAS, Texas law requires any eligible taxing jurisdiction to establish guidelines and criteria as to eligibility for tax abatement agreements prior to the granting of any future tax abatement, which guidelines and criteria are to remain unchanged for a two-year period unless amended by a three fourths (%) majority vote of the governing body, as provided by said state law; and,

WHEREAS, these guidelines and criteria shall not be constructed as implying or suggesting that the County of Castro, or any other taxing jurisdiction, is under any obligation to provide tax abatement or other incentives to any applicant, and all applicants shall be considered on a case-by-case basis; and,

WHEREAS, these guidelines and criteria are approved for circulation to all affected taxing jurisdiction for consideration as a common policy for all jurisdictions that choose to participate in tax abatement agreements;

NOW THEREFORE BE IT RESOLVED THAT, said guidelines and criteria are as follows:

Sec. 1. Definitions

(a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real property, and certain personal property, in a reinvestment zone designated by the County of Castro for economic development purposes.

(b) "Affected jurisdiction" means the County of Castro, and any other taxing jurisdiction with any substantial parts of its area located in Castro County; and that levies ad valorem taxes and provides services to property located in said County; and that chooses to participate in tax abatement agreements by, or pursuant to, these guidelines.

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(c) "Agreement" means a contractual agreement between a property owner or lessee, or both, and an affected jurisdiction for the purposes of tax abatement.

(d) "Base year value" means the assessed value of eligible property January 1 preceding the execution of the agreement, plus the agreed-upon value of eligible property improvements made after January 1 but before the execution of the agreement.

(e) "Deferred maintenance" means improvements necessary for continued operations that do not improve productivity or alter the process technology.

(f) "Distribution Center Facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used, primarily to receive, store, service, or distribute goods or materials owned by the facility operator.

(g) "Expansion" means the addition of permanent building and structures, fixed machinery and equipment for purposes of increasing production capacity.

(h) "Facility" means property improvements completed or in the process of construction that together comprise an integral whole.

(i) "Manufacturing Facility" means permanent buildings and structures, including fixed machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.

(j) "Modernization" means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of permanent buildings and structures, alteration, or installation of permanent buildings and structures, fixed machinery and equipment. Modernization shall include improvements for the purposes of increasing productivity or updating the technology of machinery or equipment or both.

(k) "New Facility" means a property previously undeveloped that is placed into service by means other than by, or in conjunction with, expansion or modernization.

(l) "Other basic industry" means permanent buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used, for the production of products or services that primarily serve a market that result in the creation of new permanent jobs, and that bring in new wealth.

(m) "Productive life" means the number of years a property improvement is expected to be in service in a facility.

(n) "Regional entertainment facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission of the general public.

(o) "Research facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used primarily for the research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

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(p) "Regional service facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used, to service goods.

(q) "Renewable Energy Resource" means a resource which produces energy derived from renewable energy technologies, as defined in PUC Substantive Rule 25.5.

Sec. 2. Criteria for Abatement and Designating a Reinvestment Zone.

(a) Authorized facility. A facility may be eligible for abatement if it is a manufacturing facility, research facility, distribution center or regional service facility, regional entertainment facility, renewable energy resource, or other basic industry.

(b) Creation of new value. Abatement may be granted only for the additional value of eligible property improvements made subsequent to, and specified in, an abatement agreement between Castro County and the property owner or lessee, subject to such limitation as Castro County may require.

(c) New and existing facilities. Abatement may be for new facilities and improvements to existing facilities purposes of modernization or expansion.

(d) Eligible property. Abatement may be extended to the value of permanent buildings and structures, fixed machinery and equipment, and certain other personal property, site improvements, and office space and related fixed improvements necessary to the operation and administration of the facility.

(e) Ineligible property. The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; housing; hotel accommodations; deferred maintenance investments; property to be rented or leased, except as provided in Section 2 (f); any improvements, including those to produce, store or distribute natural gas, fluids or gases, that are not integral to the operation of the facility; property owned or used by the State of Texas or its political subdivision or by any organization owned, operated, or directed by a political subdivision of the State of Texas.

(f) Owned and Leased Facilities. If a leased facility is granted abatement, the agreement shall be executed with the lessor and the lessee.

(g) Value and term of abatement. A tax abatement agreement granted by Castro County shall be up to but not exceeding ten (10) years in duration and up to but not exceeding 100% of the ad valorem property taxes assessed.

(h) Economic qualification. In order to be eligible to receive tax abatement the planned improvement:

(1) Must be reasonably expected to increase the value of the property in the amount of at least \$1,000,000 for new businesses and \$500,000 for existing businesses;

(2) Must be expected to prevent the loss of employment, retain employment, or create employment on a permanent basis;

(3) Must not be expected to solely or primarily have the effect of transferring employment from one part of the County of Castro to another; and,

(i) Existing business. Recognizing the importance of cosmetic improvements to the community of those existing businesses that modernize or expand over and above normal repair and upkeep, they may be granted a two-year tax abatement of the amount of value the facility is increased. (If a business has a building appraised at \$500,000.00 and modernization or expansion changes the appraised value to \$1,000,000.00, \$500,000.00 of the new value could be abated for two years beginning January 1 after the year completed.)

(j) Taxability. From the execution of the abatement agreement to the end of the agreement period taxes shall be assessed as follows:

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(1) The value of ineligible property as provided in Section 2 (e) shall be fully taxable; and,

(2) The base year value of existing eligible property as determined each year shall be fully taxable; and,

(3) The additional value of new eligible property shall be taxable in the manner described in Section 2(g, h, & i).

Sec. 3. Application and Hearing

(a) Any present or potential owner of taxable property in the jurisdiction of the Taxing Entities of the County of Castro, Texas may request tax abatement by filing a written request with the Castro County Commissioners Court.

(b) The application shall consist of a completed application form accompanied by: a nonrefundable application fee of \$1,000, a general description of the proposed use and the general nature and extent of the modernization, expansion, or new improvements to be undertaken; a descriptive list of the improvements that will be a part of the facility; a map and property description; and a time schedule for undertaking and completing the planned improvements.

In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require any financial and other information that may be appropriate for evaluating the financial capacity of the applicant and any other factors.

(c) After receipt of an application, the Commissioners Court shall determine within forty-five (45) days how to proceed with the application. Within this time frame, the Commissioners Court shall choose either to deny the application, consider the application, or consider the application on an expedited basis.

(d) Consideration of Application. If the County determines that the application should be further considered, then 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 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 2 and decides whether to designate the property for which an 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 (7) 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 an 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. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County.

(e) Expedited Consideration of Application. If the County determines that the application should receive expedited consideration, then 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 must publish notice of the hearing time, place and subject in the local newspaper. Also at this time, 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 the abatement is sought, along with a copy of the proposed tax abatement agreement. During the Commissioners Court meeting, the Commissioners Court shall evaluate the application against the criteria in Sections 2 and shall decide whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is designated, the Commissioners 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 the decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County.

(f) Confidentiality. As required by Section 312.003 of the Texas Tax Code, information that is provided to the County in connection with an application or a request for a tax abatement under this chapter 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 the abatement is sought is confidential and not subject to public disclosure until the tax abatement is executed.

(g) When the abatement is disapproved, an applicant may be granted a review, or rehearing, in which a new application and hearing may be required.

(h) Tax abatement may not be approved if the County finds that the application therefore was filed after the commencement of the construction, alteration, or installation of improvements related to a proposed modernization, expansion, or new facility.

(i) Request for variance from the provisions of Section 2 may be made in written form to the Commissioners Court of Castro County. Such request shall include all the items listed in Section 3 (b) above, together with a complete description of the circumstances that prompt the applicant to request variance. The approval process for a variance shall be identical to that for a standard application and may be supplemented by such additional requirements as may be deemed necessary by the County.

Sec. 4. Standards for Denying Approval of Abatement.

(a) If any affected jurisdiction is able to conclusively show cause in the public hearing why the granting of the abatement will have a substantial adverse effect on its bonds, tax revenue, service capacity, or the providing of services, Castro County shall deny the approval of abatement.

(b) An abatement agreement shall not be granted if it is determined that:

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

(2) The applicant has insufficient financial capacity;

(3) Planned or potential use of the property would constitute a hazard to public safety, health, or morals; or,

(4) Codes or laws would be violated.

Sec. 5. Effect of Approval of Application

(a).Castro County Commissioners Court acts only for the taxing entity of Castro County and for no other taxing entity within Castro County. The County's approval or disapproval of an application has no effect on any other taxing entity within the jurisdiction or their right to approve or disapprove an application. Only the governing bodies of the effected jurisdictions may grant tax abatements, and enter into tax abatement agreements with applicants.

Sec. 6. Tax Abatement Agreements

(a).The Castro County Commissioners Court after approval of an application shall enter into an agreement with the applicant. Such agreements shall be executed with the owner of the facility, and with the lessee when required. Such agreements shall include:

(1) The estimated value to be abated and the base year value;

(2) The percentage of value to be abated each year as provided in Sec. 2 (g, h, & i);

(3) The commencement date and the termination date of abatement;

(4) The proposed use of the facility, nature of construction, time schedule, map, property description, and improvements list as provided in application, Section 3 (b);

- (5) Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes recapture, administration, and assignment as provided in Sections 2 (a), 2 (f), 2 (g, h, & i), 7, 8, and 9;
- (6) Size of investment and average number of jobs involved. Such agreement shall normally be executed within 30 days after the applicant has forwarded all necessary information and documentation to the County; and,
- (7) The agreement shall stipulate that employees, or designated representatives, or both, of Castro County will have access to the reinvestment zone during the terms of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of 24 hours prior notice and will be conducted in such a manner that they will not unreasonably interfere with the construction or operation or both of the facility. All inspections will be made in the presence of one or more representatives of the company or individual and in accordance with the safety standards of the company or individual.

Sec. 7 Recapture

- (a) If the facility is completed and begins producing products or services, but subsequently discontinues producing products or services for any reason excepting fire, explosion, or other casualty or accident or natural disaster, for a period of one year during the abatement period, then the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to the affected jurisdiction within 60 days from the date of termination.
- (b) If the Castro County Commissioners Court determines that the company or individual is in default according to the terms and conditions of its agreement, the Commissioners Court shall notify the company or individual in writing at the address stated in the agreement, and if such default is not cured within 60 days from the date of such notice ("cure period"), then the agreement may be terminated.
- (c) If the company or individual (1) allows its ad valorem taxes owed to the County of Castro, or any other taxing entity in Castro County, to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest or both; or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the cure-period, the agreement may then be terminated, and all taxes previously abated by virtue of the agreement will be recaptured and paid within 60 days of the termination.

Sec. 8. Administration

- (a) The *Chief Appraiser* of the Castro County Appraisal District shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, any company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the *Chief Appraiser* shall notify the affected jurisdictions that levy taxes of the amount of the assessment.
- (b) Upon completion of construction, a designated representative of Castro County shall annually value each facility receiving abatement to insure compliance with the agreement and shall make a report to the Commissioners Court regarding the findings of each evaluation.

Sec. 9. Assignment

Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the affected jurisdiction, subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with the affected jurisdiction. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner, or the new lessee are liable to any taxing entity in Castro County for outstanding delinquent taxes or other obligations. Approval shall not be unreasonably withheld.

Sec. 10. Sunset Provision

The guidelines and criteria are effective upon the date of their adoption and will remain in force for two years unless amended by a three-quarters vote of the Castro County Commissioners Court, at which time the tax abatement contracts created according to these provisions will be reviewed to determine whether or not the goals have been achieved. Based on that review, the guidelines and criteria may be further modified, renewed or eliminated.

Moved, Seconded, and Passed Unanimously, This the _____ day of _____, 2013.

Carroll Gerber, Castro County Judge

Horce (Tom) McLain, Commissioner Precinct 1

Tim Elloit, Commissioner Precinct 2

Steve Smith, Commissioner Precinct 3

Dan Schmucker, Commissioner Precinct 4

ATTEST:

Joanna Blanco, County/District Clerk

VOL 0054 PAGE 248

CASTRO COUNTY TAX ABATEMENT APPLICATION
FOR
ECONOMIC DEVELOPMENT INCENTIVES
PROPERTY PROJECT DESCRIPTION

1. Property Owner Mailing Address

Telephone

2. Project Sponsor (If different than property owner)

Mailing address

Telephone

3. Applicant's Representative
Telephone

4. Property Address

Legal Description

(provide attachment if by metes and bounds)

5. Located within: Dimmitt ISD ____ Hart ISD ____ Nazareth ISD ____

6. Description of Project:

7. Date (s) projected for occupation of project/initiation of operations:

8. Employment Impact

- (a). How many jobs will be brought to Castro County?
- (b). What types of jobs will be created?
- (c). What will the total annual payroll be?

9. Fiscal Impact

- (a). How much real and personal property value will be added to the tax roles?
- (b). How much direct sales tax will be generated?
- (c). How will this project affect existing business and/or office facilities?
- (d). What infrastructure construction would be required?
- (e). What is the total annual operation budget of this facility projected to be?

10. Community Impact

- (a). What effect would the project have on the local housing market?
- (b). What environmental impact, if any, will be created by the project?

11. Type and value of incentive requested:

TAB 17

Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

See Attached



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

Bryan Davis

Superintendent

Print Name (Authorized School District Representative)

Title

sign
here

Signature (Authorized School District Representative)

Date

8-10-15

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

Nicholas Hiza

Chief Development Officer

Print Name (Authorized Company Representative (Applicant))

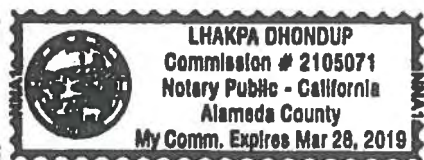
Title

sign
here

Signature (Authorized Company Representative (Applicant))

8/7/2015

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

day of

See California Trust Below
Notary Public in and for the State of Texas

My Commission expires:

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.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA COUNTY OF Alameda

Subscribed and sworn to (or affirmed) before me on this 7 day of Aug

20 15 by Nicholas Hiza

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Lhakpa Dhondup
(Signature of Notary)



Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

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print
here

Bryan Davis

Superintendent

Print Name (Authorized School District Representative)

Title

sign
here

Signature (Authorized School District Representative)

Date

7-27-15

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print
here

Nicholas Hiza

Chief Development Officer

Print Name (Authorized Company Representative (Applicant))

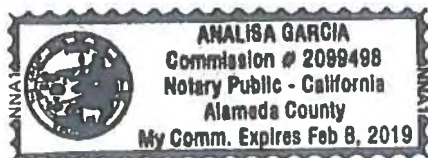
Title

sign
here

Signature (Authorized Company Representative (Applicant))

Date

7/27/15



(Notary Seal)

GIVEN under my hand and seal of office this, the

27 day of July, 2015

Analisa Garcia
Notary Public in and for the State of ~~Texas~~ California

My Commission expires: February 8, 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.



Application for Appraised Value Limitation on Qualified Property

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print
here

Bryan Davis

Superintendent

Print Name (Authorized School District Representative)

Title

sign
here

Signature (Authorized School District Representative)

Date

8-10-15

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print
here

Nicholas Hiza

Chief Development Officer

Print Name (Authorized Company Representative (Applicant))

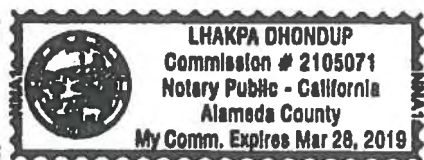
Title

sign
here

Signature (Authorized Company Representative (Applicant))

8/7/2015

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

day of

See California Trust Below
Notary Public in and for the State of Texas

My Commission expires:

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.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA COUNTY OF Alameda

Subscribed and sworn to (or affirmed) before me on this 7 day of Aug

20 15 by Nicholas Hiza

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Lhakpa Dhondup
(Signature of Notary)



Application for Appraised Value Limitation on Qualified Property

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1. Authorized School District Representative Signature

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print
here

Bryan Davis

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Bryan Davis
Signature (Authorized School District Representative)

12-2-15
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print
here

Kelly Meyer

Print Name (Authorized Company Representative (Applicant))

Vice President, Development

Title

sign
here

Kelly Meyer
Signature (Authorized Company Representative (Applicant))

12-2-15
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

2nd day of December, 2015

Ruth M. Nadolny
Notary Public in and for the State of Illinois

My Commission expires: 3.8.2017

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



Franchise Tax Account Status

As of: 12/13/2015 02:12:20 PM

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

BETHEL WIND FARM LLC	
Texas Taxpayer Number	32057966445
Mailing Address	211 E 7TH ST STE 620 AUSTIN, TX 78701-3218
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	08/05/2015
Texas SOS File Number	0802266787
Registered Agent Name	CORPORATION SERVICE COMPANY D/B/A CSC- LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 8, 2015

Bryan Davis
Superintendent
Dimmitt Independent School District
608 W. Halsell St.
Dimmitt, Texas 79027

Dear Superintendent Davis:

On Sept. 17, 2015, the Comptroller issued written notice that Bethel Wind Farm LLC (the applicant) submitted a completed application (Application #1085) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on June 25, 2015, to the Dimmitt 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 #1085.

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 Sept. 17, 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

These following tables summarize the Comptroller's economic impact analysis of Bethel Wind Farm LLC (the project) applying to Dimmitt 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 Bethel Wind Farm LLC.

Applicant	Bethel Wind Farm LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy – Wind
School District	Dimmitt ISD
Estimated 2014-2015 Average Daily Attendance	1075
County	Castro
Proposed Total Investment in District	\$421,200,000
Proposed Qualified Investment	\$436,800,000
Limitation Amount	\$20,000,000
Number of new qualifying jobs committed to by applicant	10
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$927
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$927
Minimum annual wage committed to by applicant for qualified jobs	\$48,203
Minimum weekly wage required for non-qualifying jobs	
Minimum annual wage required for non-qualifying jobs	
Investment per Qualifying Job	\$42,120,000
Estimated M&O levy without any limit (15 years)	\$38,317,573
Estimated M&O levy with Limitation (15 years)	\$10,036,315
Estimated gross M&O tax benefit (15 years)	\$28,281,258

Table 2 is the estimated statewide economic impact of Bethel Wind Farm LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2016	200	2,237	2437	\$8,000,000	\$129,451,172	\$137,451,172
2017	10	78	88	\$482,030	\$16,363,673	\$16,845,703
2018	10	13	23	\$482,030	\$10,260,158	\$10,742,188
2019	10	(22)	-12	\$482,030	\$5,377,345	\$5,859,375
2020	10	(45)	-35	\$482,030	\$2,325,587	\$2,807,617
2021	10	(49)	-39	\$482,030	\$128,322	\$610,352
2022	10	(37)	-27	\$482,030	\$128,322	\$610,352
2023	10	(33)	-23	\$482,030	-\$359,960	\$122,070
2024	10	(31)	-21	\$482,030	-\$482,030	\$0
2025	10	(16)	-6	\$482,030	-\$604,100	-\$122,070
2026	10	(16)	-6	\$482,030	-\$604,100	-\$122,070
2027	10	(10)	0	\$482,030	-\$237,889	\$244,141
2028	10	(8)	2	\$482,030	-\$237,889	\$244,141
2029	10	(10)	0	\$482,030	-\$237,889	\$244,141
2030	10	(12)	-2	\$482,030	-\$726,171	-\$244,141
2031	10	(12)	-2	\$482,030	-\$482,030	\$0

Source: CPA, REMI, Bethel Wind Farm 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		Dimmitt ISD I&S Levy	Dimmitt ISD M&O Levy	Dimmitt ISD M&O and I&S Tax Levies	Castro County Tax Levy	Castro County Hospital District Tax Levy	High Plains Underground Water Conservation District #1 Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.3300	1.0400		0.542	0.329	0.008026	
2017	\$412,781,000	\$412,781,000		\$1,362,177	\$4,292,922	\$5,655,100	\$2,237,273	\$1,358,049	\$33,130	\$9,283,552
2018	\$379,785,600	\$379,785,600		\$1,253,292	\$3,949,770	\$5,203,063	\$2,058,438	\$1,249,495	\$30,482	\$8,541,477
2019	\$349,429,500	\$349,429,500		\$1,153,117	\$3,634,067	\$4,787,184	\$1,893,908	\$1,149,623	\$28,045	\$7,858,760
2020	\$321,500,700	\$321,500,700		\$1,060,952	\$3,343,607	\$4,404,560	\$1,742,534	\$1,057,737	\$25,804	\$7,230,634
2021	\$295,806,200	\$295,806,200		\$976,160	\$3,076,384	\$4,052,545	\$1,603,270	\$973,202	\$23,741	\$6,652,758
2022	\$272,166,000	\$272,166,000		\$898,148	\$2,830,526	\$3,728,674	\$1,475,140	\$895,426	\$21,844	\$6,121,084
2023	\$250,417,100	\$250,417,100		\$826,376	\$2,604,338	\$3,430,714	\$1,357,261	\$823,872	\$20,098	\$5,631,946
2024	\$230,407,500	\$230,407,500		\$760,345	\$2,396,238	\$3,156,583	\$1,248,809	\$758,041	\$18,493	\$5,181,925
2025	\$211,998,100	\$211,998,100		\$699,594	\$2,204,780	\$2,904,374	\$1,149,030	\$697,474	\$17,015	\$4,767,892
2026	\$195,060,000	\$195,060,000		\$643,698	\$2,028,624	\$2,672,322	\$1,057,225	\$641,747	\$15,656	\$4,386,950
2027	\$179,477,200	\$179,477,200		\$592,275	\$1,866,563	\$2,458,838	\$972,766	\$590,480	\$14,405	\$4,036,489
2028	\$165,140,600	\$165,140,600		\$544,964	\$1,717,462	\$2,262,426	\$895,062	\$543,313	\$13,254	\$3,714,055
2029	\$151,950,200	\$151,950,200		\$501,436	\$1,580,282	\$2,081,718	\$823,570	\$499,916	\$12,196	\$3,417,400
2030	\$139,814,100	\$139,814,100		\$461,387	\$1,454,067	\$1,915,453	\$757,792	\$459,988	\$11,221	\$3,144,455
2031	\$128,648,200	\$128,648,200		\$424,539	\$1,337,941	\$1,762,480	\$697,273	\$423,253	\$10,325	\$2,893,331
			Total	\$12,158,461	\$38,317,573	\$50,476,033	\$19,969,350	\$12,121,617	\$295,708	\$82,862,709

Source: CPA, Bethel Wind Farm LLC

¹Tax Rate per \$100 Valuation

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

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

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

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought										
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Dimmitt ISD I&S Levy	Dimmitt ISD M&O Levy	Dimmitt ISD M&O and I&S Tax Levies	Castro County Tax Levy	Castro County Hospital District Tax Levy	High Plains Underground Water Conservation District #1 Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.3300	1.0400		0.542	0.329	0.008026	
2017	\$412,781,000	\$20,000,000		\$1,362,177	\$208,000	\$1,570,177	\$451,200	\$268,800	\$33,130	\$2,323,307
2018	\$379,785,600	\$20,000,000		\$1,253,292	\$208,000	\$1,461,292	\$451,200	\$268,800	\$30,482	\$2,211,774
2019	\$349,429,500	\$20,000,000		\$1,153,117	\$208,000	\$1,361,117	\$451,200	\$268,800	\$28,045	\$2,109,163
2020	\$321,500,700	\$20,000,000		\$1,060,952	\$208,000	\$1,268,952	\$451,200	\$268,800	\$25,804	\$2,014,756
2021	\$295,806,200	\$20,000,000		\$976,160	\$208,000	\$1,184,160	\$451,200	\$268,800	\$23,741	\$1,927,902
2022	\$272,166,000	\$20,000,000		\$898,148	\$208,000	\$1,106,148	\$451,200	\$268,800	\$21,844	\$1,847,992
2023	\$250,417,100	\$20,000,000		\$826,376	\$208,000	\$1,034,376	\$451,200	\$268,800	\$20,098	\$1,774,475
2024	\$230,407,500	\$20,000,000		\$760,345	\$208,000	\$968,345	\$451,200	\$268,800	\$18,493	\$1,706,837
2025	\$211,998,100	\$20,000,000		\$699,594	\$208,000	\$907,594	\$451,200	\$268,800	\$17,015	\$1,644,609
2026	\$195,060,000	\$20,000,000		\$643,698	\$208,000	\$851,698	\$451,200	\$268,800	\$15,656	\$1,587,354
2027	\$179,477,200	\$179,477,200		\$592,275	\$1,866,563	\$2,458,838	\$972,766	\$590,480	\$14,405	\$4,036,489
2028	\$165,140,600	\$165,140,600		\$544,964	\$1,717,462	\$2,262,426	\$895,062	\$543,313	\$13,254	\$3,714,055
2029	\$151,950,200	\$151,950,200		\$501,436	\$1,580,282	\$2,081,718	\$823,570	\$499,916	\$12,196	\$3,417,400
2030	\$139,814,100	\$139,814,100		\$461,387	\$1,454,067	\$1,915,453	\$757,792	\$459,988	\$11,221	\$3,144,455
2031	\$128,648,200	\$128,648,200		\$424,539	\$1,337,941	\$1,762,480	\$697,273	\$423,253	\$10,325	\$2,893,331
			Total	\$12,158,461	\$10,036,315	\$22,194,776	\$8,658,464	\$5,204,950	\$295,708	\$36,353,898
			Diff	\$0	\$28,281,258	\$28,281,258	\$11,310,886	\$6,916,667	\$0	\$46,508,811

Source: CPA, Bethel Wind Farm 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 Bethel Wind Farm 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 and direct, indirect and induced tax effects from project employment 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	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2017	\$208,000	\$208,000	\$4,084,922	\$4,084,922
	2018	\$208,000	\$416,000	\$3,741,770	\$7,826,693
	2019	\$208,000	\$624,000	\$3,426,067	\$11,252,759
	2020	\$208,000	\$832,000	\$3,135,607	\$14,388,367
	2021	\$208,000	\$1,040,000	\$2,868,384	\$17,256,751
	2022	\$208,000	\$1,248,000	\$2,622,526	\$19,879,278
	2023	\$208,000	\$1,456,000	\$2,396,338	\$22,275,615
	2024	\$208,000	\$1,664,000	\$2,188,238	\$24,463,853
	2025	\$208,000	\$1,872,000	\$1,996,780	\$26,460,634
	2026	\$208,000	\$2,080,000	\$1,820,624	\$28,281,258
Maintain Viable Presence (5 Years)	2027	\$1,866,563	\$3,946,563	\$0	\$28,281,258
	2028	\$1,717,462	\$5,664,025	\$0	\$28,281,258
	2029	\$1,580,282	\$7,244,307	\$0	\$28,281,258
	2030	\$1,454,067	\$8,698,374	\$0	\$28,281,258
	2031	\$1,337,941	\$10,036,315	\$0	\$28,281,258
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$1,231,105	\$11,267,420	\$0	\$28,281,258
	2033	\$1,132,810	\$12,400,230	\$0	\$28,281,258
	2034	\$1,042,369	\$13,442,599	\$0	\$28,281,258
	2035	\$959,169	\$14,401,768	\$0	\$28,281,258
	2036	\$882,617	\$15,284,385	\$0	\$28,281,258
	2037	\$812,182	\$16,096,567	\$0	\$28,281,258
	2038	\$747,374	\$16,843,941	\$0	\$28,281,258
	2039	\$687,748	\$17,531,689	\$0	\$28,281,258
	2040	\$632,887	\$18,164,576	\$0	\$28,281,258
	2041	\$582,417	\$18,746,992	\$0	\$28,281,258

\$18,746,992

is less than

\$28,281,258

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?

No

Source: CPA, Bethel Wind Farm 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.

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2016	200	2,237	2437	\$8,000,000	\$129,451,172	\$137,451,172	\$19,630,432	-\$4,188,538	\$23,818,970
2017	10	78	88	\$482,030	\$16,363,673	\$16,845,703	\$823,975	\$1,762,390	-\$938,415
2018	10	13	23	\$482,030	\$10,260,158	\$10,742,188	\$617,981	\$1,754,761	-\$1,136,780
2019	10	(22)	-12	\$482,030	\$5,377,345	\$5,859,375	\$381,470	\$1,670,837	-\$1,289,367
2020	10	(45)	-35	\$482,030	\$2,325,587	\$2,807,617	\$244,141	\$1,487,732	-\$1,243,591
2021	10	(49)	-39	\$482,030	\$128,322	\$610,352	\$152,588	\$1,296,997	-\$1,144,409
2022	10	(37)	-27	\$482,030	\$128,322	\$610,352	\$198,364	\$1,113,892	-\$915,528
2023	10	(33)	-23	\$482,030	-\$359,960	\$122,070	\$144,958	\$946,045	-\$801,087
2024	10	(31)	-21	\$482,030	-\$482,030	\$0	\$183,105	\$823,975	-\$640,870
2025	10	(16)	-6	\$482,030	-\$604,100	-\$122,070	\$175,476	\$701,904	-\$526,428
2026	10	(16)	-6	\$482,030	-\$604,100	-\$122,070	\$144,958	\$587,463	-\$442,505
2027	10	(10)	0	\$482,030	-\$237,889	\$244,141	\$106,812	\$457,764	-\$350,952
2028	10	(8)	2	\$482,030	-\$237,889	\$244,141	\$99,182	\$350,952	-\$251,770
2029	10	(10)	0	\$482,030	-\$237,889	\$244,141	\$61,035	\$274,658	-\$213,623
2030	10	(12)	-2	\$482,030	-\$726,171	-\$244,141	\$38,147	\$183,105	-\$144,958
2031	10	(12)	-2	\$482,030	-\$482,030	\$0	\$7,629	\$91,553	-\$83,924
2032	10	(6)	4	\$482,030	-\$482,030	\$0	-\$15,259	\$22,888	-\$38,147
2033	10	(12)	-2	\$482,030	-\$726,171	-\$244,141	-\$68,665	-\$61,035	-\$7,630
2034	10	(16)	-6	\$482,030	-\$970,311	-\$488,281	-\$137,329	-\$114,441	-\$22,888
2035	10	(18)	-8	\$482,030	-\$1,702,733	-\$1,220,703	-\$190,735	-\$190,735	\$0
2036	10	(22)	-12	\$482,030	-\$2,191,014	-\$1,708,984	-\$244,141	-\$259,399	\$15,258
2037	10	(26)	-16	\$482,030	-\$2,435,155	-\$1,953,125	-\$305,176	-\$350,952	\$45,776
2038	10	(31)	-21	\$482,030	-\$3,167,577	-\$2,685,547	-\$305,176	-\$404,358	\$99,182
2039	10	(28)	-18	\$482,030	-\$3,167,577	-\$2,685,547	-\$366,211	-\$503,540	\$137,329
2040	10	(35)	-25	\$482,030	-\$4,388,280	-\$3,906,250	-\$442,505	-\$587,463	\$144,958
2041	10	(31)	-21	\$482,030	-\$4,144,139	-\$3,662,109	-\$473,022	-\$671,387	\$198,365
						Total	\$20,462,034	\$6,195,068	\$14,266,966
							\$33,013,958	is greater than	\$28,281,258

Analysis Summary

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

Yes

Source: CPA, Bethel Wind Farm LLC

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 Bethel Wind Farm 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 applicant has made no existing investment to date on the project site.
- Per the applicant, no construction has commenced at the project site.
- According to applicant, it has a number of similar projects in other states, and appears to have a clear ability to build in other locations.
- Per the applicant, it “received a storm water permit to dig two holes in order to qualify for PTC.” PTC stands for production tax credit.
- Per the applicant, economic return is a primary input for its decision to decide which state to invest in and many other states offer various tax incentives such that this project requires this incentive to be financially competitive.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value

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

Supporting Information

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

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

Note: Received a storm water permit to dig two holes in order to qualify for PTC.
5. Has the applicant received any local or state permits for activities on the proposed project site? ☒ Yes ☐ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☐ Yes ☒ No

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

Supporting Information

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

CHECKLIST ITEM #5

Documentation to assist in determining if limitation is a determining factor

Invenergy maintains a large portfolio of wind developments across the country, including in the nearby states of New Mexico, Oklahoma, and Kansas, all with similar wind resources and competitive regulatory environments. While the project entity, Bethel Wind Farm LLC, is specific to this location in Texas, the economic return for the project is constantly compared to returns from other locations within and outside of Texas. Invenergy has limited capital, human, and turbine resources, and must pick the best projects to advance as a company each year. The economic return is a primary input for this decision, and state and local incentives contribute to increase that economic return. Invenergy has other projects in similar stages of development in locations such as; Arriba, CO; Upstream, NE; Monument, KS; Red Plains, OK; Horn Mountain, NM. Many of these states mentioned offer other various tax incentives that require this project to receive a value limitation agreement to be financially competitive and allow it the best possibility of moving forward.

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Bethel Wind Farm, LLC
Project #1085**

December 10, 2015

McDowell & Brown, LLC
School Finance Consulting

**Summary of Dimmitt ISD Financial Impact
of the
Limited Appraised Value Application
from
Bethel Wind Farm, LLC**

Introduction

Bethel Wind Farm, LLC applied for a property value limitation from Dimmitt Independent School District under Chapter 313 of the Tax Code. The application was submitted on June 25, 2015 and subsequently approved for consideration by the Dimmitt ISD Board of Trustees. Bethel Wind Farm, LLC (“Bethel Wind”), is requesting the property value limitation as a “renewable energy electric generation” project as listed in Sec. 313.024.(b) of the Tax Code.

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

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

Dimmitt ISD Financial Impact of Chapter 313 Agreement

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

Years Prior to Start of Value Limitation Period:

The first two years of the agreement are considered the “Prior to Start of Value Limitation Period” and the company’s school district taxes will be levied at one-hundred percent of the appraised value. The applicant has requested that tax years 2015 and 2016 be considered the years that are Prior to the Start of Value Limitation Period.

Value Limitation Period:

During the ten years of the Value Limitation Period, the qualifying entity’s taxable value will be reduced to the minimum qualified investment for the applicable school district as determined by the State Comptroller’s Office. Dimmitt ISD is considered a Rural category 3 District as categorized with total taxable value of industrial property of at least \$1 million but less than \$90 million. Thus, Dimmitt ISD has a minimum limitation amount of \$20 million. A qualifying entity’s taxable value would be reduced to \$20 million during this ten year period of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Dimmitt ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy. The applicant has requested that the Value Limitation Period to begin in tax year 2017 and continue through tax year 2026.

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

Tax years 2027 through 2031 will be the final five years of the agreement and the applicant agrees to maintain a viable presence with this project during this time.

Dimmitt ISD Financial Impact of Chapter 313 Agreement

Taxable Value Projections from Application

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

	Year	School Year	Tax Year	Projected Taxable Value	Actual Taxable Value
Each Year Prior to Start of Value Limitation Period	0	2015-2016	2015	0	0
	0	2016-2017	2016	0	0
Value Limitation Period	1	2017-2018	2017	412,781,000	20,000,000
	2	2018-2019	2018	379,785,600	20,000,000
	3	2019-2020	2019	349,429,500	20,000,000
	4	2020-2021	2020	321,500,700	20,000,000
	5	2021-2022	2021	295,806,200	20,000,000
	6	2022-2023	2022	272,166,000	20,000,000
	7	2023-2024	2023	250,417,100	20,000,000
	8	2024-2025	2024	230,407,500	20,000,000
	9	2025-2026	2025	211,998,100	20,000,000
	10	2026-2027	2026	195,060,000	20,000,000
Continue to Maintain Viable Presence	11	2027-2028	2027	179,477,200	179,477,200
	12	2028-2029	2028	165,140,600	165,140,600
	13	2029-2030	2029	151,950,200	151,950,200
	14	2030-2031	2030	139,814,100	139,814,100
	15	2031-2032	2031	128,648,200	128,648,200
Additional Years for 25 Year Economic Impact Study	16	2032-2033	2032	118,375,500	118,375,500
	17	2033-2034	2033	108,924,000	108,924,000
	18	2034-2035	2034	100,227,800	100,227,800
	19	2035-2036	2035	92,227,800	92,227,800
	20	2036-2037	2036	84,867,000	84,867,000
	21	2037-2038	2037	78,094,400	78,094,400
	22	2038-2039	2038	71,862,900	71,862,900
	23	2039-2040	2039	66,129,600	66,129,600
	24	2040-2041	2040	60,854,500	60,854,500
	25	2041-2042	2041	56,001,600	56,001,600

Dimmitt ISD Financial Impact of Chapter 313 Agreement

Taxable Value Impact from LAVA

The “Additional Value from Bethel Wind” represents the values that the company estimated as their taxable values in the application that was filed with the district. During tax years 2017 through 2026, the company’s taxable value will be limited to the \$20,000,000 minimum limitation amount of Dimmitt ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Bethel Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2015	0	n/a	0	0
Jan. 1, 2016	0	n/a	0	0
Jan. 1, 2017	412,781,000	(20,000,000)	392,781,000	20,000,000
Jan. 1, 2018	379,785,600	(20,000,000)	359,785,600	20,000,000
Jan. 1, 2019	349,429,500	(20,000,000)	329,429,500	20,000,000
Jan. 1, 2020	321,500,700	(20,000,000)	301,500,700	20,000,000
Jan. 1, 2021	295,806,200	(20,000,000)	275,806,200	20,000,000
Jan. 1, 2022	272,166,000	(20,000,000)	252,166,000	20,000,000
Jan. 1, 2023	250,417,100	(20,000,000)	230,417,100	20,000,000
Jan. 1, 2024	230,407,500	(20,000,000)	210,407,500	20,000,000
Jan. 1, 2025	211,998,100	(20,000,000)	191,998,100	20,000,000
Jan. 1, 2026	195,060,000	(20,000,000)	175,060,000	20,000,000
Jan. 1, 2027	179,477,200	n/a	0	179,477,200
Jan. 1, 2028	165,140,600	n/a	0	165,140,600
Jan. 1, 2029	151,950,200	n/a	0	151,950,200
Jan. 1, 2030	139,814,100	n/a	0	139,814,100
Jan. 1, 2031	128,648,200	n/a	0	128,648,200

Dimmitt ISD Financial Impact of Chapter 313 Agreement

Bethel Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Bethel Wind is \$23.56 million over the life of the Agreement. This net savings is after all tax savings and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement.

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

- The District has not held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.04 for the life of this agreement.
- The district currently has outstanding bonded indebtedness that are scheduled to payoff in 2037 and currently has a \$.33 I&S rate. The annual debt payment is approximately \$1,080,000. The additional value of the company will further reduce the I&S tax rate. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2015-2016	1.0400	0.330	0	0	0	0
2016-2017	1.0400	0.178	0	0	0	0
2017-2018	1.0400	0.105	4,292,922	4,084,922	(4,722,679)	(637,757)
2018-2019	1.0400	0.111	3,949,770	3,741,770	0	3,741,770
2019-2020	1.0400	0.116	3,634,067	3,426,067	0	3,426,067
2020-2021	1.0400	0.121	3,343,607	3,135,607	0	3,135,607
2021-2022	1.0400	0.126	3,076,384	2,868,384	0	2,868,384
2022-2023	1.0400	0.131	2,830,526	2,622,526	0	2,622,526
2023-2024	1.0400	0.137	2,604,338	2,396,338	0	2,396,338
2024-2025	1.0400	0.142	2,396,238	2,188,238	0	2,188,238
2025-2026	1.0400	0.147	2,204,780	1,996,780	0	1,996,780
2026-2027	1.0400	0.152	2,028,624	1,820,624	0	1,820,624
2027-2028	1.0400	0.157	1,866,563	0	0	0
2028-2029	1.0400	0.161	1,717,462	0	0	0
2029-2030	1.0400	0.167	1,580,282	0	0	0
2030-2031	1.0400	0.171	1,454,067	0	0	0
2031-2032	1.0400	0.175	1,337,941	0	0	0
Totals			38,317,573	28,281,258	(4,722,679)	23,558,579

Dimmitt ISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

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

- The current state funding formulas (in effect for 2015-2016 fiscal year) were used for state aid and recapture calculation purposes
 - Level 2 of Tier II yield - \$77.53 per weighted student in average daily attendance (WADA) per penny of tax effort
- The district’s tax rate for maintenance & operations (M&O) will remain at the same rate as for tax year 2015.
- A tax collection rate of 100% on current year tax levy with no projected delinquent taxes
- An annual taxable value increase of 2.0% was used to project the district’s taxable value, except as it related to the requested LAVA. The district’s 2015 taxable value was used as a baseline for all projections
- The district’s enrollment is projected to increase slightly; therefore, the projected ADA and WADA for school year 2014-2015 was increased by .25% per year for the life of the agreement.

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

Dimmitt ISD Financial Impact of Chapter 313 Agreement

Calculation of LAVA Impact on District's Finances

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

TABLE III – District Revenues *without* Bethel Wind Farm, LLC:

Fiscal Year	Total Taxable Value	M&O Taxes Compressed Rate	State Revenue	Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
2015-2016	396,515,120	3,997,615	7,107,957	0	11,105,572	861,891	11,967,463
2016-2017	262,833,122	2,674,163	5,771,273	0	8,445,436	379,298	8,824,735
2017-2018	267,889,785	2,724,224	7,129,216	0	9,853,441	584,386	10,437,827
2018-2019	273,047,580	2,775,286	7,105,060	0	9,880,346	585,562	10,465,909
2019-2020	278,308,532	2,827,370	7,074,615	0	9,901,984	586,746	10,488,730
2020-2021	283,674,703	2,880,495	7,048,413	0	9,928,908	587,937	10,516,845
2021-2022	289,148,197	2,934,683	7,015,880	0	9,950,562	589,135	10,539,698
2022-2023	294,731,161	2,989,954	6,987,552	0	9,977,506	590,341	10,567,847
2023-2024	300,425,784	3,046,331	6,952,852	0	9,999,182	591,554	10,590,736
2024-2025	306,234,299	3,103,835	6,922,314	0	10,026,149	592,774	10,618,923
2025-2026	312,158,985	3,162,489	6,890,642	0	10,053,131	594,001	10,647,133
2026-2027	483,198,216	4,855,778	6,852,519	0	11,708,297	896,973	12,605,270
2027-2028	478,862,496	4,812,854	5,168,537	0	9,981,391	575,782	10,557,173
2028-2029	475,280,043	4,777,388	5,238,303	0	10,015,691	578,156	10,593,847
2029-2030	472,415,523	4,749,029	5,295,257	0	10,044,286	580,504	10,624,790
2030-2031	470,235,920	4,727,451	5,350,312	0	10,077,763	582,823	10,660,586
2031-2032	468,710,399	4,712,348	5,398,517	0	10,110,865	585,113	10,695,978

Dimmitt ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues *with* Bethel Wind Farm *without* Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes Compressed Rate	State Revenue	Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
2015-2016	396,515,120	3,997,615	7,107,957	0	11,105,572	861,891	11,967,463
2016-2017	262,833,122	2,674,163	5,771,273	0	8,445,436	379,298	8,824,735
2017-2018	680,670,785	6,810,756	7,129,217	0	13,939,973	1,461,007	15,400,980
2018-2019	652,833,180	6,535,164	2,977,249	0	9,512,413	542,676	10,055,090
2019-2020	627,738,032	6,286,722	3,276,759	0	9,563,480	545,667	10,109,148
2020-2021	605,175,403	6,063,352	3,554,118	0	9,617,470	548,687	10,166,157
2021-2022	584,954,397	5,863,164	3,800,872	0	9,664,036	551,728	10,215,765
2022-2023	566,897,161	5,684,397	4,029,490	0	9,713,887	554,781	10,268,668
2023-2024	550,842,884	5,525,460	4,231,191	0	9,756,651	557,837	10,314,488
2024-2025	536,641,799	5,384,869	4,418,144	0	9,803,013	560,887	10,363,900
2025-2026	524,157,085	5,261,271	4,586,567	0	9,847,837	563,921	10,411,758
2026-2027	678,258,216	6,786,872	4,732,538	0	11,519,410	746,629	12,266,039
2027-2028	658,339,696	6,589,678	3,217,937	0	9,807,616	561,630	10,369,245
2028-2029	640,420,643	6,412,280	3,443,531	0	9,855,811	564,453	10,420,264
2029-2030	624,365,723	6,253,336	3,643,850	0	9,897,186	567,278	10,464,464
2030-2031	610,050,020	6,111,611	3,830,811	0	9,942,421	570,100	10,512,521
2031-2032	597,358,599	5,985,966	4,000,377	0	9,986,342	572,911	10,559,253

TABLE V – District Revenues *with* Bethel Wind Farm *with* Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes Comp Rate	State Revenue	Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Payment for District Losses	Total District Revenue
2015-2016	396,515,120	3,997,615	7,107,957	0	11,105,572	861,891	0	11,967,463
2016-2017	262,833,122	2,674,163	5,771,273	0	8,445,436	379,298	0	8,824,735
2017-2018	287,889,785	2,922,224	7,129,216	0	10,051,441	626,860	4,722,679	15,400,980
2018-2019	293,047,580	2,973,286	6,905,060	0	9,878,346	583,757	0	10,462,103
2019-2020	298,308,532	3,025,370	6,874,615	0	9,899,984	584,987	0	10,484,971
2020-2021	303,674,703	3,078,495	6,848,413	0	9,926,908	586,223	0	10,513,131
2021-2022	309,148,197	3,132,683	6,815,880	0	9,948,562	587,466	0	10,536,028
2022-2023	314,731,161	3,187,954	6,787,552	0	9,975,506	588,714	0	10,564,220
2023-2024	320,425,784	3,244,331	6,752,852	0	9,997,182	589,968	0	10,587,151
2024-2025	326,234,299	3,301,835	6,722,314	0	10,024,149	591,229	0	10,615,378
2025-2026	332,158,985	3,360,489	6,690,642	0	10,051,131	592,496	0	10,643,627
2026-2027	503,198,216	5,053,778	6,652,519	0	11,706,297	877,337	0	12,583,634
2027-2028	658,339,696	6,589,678	4,968,537	0	11,558,216	757,018	0	12,315,233
2028-2029	640,420,643	6,412,280	3,443,531	0	9,855,811	564,453	0	10,420,264
2029-2030	624,365,723	6,253,336	3,643,850	0	9,897,186	567,278	0	10,464,464
2030-2031	610,050,020	6,111,611	3,830,811	0	9,942,421	570,100	0	10,512,521
2031-2032	597,358,599	5,985,966	4,000,377	0	9,986,342	572,911	0	10,559,253

Dimmitt ISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79th Legislative Session and became effective for the 2006-2007 school year. Those formula changes had an effect on the district's financial impact from granting a property value limitation. Due to the district's "Hold Harmless" provision that was enacted in the funding formulas, some districts had the majority of the district's revenue losses (during the first year that the "limited appraised value" was used as the actual taxable value) offset with additional state funding. The funding that was available to offset those revenue losses was called Additional State Aid for Tax Reduction (ASATR) and those funds were phased out as a result of legislation in the 82nd Legislative Session in 2011. This legislation eliminated the ASATR funding for fiscal year 2017-2018 and thereafter and can have a significant financial impact for LAVA agreements that have a year three in 2017-2018 or later. The loss of ASATR funding can again cause a district to experience a significant loss of funds in year three of the agreement and consequently cause the company to have revenue protection payments during that year that are similar to those experienced prior to 2006-2007.

Dimmitt ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Bethel Wind Farm, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Dimmitt ISD by Bethel Wind, the projected amount of these payments over the life of the agreement is \$1,539,846 of the \$23.56 million net tax savings amount. This amount will be computed annually according to Section IV of the Agreement.

TABLE VI - Calculation of the Payment in Lieu of Taxes:

Fiscal Year	Net Tax Savings	Dimmitt ISD \$100/ADA	Bethel Wind's Share
2015-2016	0	0	0
2016-2017	0	109,989	(109,989)
2017-2018	(637,757)	109,989	(747,746)
2018-2019	3,741,770	109,989	3,631,781
2019-2020	3,426,067	109,989	3,316,078
2020-2021	3,135,607	109,989	3,025,618
2021-2022	2,868,384	109,989	2,758,395
2022-2023	2,622,526	109,989	2,512,537
2023-2024	2,396,338	109,989	2,286,349
2024-2025	2,188,238	109,989	2,078,249
2025-2026	1,996,780	109,989	1,886,791
2026-2027	1,820,624	109,989	1,710,635
2027-2028	0	109,989	(109,989)
2028-2029	0	109,989	(109,989)
2029-2030	0	109,989	(109,989)
2030-2031	0	0	0
2031-2032	0	0	0
Totals	23,558,579	1,539,846	22,018,733

Dimmitt ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
Richardson Elem.	EE-4	43	860	549	311
Dimmitt Middle Sch.	5-8	43	774	351	423
Dimmitt High School	9-12	33	594	306	288
Total			2,228	1,206	1,022

The building capacities are based on 20 students per classroom for elementary and 18 students per grade level at secondary schools. Dimmitt ISD is a early-education through 12th grade district.

Bethel Wind Farm, LLC provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that ten full-time employees are expected. It is not known whether these would be new employees to the Dimmitt ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

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

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

Dimmitt ISD Financial Impact of Chapter 313 Agreement

Conclusion

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

Bethel Wind Farm, LLC would benefit from reduced property taxes during the ten years of the Value Limitation Period. Although some of the tax savings would be used to offset district's revenue losses and payments in lieu of taxes to the District, Bethel Wind is projected to benefit from an 93% tax savings during that ten year period of this Agreement. Bethel Wind also has the option of terminating the Agreement if the amount paid to the District during a tax year is greater than the amount of taxes that would have been paid without the agreement; therefore, there is no inherent risk for the company from entering into the Agreement.

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



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

Michael Williams
Commissioner

September 29, 2015

Greg Odom, President
Board of Trustees
Dimmitt Independent School District
608 West Halsell Street
Dimmitt, TX 79027

Dear Mr. Odom:

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

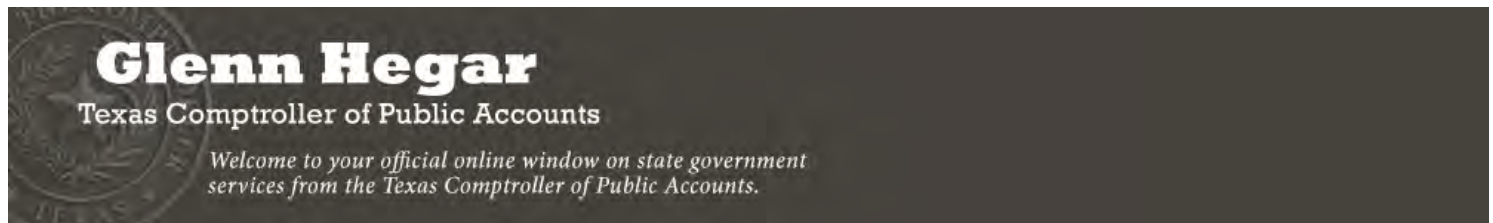
Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", with a long horizontal flourish extending to the right.

Al McKenzie, Manager
Foundation School Program Support

AM/rk
Cc: Bryan Davis



2014 ISD Summary Worksheet

035/Castro

035-901/Dimmitt ISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family Residences	75,599,000	N/A	75,599,000	75,599,000
B. Multi-Family Residences	1,570,550	N/A	1,570,550	1,570,550
C1. Vacant Lots	1,045,740	N/A	1,045,740	1,045,740
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	67,391,010	N/A	67,391,010	67,391,010
D2. Real Prop Farm & Ranch	12,098,390	N/A	12,098,390	12,098,390
E. Real Prop NonQual Acres	13,926,860	N/A	13,926,860	13,926,860
F1. Commercial Real	14,785,860	N/A	14,785,860	14,785,860
F2. Industrial Real	35,874,540	N/A	35,874,540	35,874,540
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	33,458,370	N/A	33,458,370	33,458,370
L1. Commercial Personal	12,803,170	N/A	12,803,170	12,803,170
L2. Industrial Personal	13,562,500	N/A	13,562,500	13,562,500
M. Other Personal	394,180	N/A	394,180	394,180
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	1,762,010	N/A	1,762,010	1,762,010
Subtotal	284,272,180		284,272,180	284,272,180
Less Total Deductions	24,066,451		24,066,451	24,066,451
Total Taxable Value	260,205,729		260,205,729	260,205,729 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
269,464,339	260,205,729	269,464,339	260,205,729	260,531,495	260,531,495
Loss To the Additional \$10,000 Homestead Exemption		50% of the loss to the Local Optional Percentage Homestead Exemption			
9,258,610		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
269,464,339	260,205,729	269,464,339	260,205,729	260,531,495	260,531,495

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

In 2015, the Texas Legislature passed House Bill 855, which requires state agencies to publish a list of the three most commonly used Web browsers on their websites. The Texas Comptroller's most commonly used Web browsers are Microsoft Internet Explorer, Google Chrome and Apple Safari.

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

by and between

DIMMITT INDEPENDENT SCHOOL DISTRICT

and

BETHEL WIND FARM LLC
(Texas Taxpayer ID # 32057966445)

TEXAS COMPTROLLER'S APPLICATION NO. 1085

Dated

December 28, 2015

Section 313.026 of the TEXAS TAX CODE, and on December 8, 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 December 28, 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 December 28, 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 December 18, 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 December 28, 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 officers, whose signatures appear below, 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 TEXAS ADMIN. CODE §9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS 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 Bethel Wind Farm LLC (Texas Taxpayer ID #32057966445), the company listed in the Preamble of this Agreement and its predecessor in interest Orion Wind Resources, LLC, the Applicant that was 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 June 25, 2015. 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 Castro County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Dimmitt 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 Castro County, Texas.

“District” or “School District” means the Dimmitt 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; and, (iii) 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 TEXAS 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 September 17, 2015, which will determine Applicant's Qualified Property and applicable wage standard.
- B. The Application Approval Date for this Agreement is December 28, 2015, which will determine the qualifying time period.
- C. The Qualifying Time Period for this agreement:
 - 1. Starts on December 28, 2015, Application Approval Date; and
 - 2. Ends on December 31, 2017.
- D. The Tax Limitation Period for this Agreement:
 - 1. Starts on January 1, 2017; and,
 - 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.

Section 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).

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.

Section 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 \$10,000,000 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.

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

A. provide payments to District sufficient to protect the 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. Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Articles V and VI in this Agreement. Subject to the limitations contained in this Agreement (including Section 7.1), IT IS THE INTENT OF THE PARTIES THAT THE RISK OF ANY NEGATIVE FINANCIAL CONSEQUENCE TO DISTRICT IN MAKING THE DECISION TO ENTER INTO THIS AGREEMENT WILL BE BORNE SOLELY BY APPLICANT AND NOT BY DISTRICT. Applicant recognizes and acknowledges the calculations relating to the District's loss of Maintenance and Operations Revenue under this Agreement will be affected by changes to the timing of construction of the Project and any change to the Qualified Investment/Qualified Property. As such, Applicant

acknowledges that it will bear any and all losses of Maintenance and Operations Revenue suffered by the District as a result of the Agreement, including without limitation any increase in the M&O Amount calculated under Section 4.2 to be paid to the District for losses in Maintenance and Operations Revenue resulting from any change in the timing of construction and/or any change to the Qualified Investment/Qualified Property.

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

Subject to the provisions of Section 7.1, the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date (as set out in **EXHIBIT 4**), 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:

A. The M&O Amount owed by Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue; based on the following definitions:

- i. “Original M&O Revenue” means the total State and local Maintenance and Operations Revenue that 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 had been subject to the full ad valorem maintenance & operations tax without any limitation on value.
- ii. “New M&O Revenue” means the total State and local Maintenance and Operations Revenue that District actually received for such school year.

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

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant’s Qualified Property will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 4.2 of this Agreement results in a negative number for the M&O Amount, the negative number will be considered to be zero.
- iv. All calculations made for the New M&O Revenue during the Tax Limitation Period under Section 4.2.A.ii of this Agreement will reflect the Tax Limitation Amount for such year.
- v. All calculations for the M&O Amount made under this Section 4.2 of this Agreement shall be made by a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

C. All calculations made under this Section shall be based on taxes actually owed or that would have actually been owed based on the Taxable Value of Qualified Property present and taxable in the District, and not based upon the estimated Qualified Property values in the Application.

Section 4.3. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State or another school district, pursuant to Chapter 41 of the Texas Education Code, because of its participation in this Agreement, Applicant shall make payments to District, up to the Revenue Protection Amount limit set forth in Section 7.1 that are necessary to offset any negative impact on 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 District.

Section 4.4. COMPENSATION FOR LOSS OF OTHER REVENUES. To the extent not included in the amounts calculated pursuant to Section 4.2 above, Applicant shall also pay to the District on an annual basis all non-reimbursed costs arising from entering this Agreement, including but not limited to: (a) any loss incurred by the District resulting from successful judicial challenge to this Agreement; (b) any reasonable attorneys' fees or other costs incurred by the District due to any legal defense, enforcement or interpretation of this Agreement, irrespective of whether or not this Agreement is ultimately determined to be valid; and (c) any non-reimbursed costs incurred by the District and related to this Agreement, either directly or indirectly, including costs paid to the Appraisal District caused by increased appraised values arising solely from the Qualified Property that is subject to the limitation provided in Section 2.4 herein.

Section 4.5. THIRD PARTY CALCULATIONS. All calculations made pursuant to this Agreement shall be verified annually by either RM School Finance Consulting or Moak Casey & Associates ("Consultant") one of which will be selected by the District. Any Consultant other than RM School Finance Consulting or Moak Casey & Associates may only be selected by the District with Applicant's consent, which consent shall not be unreasonably withheld, delayed, or conditioned. Applicant will be solely responsible for the payment of Consultant's fees up to Seven Thousand Dollars (\$7,000.00) for the first year of this Agreement. This amount may be increased each year of this Agreement by not more than five percent (5%) from the prior year. All calculations shall initially be based upon good-faith estimates using all available information and shall be adjusted to reflect "near final" or "actual" data for the applicable year as the data becomes available.

Section 4.6. DATA FOR CALCULATIONS. The initial calculations for any payments owing under this Agreement shall be based upon the valuations placed upon the Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District pursuant to § 26.01 of the Texas Tax Code in or about July of each year of this Agreement. The certified tax roll data shall form the basis from which any and all amounts due under this Agreement are calculated, and the data utilized by the Consultant will be adjusted as necessary to reflect any subsequent adjustments by the Appraisal District to the District's tax roll. Any estimates used by the Consultant to make calculations as required by this Agreement shall be based on the best and most current information available and shall reflect only Qualified Property present and taxable in the District for each Tax Year. The Consultant shall from time-to-time adjust the data utilized to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll, or any other relevant changes to material items such as student counts or tax collections.

Section 4.7. DELIVERY OF CALCULATIONS.

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

B. In the event the District receives the Consultant's invoice for services rendered, the District shall forward to Applicant such invoice, which Applicant shall pay (subject to the limitation in Section 4.5) within thirty (30) days of receipt.

Section 4.8. PAYMENT BY APPLICANT. On or before the January 31 next following the tax levy for each year for which this Agreement is effective, and subject to the limitations contained in Section 7.1, the Applicant shall pay all amounts determined to be due and owing to the District, all amounts billed by the Consultant pursuant to Section 4.5, and any reasonable and necessary expenses (subject to documentation) paid by the District to its attorneys, auditors, or financial consultants for work resulting from the District's participation in this Agreement. Provided that the District, upon request of Applicant, provides supporting documentation to substantiate such reasonable and necessary expenses to the extent such supporting documentation is not excepted from disclosure as attorney-client privilege or otherwise excepted from disclosure under the Texas Public Information Act (Texas Government Code § 552.001, *et seq.*).

Section 4.9. CHALLENGING CALCULATION RESULTS. The Applicant may appeal the Consultant's results, in writing, within fifteen (15) days of receipt of such results. The Consultant

will issue a final determination of the calculations within 15 days of receiving Applicant's appeal. The Applicant may appeal the final determination of the Consultant to the District within 15 days of its receipt, pursuant to District Policy GF (LOCAL).

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

Section 4.11. EFFECT STATUTORY OR OTHER LEGAL CHANGES. If the District will receive less M&O Revenue, or, if applicable, will be required to increase its payment of funds to the State or another school district due to the District's participation in this Agreement because of changes to applicable School Finance Law or administrative or legal interpretations by the office of the Comptroller, the Commissioner of Education, the Texas Education Agency, the Courts of the State of Texas, or any other authority having proper jurisdiction over the District or Texas school finance, then the Applicant shall make payments to the District within thirty (30) days of receipt of written notice, up to the limitation set forth in Section 7.1 below. The Parties understand and agree that the foregoing payments to the District are necessary to (a) offset any negative impact on the District as a result of its participation in this Agreement; and (b) secure for the District an amount of M&O Revenue not less than that which the District would have received had the District not entered into this Agreement.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Article IV or Article VI of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following:

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 or funds which are, or may be attributable to the payment by Applicant to or on behalf any other third party beneficiary.

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

ARTICLE VI

SUPPLEMENTAL PAYMENTS

SECTION 6.1. SEPARATE AND INDEPENDENT AMOUNTS. In addition to payment of the amounts set forth under Articles IV and V of this Agreement, and as consideration for the execution of this Agreement by the District, Applicant shall be responsible to the District for supplemental payments, as set forth in this Article VI. Any and all obligations for any supplemental payments shall be separate and independent of Applicant's obligations under Articles IV and V of this Agreement.

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 One Hundred Ten Thousand Dollars (\$110,000.00) based upon the District's 2014-15 Average Daily Attendance of 1,100, rounded to the whole number.

Section 6.3. ALTERNATE SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding anything in this Article VI, if during any year of the Tax Limitation Period (as set forth on **EXHIBIT 4**), the amount of the supplemental payments owed by Applicant as calculated in Section 6.2.A.i above exceeds forty percent (40%) of Applicant's Net Tax Savings (as defined in Section 6.4) for the same year, then: (i) the payment owed by Applicant under this Article VI shall be equal to forty percent (40%) of Applicant's Net Tax Savings for such year, and (ii) the portion of the payment calculated under Section 6.2.A.i that exceeds forty percent (40%) of Applicant's Net Tax Savings for such year shall not be owed by Applicant under this Agreement.

Section 6.4. SUPPLEMENTAL PAYMENT CHANGES. In the event Chapter 313 is modified or amended to allow the District to receive supplemental payments in excess of the foregoing limitation described in Section 6.2.C, Applicant agrees to cooperate with the District to amend this Agreement to allow District to receive the maximum amount of supplemental payments as

allowed by law; provided however, the total supplemental payments for any given year of this Agreement shall not exceed the greater of forty percent (40%) of Applicant's Net Tax Savings under this Agreement in such year or the amount calculated as set out in Section 6.2.A.i above, as determined for that school year. "Net Tax Savings" means an amount equal to (but not less than zero): (i) the sum of the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all years during the term of this Agreement if this Agreement had not been entered into by the Parties; minus (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas for all years during the term of this Agreement, plus (B) any and all payments due to the District under Article IV of this Agreement. For clarification, Net Tax Savings in respect of a particular year pursuant to Section 6.2 shall mean an amount equal to (but not less than zero): (i) the sum of the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for such year if this Agreement had not been entered into by the Parties; minus, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas for such year, plus (B) any and all payments due to the District under Article IV of this Agreement for such year. This Section 6.2.C shall only apply if Chapter 313 of the Texas Tax Code is amended so that the District is permitted to receive payments in lieu of taxation greater than as described in Section 6.2.A.i. above; otherwise, Section 6.2.A.i shall apply.

Section 6.5. PAYMENT BY APPLICANT. Payment of amounts due under this Article shall be made as set forth in Section 4.8 of this Agreement and is subject to the limitations contained in Section 7.1.

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 Section 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 9.2.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 Castro 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 9.2 and 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 in Castro County, Texas, 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:

To the District:

Dimmitt Independent School District
Attn: Bryan Davis, Superintendent
(or the successor Superintendent)
608 W. Halsell
Dimmitt, TX 79027
Phone #: (806) 647-3101
Fax #: (806) 647-5433
Email: brdavis@dimmittisd.net

With a copy to:

Underwood Law Firm, P.C.
Attn: Fred Stormer
P.O. Box 9158
Amarillo, TX 79105-9158
Phone #: (806) 379-1306
Fax #: (806) 379-0316
Email: fred.stormer@uwlaw.com

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

To Applicant:

Bethel Wind Farm LLC
c/o Kelly Meyer, Vice President,
Development
One South Wacker Dr., Suite 1900
Chicago, IL 60606
Email: kmeyer@invenergyllc.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 28th day of December, 2015.

BETHEL WIND FARM LLC

DIMMITT INDEPENDENT SCHOOL DISTRICT

BY: _____

NAME: _____

TITLE: _____

BY: _____

NAME: _____

TITLE: _____

ATTEST:

BY: _____

NAME: _____

TITLE: _____

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The Castro County Commissioners Court passed a Resolution designating Reinvestment Zone 2015-01 on August 10, 2015, which is more particularly described below:

All of Sections 120, 121, 122, 123, 142, 143, 144, 145, 164, 165, 166, and 167, Block M-7, BS & F Survey, Castro County, Texas.

All of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12, J.T. Jowell Subdivision of Capital Leagues 489 and 491, Castro County, Texas.

All of Section 1, J.A. Carter Survey, Castro County, Texas.

All of Section 2, T.L. Crews Survey, Castro County, Texas.

All of Sections 1, 12, and 13, Block 0-4, D & SE RR CO Survey, Castro County, Texas.

All of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, and 30, 31, & 32, Block 0-3, EL & RR CO Survey, Castro County, Texas.

All of Sections 1, 2, 3, and 4, S.S. Evants Survey, Castro County, Texas.

All of Section 5, W.R. Evants Survey, Castro County, Texas.

All of League 3, Gregg CSL Survey, Castro County, Texas.

All of Sections 31, 32, 33, and 34, Bock M10A, HE & WT RR CO Survey, Castro County, Texas.

All of Sections 1, 2, 3, and 4, G.W. Irwin Jr. Survey, Castro County, Texas.

All of Sections 5, 6, and 7, G.W. Nelson Survey, Castro County, Texas.

All of Sections 1, 2, and 7, W.A. Odell Survey, Castro County, Texas.

All of League 6, Block M-10-A, R.T. Higginbotham Survey, Castro County, Texas.

All of League 490, Abner Taylor Survey, Castro County, Texas.

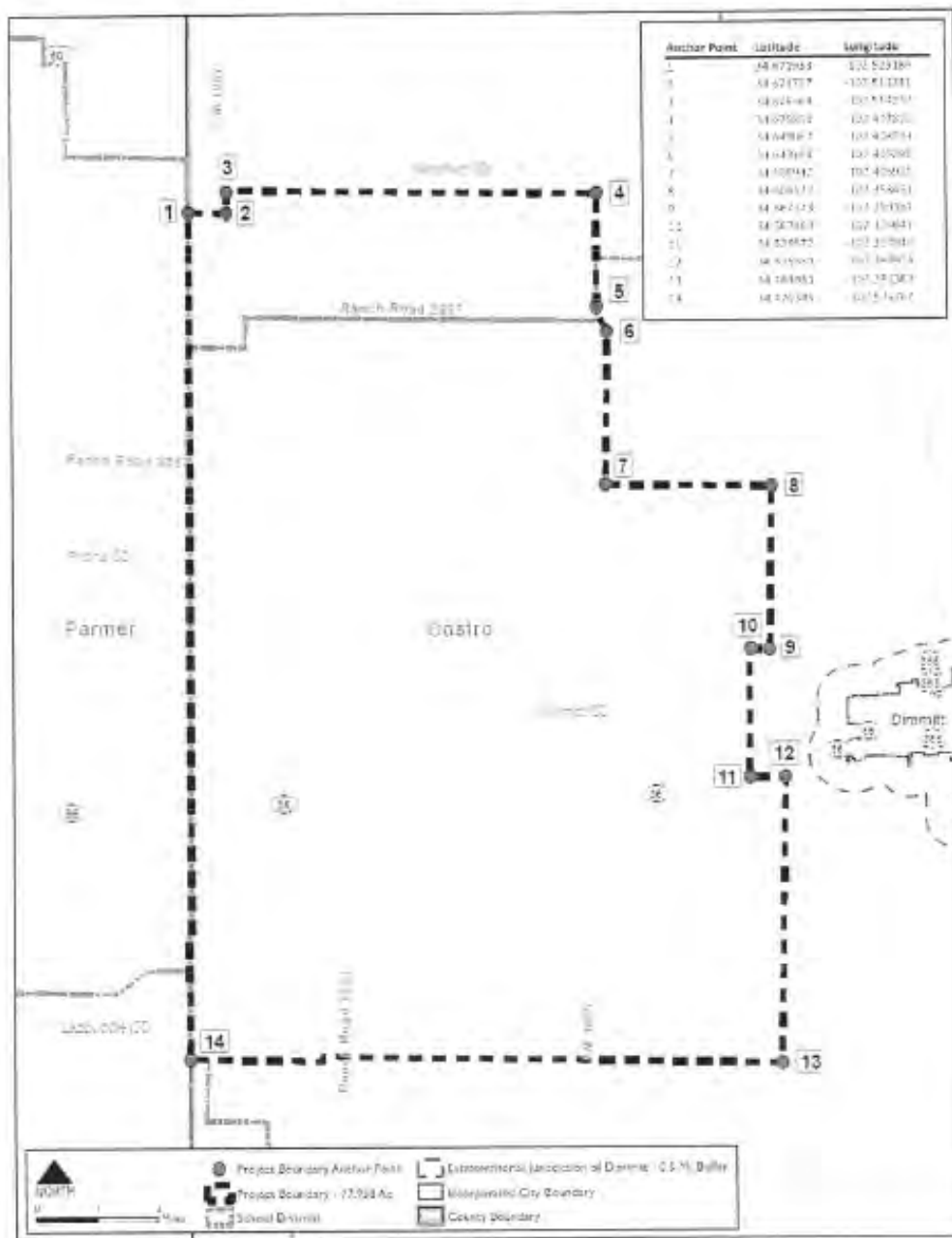
All of Sections 47, 48, 56, 57, 64, 65, 66, 67, 70, 71, 74, and 75, Block T, R.M. Thomson Survey, Castro County, Texas.

All of Sections 20, 21, 22, 23, 24, 25, 41, 42, and 43, Block T-4, T.A. Thomson Survey, Castro County, Texas.

All of League 7, Block M-10A, R. Williams Survey, Castro County, Texas.

All of Sections 23, 24, & 25, Block H, Kelly Subdivision, Castro County, Texas.

MAP OF REINVESTMENT ZONE 2015-01



Agreement for Limitation on Appraised Value
Between Dimmitt ISD and Bethel Wind Farm LLC
(App No. 1085), December 28, 2015

Texas Economic Development Act Agreement
Comptroller Form 50-286 (January 2014)

EXHIBIT 2

DESCRIPTION AND LOCATION OF THE APPLICANT'S QUALIFIED INVESTMENT

All Qualified Property owned by the Applicant is located within the boundaries of both the Dimmitt Independent School District and the Castro County Reinvestment Zone 2015-01, which is more particularly described in **EXHIBIT 1**.

EXHIBIT 3

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

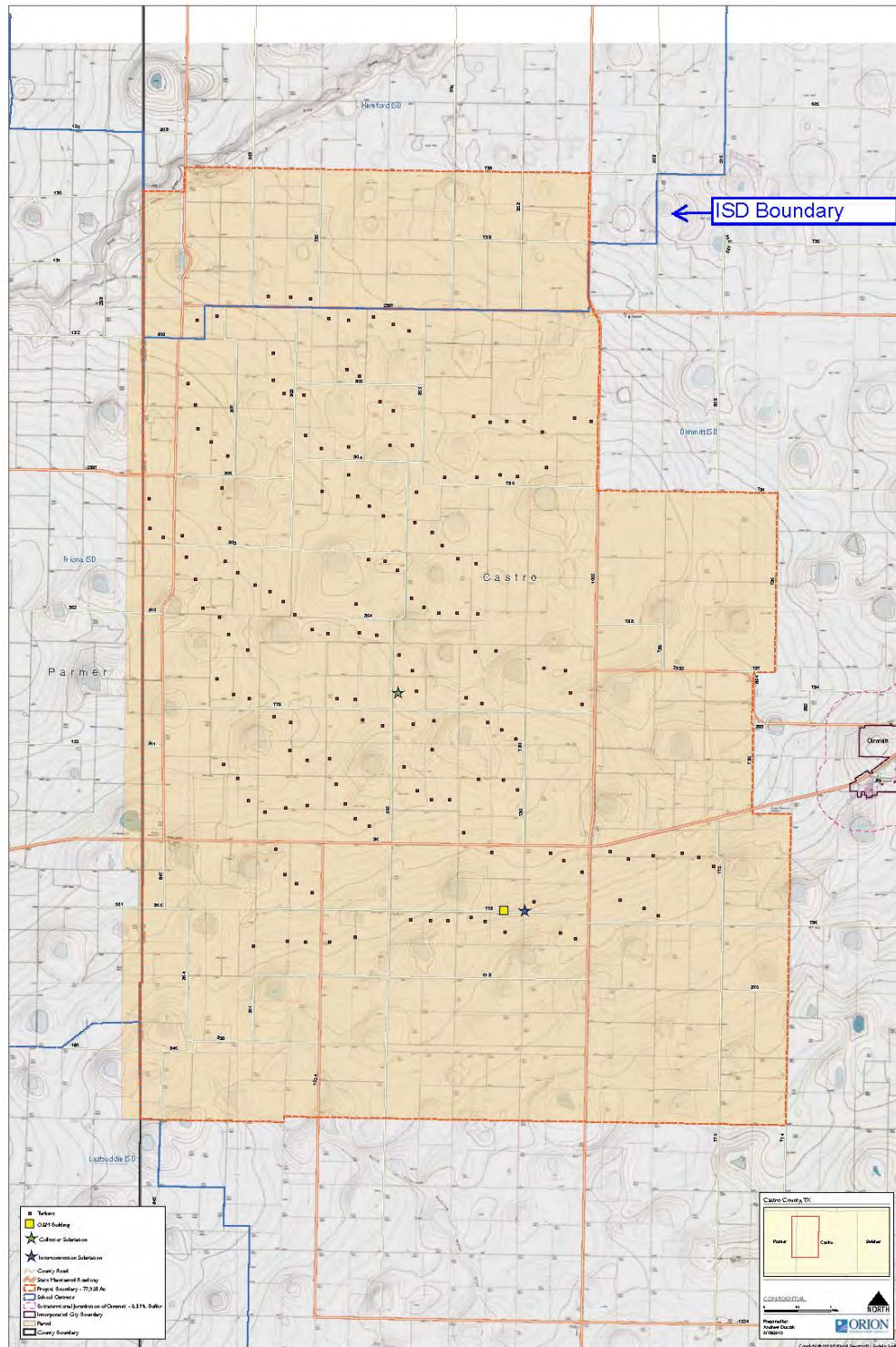
Bethel Wind Farm LLC plans to construct up to a 320 MW wind farm in Castro County. This application covers all qualified property within Dimmitt ISD necessary for the commercial operations of the proposed wind farm described in Tab 4 of the Application. Approximately one hundred and fifty-six (156) will be located in Dimmitt ISD. The Project anticipates using 2.0 MW turbines manufactured by Vestas. Orion is also constructing up to approximately 7 miles of generation transmission tie line that will be in Dimmitt ISD.

The Application and the Agreement covers all qualified investment and qualified property necessary for the commercial operations of the wind farm within Dimmitt ISD's boundaries.

Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, buildings and offices, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, spare parts, and control systems necessary for commercial generation of electricity.

The map below shows the proposed project area with the preliminary turbine locations. The exact placement of these turbines is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins, but will be within the Reinvestment Zone described in **EXHIBIT 1**.

MAP OF QUALIFIED PROPERTY



Agreement for Limitation on Appraised Value
 Between Dimmitt ISD and Bethel Wind Farm LLC
 (App No. 1085), December 28, 2015

Texas Economic Development Act Agreement
Comptroller Form 50-286 (January 2014)

EXHIBIT 4

	<u>Year of Agreement</u>	<u>Date of Appraisal</u>	<u>School Year</u>	<u>Tax Year</u>	<u>Summary Description</u>
Limitation Pre-Years	1	January 1, 2015	2015-16	2015	Limitation Pre-Year
	2	January 1, 2016	2016-17	2016	Limitation Pre-Year
Limitation Period (10 Years)	3	January 1, 2017	2017-18	2017	\$20 million appraisal limitation
	4	January 1, 2018	2018-19	2018	\$20 million appraisal limitation
	5	January 1, 2019	2019-20	2019	\$20 million appraisal limitation
	6	January 1, 2020	2020-21	2020	\$20 million appraisal limitation
	7	January 1, 2021	2021-22	2021	\$20 million appraisal limitation
	8	January 1, 2022	2022-23	2022	\$20 million appraisal limitation
	9	January 1, 2023	2023-24	2023	\$20 million appraisal limitation
	10	January 1, 2024	2024-25	2024	\$20 million appraisal limitation
	11	January 1, 2025	2025-26	2025	\$20 million appraisal limitation
	12	January 1, 2026	2026-27	2026	\$20 million appraisal limitation
Maintain a Viable Presence (5 Years)	13	January 1, 2027	2027-28	2027	No appraisal limitation; must maintain a viable presence
	14	January 1, 2028	2028-29	2028	No appraisal limitation; must maintain a viable presence
	15	January 1, 2029	2029-30	2029	No appraisal limitation; must maintain a viable presence
	16	January 1, 2030	2030-31	2030	No appraisal limitation; must maintain a viable presence
	17	January 1, 2031	2031-32	2031	No appraisal limitation; must maintain a viable presence

Agreement for Limitation on Appraised Value
Between Dimmitt ISD and Bethel Wind Farm LLC
(App No. 1085), December 28, 2015

Texas Economic Development Act Agreement
Comptroller Form 50-286 (January 2014)



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 18, 2015

Bryan Davis
Superintendent
Dimmitt Independent School District
608 W. Halsell St.
Dimmitt, Texas 79027

Re: Agreement for Limitation on Appraised Value of Property for School District
Maintenance and Operations Taxes by and between Dimmitt Independent
School District and Bethel Wind Farm LLC

Dear Superintendent Davis:

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 Dimmitt Independent School District and Bethel Wind Farm 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 with our office. She can be reached by email at jenny.hicks@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-4794, or direct in Austin at 512-463-4794.

Sincerely,

A handwritten signature in blue ink, appearing to read "K. Castillo", is written over the word "Sincerely," and extends across the line for the name.

Korry Castillo
Director
Data Analysis & Transparency Division

cc: Audie Sciumbato, Underwood Law Firm, P.C.
Kelly Meyer, Bethel Wind Farm LLC