

**FINDINGS OF THE HUCKABAY
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
BUCKTHORN WIND PROJECT, LLC (#1126)**



October 20, 2016

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OF THE
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STATE OF TEXAS

§

COUNTY OF ERATH

§

On the 20th day of October, 2016, a public meeting of the Board of Trustees of the Huckabay Independent School District ("District") was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Buckthorn Wind Project, LLC ("Applicant") for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On February 17, 2016, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts ("Comptroller") received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application, as amended, is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32050151797), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

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

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Huckabay Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054. On June 2, 2016, the Comptroller determined the Application to be complete.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on June 9, 2016 in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

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

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

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

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

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

Board Finding Number 1.

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

In support of Finding 1, the Application indicates that:

Buckthorn Wind Project, LLC (Buckthorn Wind) is requesting an appraised value limitation from Huckabay Independent School District (ISD) for the Buckthorn Wind Project (the "Project"), a proposed wind powered electric generating facility in Erath County.

Property used for renewable energy is eligible for a limitation under §313.024(b)(5).

Board Finding Number 2.

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

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

This represents the Comptroller's determination that Buckthorn Wind Project, 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 and investment 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	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2018	\$104,000	\$104,000	\$1,342,869	\$1,342,869
	2019	\$104,000	\$208,000	\$1,227,364	\$2,570,233
	2020	\$104,000	\$312,000	\$1,121,095	\$3,691,327
	2021	\$104,000	\$416,000	\$1,023,322	\$4,714,649
	2022	\$104,000	\$520,000	\$933,366	\$5,648,015
	2023	\$104,000	\$624,000	\$850,603	\$6,498,618
	2024	\$104,000	\$728,000	\$774,456	\$7,273,074
	2025	\$104,000	\$832,000	\$704,396	\$7,977,469
	2026	\$104,000	\$936,000	\$639,936	\$8,617,406
	2027	\$104,000	\$1,040,000	\$580,630	\$9,198,036
Maintain Viable Presence (5 Years)	2028	\$630,063	\$1,670,063	\$0	\$9,198,036
	2029	\$579,858	\$2,249,921	\$0	\$9,198,036
	2030	\$533,665	\$2,783,587	\$0	\$9,198,036
	2031	\$491,164	\$3,274,751	\$0	\$9,198,036
	2032	\$452,059	\$3,726,809	\$0	\$9,198,036
Additional Years as Required by 313.026(c)(1) (10 Years)	2033	\$416,079	\$4,142,888	\$0	\$9,198,036
	2034	\$382,973	\$4,525,861	\$0	\$9,198,036
	2035	\$352,512	\$4,878,373	\$0	\$9,198,036
	2036	\$324,485	\$5,202,858	\$0	\$9,198,036
	2037	\$298,696	\$5,501,554	\$0	\$9,198,036
	2038	\$274,967	\$5,776,521	\$0	\$9,198,036
	2039	\$253,133	\$6,029,654	\$0	\$9,198,036
	2040	\$233,042	\$6,262,696	\$0	\$9,198,036
	2041	\$214,556	\$6,477,252	\$0	\$9,198,036
	2042	\$197,545	\$6,674,797	\$0	\$9,198,036

\$6,674,797

is less than

\$9,198,036

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?

No

Source: CPA, Buckthorn Wind Project, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2017	100	745	845	\$4,421,600	\$45,138,947	\$49,560,547	6431580	-1510620	\$7,942,200
2018	3	24	27.3438	\$139,650	\$5,719,725	\$5,859,375	244141	595093	-\$350,952
2019	3	5	8	\$139,650	\$3,156,248	\$3,295,898	213623	579834	-\$366,211
2020	3	(13)	-10	\$139,650	\$1,691,405	\$1,831,055	91553	518799	-\$427,246
2021	3	(17)	-14	\$139,650	\$470,702	\$610,352	22888	434875	-\$411,987
2022	3	(19)	-16	\$139,650	-\$505,861	-\$366,211	-22888	343323	-\$366,211
2023	3	(23)	-20	\$139,650	-\$872,072	-\$732,422	-53406	259399	-\$312,805
2024	3	(21)	-18	\$139,650	-\$994,142	-\$854,492	-45776	198364	-\$244,140
2025	3	(19)	-16	\$139,650	-\$1,238,283	-\$1,098,633	-91553	152588	-\$244,141
2026	3	(19)	-16	\$139,650	-\$1,482,423	-\$1,342,773	-122070	76294	-\$198,364
2027	3	(17)	-14	\$139,650	-\$1,604,494	-\$1,464,844	-175476	-22888	-\$152,588
2028	3	(15)	-12	\$139,650	-\$1,604,494	-\$1,464,844	-175476	-68665	-\$106,811
2029	3	(15)	-12	\$139,650	-\$1,604,494	-\$1,464,844	-190735	-99182	-\$91,553
2030	3	(17)	-14	\$139,650	-\$2,336,916	-\$2,197,266	-228882	-160217	-\$68,665
2031	3	(21)	-18	\$139,650	-\$2,092,775	-\$1,953,125	-228882	-213623	-\$15,259
2032	3	(17)	-14	\$139,650	-\$2,336,916	-\$2,197,266	-251770	-274658	\$22,888
2033	3	(19)	-16	\$139,650	-\$2,092,775	-\$1,953,125	-282288	-343323	\$61,035
2034	3	(21)	-18	\$139,650	-\$2,825,197	-\$2,685,547	-343323	-350952	\$7,629
2035	3	(23)	-20	\$139,650	-\$2,825,197	-\$2,685,547	-350952	-411987	\$61,035
2036	3	(23)	-20	\$139,650	-\$3,557,619	-\$3,417,969	-419617	-495911	\$76,294
2037	3	(26)	-23	\$139,650	-\$4,290,041	-\$4,150,391	-473022	-556946	\$83,924
2038	3	(28)	-25	\$139,650	-\$4,534,181	-\$4,394,531	-457764	-587463	\$129,699
2039	3	(28)	-25	\$139,650	-\$4,290,041	-\$4,150,391	-488281	-648499	\$160,218
2040	3	(30)	-27	\$139,650	-\$5,999,025	-\$5,859,375	-534058	-724792	\$190,734
2041	3	(30)	-27	\$0	-\$5,615,234	-\$5,615,234	-579834	-770569	\$190,735
2042	3	(34)	-31	\$0	-\$6,347,656	-\$6,347,656	-595093	-801086	\$205,993
Total							\$892,639	-\$4,882,812	\$5,775,451
							\$12,450,248 is greater than		\$9,198,036

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, REMI, Buckthorn Wind Project, LLC

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

Board Finding Number 3.

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

The Comptroller **determines** that the limitation on appraised value is a determining factor in the Buckthorn Wind Project, 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:

- According to the applicant, the project becomes non-financeable without the tax incentives provided by Chapter 313.
- Based on CPA's research and information contained in the North America Procurement Council's (NAPC's) newsletter, the Buckthorn Wind Project signed a purchase power agreement (PPA) with LCRA for wind energy in February of 2016.
- CPA research also noted that Beaver Creek Archaeology conducted an intensive archaeological survey for the Buckthorn Wind Project in Erath County, Texas. The proposed project is approximately 342 acres in size and is located on private property with a total of 49 turbine 4-acre turbine locations.

Board Finding Number 4.

The Board finds that the Application Fee received was reasonable and only in such an amount as was necessary to cover the District's costs of processing the Application under consideration.

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

Board Finding Number 5.

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

In its Application, Applicant has committed to creating three (3) new qualifying jobs. The average salary level of qualifying jobs will be at least \$46,675 per year. The review of the

application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

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

Board Finding Number 6.

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

Board Finding Number 7.

The Applicant intends to create no non-qualifying jobs.

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

Board Finding Number 8.

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$139.1 million to the tax base for debt service purposes at the peak investment level for the 2018-19 school year. The project remains fully taxable for debt services taxes, although the District is not currently levying an I&S tax rate. While the value of the Project is expected to depreciate over the life of the agreement and beyond, full access to the additional value would increase the District's potential I&S taxable value well above the level available through the state's facility programs.

Board Finding Number 9.

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

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

Board Finding Number 10.

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

Board Finding Number 11.

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

The Board has developed a written policy CCG (Local) which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

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

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

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

that reliance by the Board and its consultants upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified is reasonable and within the intent of Chapter 313, Texas Tax Code.

Board Finding Number 12.

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

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller's Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2015 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F. The total industrial value for the District is \$58,350. The District is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. The District is classified as a "rural" district due to its placement in a strategic investment area. Given that the value of industrial property is more than \$200 million, it is classified as a Category I district which can offer a minimum value limitation of \$10 million.

Board Finding Number 13.

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

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

Board Finding Number 14.

The Applicant (Taxpayer No. 32050151797) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32050151797), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise tax payer by the Comptroller. See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 15.

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

Board Finding Number 16.

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

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the first year that the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. The Agreement contains adequate revenue protection measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (**Attachment H**)

Board Finding Number 17.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.

Board Finding Number 18.

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

The Board finds that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

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

The Board finds that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 19.

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

Board Finding Number 20.

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

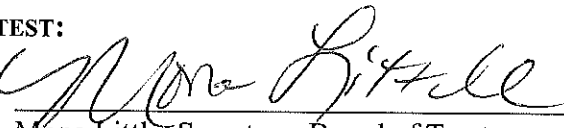
It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official Minutes of this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

Dated the 20th day of October 2016.

HUCKABAY INDEPENDENT SCHOOL DISTRICT

By: 
Greg Stewart, President, Board of Trustees

ATTEST:

By: 
Mona Little, Secretary, Board of Trustees

Attachment A

Application

O'HANLON, MCCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

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

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

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

JUSTIN DEMERATH

RECEIVED

MAR 10 2016

**Data Analysis &
Transparency Division**

March 9, 2016

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

RE: Application to the Huckabay Independent School District from Buckthorn Wind
Project, LLC

(First Qualifying Year 2017; First Year of Value Limitation 2018)

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Huckabay Independent School District is notifying Buckthorn Wind Project, LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. The company has provided the schedules in both electronic format and paper copies. The electronic copy is identical to the hard copy that will be hand delivered. The Applicant has requested that the value limitation begin in the first full tax year after commercial operations, i.e., 2018.

The Applicant submitted the Application to the school district on February 17, 2016. The Board voted to accept the application on February 17, 2016. The application has been determined complete as of March 9, 2016. Please prepare the economic impact report.

Please note, the company has submitted a letter formally withdrawing the prior agreement between Huckabay ISD and Buckthorn Wind.

Letter to Local Government Assistance & Economic Analysis Division
March 9, 2016
Page 2 of 2

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

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", written over a horizontal line.

Kevin O'Hanlon
School District Consultant

Cc: Erath County Appraisal District
Buckthorn Wind Project, LLC
Huckabay Independent School District



February 10, 2016

Dr. Cheryl Floyd, Superintendent
Huckabay Independent School District
200 CR 421
Stephenville, Texas 76401-6429

Dear Dr. Floyd:

Buckthorn Wind Project, LLC ("Company") applied to the district for an Agreement for Limitation on Appraised Value of Qualified Property for School District Maintenance and Operations Taxes. The application was originally submitted and accepted by the Board of Trustees for Huckabay Independent School District ("District") on July 30, 2014. On September 8, 2014 The Texas Comptroller of Public Accounts ("Comptroller") deemed the application to be complete and issued a certificate recommendation letter package to the District on November 14, 2014. The certificate recommendation letter package allowed the Company and the District to execute an Agreement for Limitation on Appraised Value (VLA) of Qualified Property within one year from November 14, 2014, provided that there was no change to the application. That agreement was approved by the Huckabay ISD Board of Trustees and entered into on December 14, 2014.

Due to changing market conditions, the Company's project timing has changed such that the Company will not be able to make the qualified investment within the qualifying time period as stated in the application approved by the District and the Comptroller.

As a result, the Company hereby notifies the District that it is requesting the VLA be cancelled by the District at their February 18, 2016 board meeting. To address the changes to project timing, the Company submits the revised application, which is attached to this letter. The Company respectfully requests that the Board of Trustees for the District accept the revised application and forward it promptly to the Comptroller for review.

Sincerely,

Derek M. Harding
Manager

Enclosures

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

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 before the 151st day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to 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 on this Web page 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

February 17, 2016

Date Application Received by District

Dr. Cheryl

Floyd

First Name

Last Name

Superintendent

Title

Huckabay ISD

School District Name

200 CR 421

Street Address

200 CR 421

Mailing Address

Stephenville

City

(254) 968-8476

Phone Number

TX

76401-6429

State

ZIP

(254) 965-3740

Fax Number

cflloyd@hisd.us

Email Address

Mobile Number (optional)

2. Does the district authorize the consultant to provide and obtain information related to this application?

☒ Yes

☐ No

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

For more information, visit our website:
www.TexasAhead.org/tax_programs/chapter313/
50-296-A • 02-14/1

Application for Appraised Value Limitation on Qualified Property

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Dan _____ Casey _____
 First Name Last Name
 Partner _____
 Title _____
 Moak, Casey & Associates _____
 Firm Name _____
 512-485-7878 _____ 512-485-7888 _____
 Phone Number Fax Number
 512-426-6662 _____ dcasey@moakcasey.com _____
 Mobile Number (optional) Email Address

4. On what date did the district determine this application complete? March 9, 2016
 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)

Derek _____ Harding _____
 First Name Last Name
 Manager _____ Buckthorn Wind Project, LLC _____
 Title Organization
 3760 State Street, Suite 200 _____
 Street Address _____
 3760 State Street, Suite 200 _____
 Mailing Address _____
 Santa Barbara _____ CA _____ 93105 _____
 City State ZIP
 805-569-6180 _____
 Phone Number _____
 Mobile Number (optional) _____
 Business Email Address dharding@infinitywind.com

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

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

Casey _____ Willis _____
 First Name Last Name
 Senior Project Manager _____ Infinity Wind Power _____
 Title Organization
 3760 State Street, Suite 200 _____
 Street Address _____
 3760 State Street, Suite 200 _____
 Mailing Address _____
 Santa Barbara _____ CA _____ 93105 _____
 City State ZIP
 805-569-6185 _____
 Phone Number _____
 Mobile Number (optional) _____
 Business Email Address cwillis@infinitywind.com

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)

Wes

First Name

Partner

Title

Cummings Westlake, LLC

Firm Name

(713) 266-4456

Phone Number

wjackson@cwlp.net

Business Email Address

Jackson

Last Name

(713) 266-2333

Fax Number

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? Buckthorn Wind Project, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32050151797
3. List the NAICS code 221119
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

****Applicant formally withdrew Agreement # 1021**

SECTION 5: Applicant Business Structure

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

Application for Appraised Value Limitation on Qualified Property

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☐ Yes ☒ No
2. Has the applicant entered into any agreements or contracts for work to be performed 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 official documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. 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
8. Has the applicant considered or is the applicant considering other locations not in Texas for the proposed project? ☒ Yes ☐ No
9. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
10. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No

If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

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

Application for Appraised Value Limitation on Qualified Property

SECTION 9: Projected Timeline

1. Application approval by school board August 2016
2. Beginning of qualifying time period January 1, 2017
3. First year of limitation 2018
4. Begin hiring new employees Q4-2017
5. Commencement of commercial operations Q4-2017
6. 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.
7. When do you anticipate the new buildings or improvements will be placed in service? Q4-2017

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Erath
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Erath
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: Erath, \$0.3461, 100%
(Name, tax rate and percent of project) | City:
(Name, tax rate and percent of project) |
| Hospital District:
(Name, tax rate and percent of project) | Water District:
(Name, tax rate and percent of project) |
| Other (describe): Erath Road & Bridge, \$.1239, 100%
(Name, tax rate and percent of project) | Other (describe):
(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? 1,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 10,000,000.00
- 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 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**);
 - 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
 - a detailed map of the qualified investment showing location of new buildings or new improvements 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

Application for Appraised Value Limitation on Qualified Property

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☒ No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (Tab 9);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - c. owner (Tab 9);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
 - e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☒ Yes ☐ No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
 - b. legal description of reinvestment zone (Tab 16);
 - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - d. guidelines and criteria for creating the zone (Tab 16); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? December 17, 2014

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? 3
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 621.00
 b. 110% of the average weekly wage for manufacturing jobs in the county is 895.00
 c. 110% of the average weekly wage for manufacturing jobs in the region is 1,114.00
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? 46,547.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 46,550.00
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 §313.024(d-2)? ☐ 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 for Appraised Value Limitation on Qualified Property



APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	Maps that clearly show: a) Project vicinity b) Qualified investment including location of new buildings or new improvements 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

Proof of payment attached.

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

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

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

TAB 3

Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation (if applicable)

See Attached

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

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

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.

Buckthorn Wind Project, LLC (Buckthorn Wind) is requesting an appraised value limitation from Huckabay Independent School District (ISD) for the Buckthorn Wind Project (the "Project"), a proposed wind powered electric generating facility in Erath County. The proposed Project (this application) will be constructed within a reinvestment zone to be established by Huckabay ISD. A map showing the location of the project is included as Attachment 11.

The proposed Project is anticipated to have a total capacity of 96 MW wholly within Huckabay ISD. Turbine selection is ongoing at this time and has not been finalized. The exact number of wind turbines and size of each turbine will vary depending upon the wind turbines selected, manufacturer's availability and pricing, ongoing wind studies and the final megawatt generating capacity of the Project when completed. Current plans are to install 29 3.3 MW Vestas turbines in Huckabay ISD and Erath County. The Applicant requests a value limitation for all materials and equipment installed for the Project, including but not limited to; wind turbines, turbine transformers (pad-mounts), towers, foundations, roadways, buildings and offices, anemometer towers, collection system, electrical substations, generation transmission tie line and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin as early as Mid-2016 with completion by December 31, 2017.

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

TAB 5

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

Buckthorn Wind met with the Comptroller's Economic Development group regarding the status of the project to discuss and demonstrate that the approval of a Chapter 313 agreement was a determining factor in the building of the project.

Infinity Wind Power, LLC ("Infinity") is actively developing wind energy projects throughout Texas as well as other states. The multi-year development process includes significant land option payments to local landowners, as well as environmental studies, surveys, wind resource assessment, and substantial transmission interconnection payments. Other Infinity-funded projects have continued to support local wind energy development and local economic growth including the Live Oak Wind Project in Schleicher County and the Buckthorn Wind Project in Erath County. Infinity successfully developed five wind projects that are now operational. Infinity currently has two other projects under construction in Kansas and North Dakota and are expected to be operational by the end of 2016.

Depending on the ability to generate cost-effective electricity for regional consumers, Infinity has the ability to allocate or reallocate investments to another state, another region of Texas, or another region of the world. Buckthorn Wind Project, LLC believes, however, that the proposed site in Erath County is a desirable business location and can provide electricity at a price that is competitive with other regions of Texas. Electric utilities are focused on providing low-cost energy supply to their customers, and contracting for the sale of electricity is currently highly competitive, particularly because of the large number of potential wind energy facilities that can be built in West and Central Texas given the newly constructed transmission capacity.

The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a Power Purchase Agreement (PPA). A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non financeable. As of the time of this application Buckthorn does not have a PPA. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.



www.infinitywind.com

February 10, 2016

Dr. Cheryl Floyd, Superintendent
Huckabay Independent School District
200 CR 421
Stephenville, Texas 76401-6429

Dear Dr. Floyd:

Buckthorn Wind Project, LLC ("Company") applied to the district for an Agreement for Limitation on Appraised Value of Qualified Property for School District Maintenance and Operations Taxes. The application was originally submitted and accepted by the Board of Trustees for Huckabay Independent School District ("District") on July 30, 2014. On September 8, 2014 The Texas Comptroller of Public Accounts ("Comptroller") deemed the application to be complete and issued a certificate recommendation letter package to the District on November 14, 2014. The certificate recommendation letter package allowed the Company and the District to execute an Agreement for Limitation on Appraised Value (VLA) of Qualified Property within one year from November 14, 2014, provided that there was no change to the application. That agreement was approved by the Huckabay ISD Board of Trustees and entered into on December 14, 2014.

Due to changing market conditions, the Company's project timing has changed such that the Company will not be able to make the qualified investment within the qualifying time period as stated in the application approved by the District and the Comptroller.

As a result, the Company hereby notifies the District that it is requesting the VLA be cancelled by the District at their February 18, 2016 board meeting. To address the changes to project timing, the Company submits the revised application, which is attached to this letter. The Company respectfully requests that the Board of Trustees for the District accept the revised application and forward it promptly to the Comptroller for review.

Sincerely,

Derek M. Harding
Manager

Enclosures

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

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) Erath County | - 100% |
| 2) Erath Road & Bridge | - 100% |
| 3) Huckabay ISD | - 100% |

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

TAB 7

Description of Qualified Investment

Buckthorn Wind Project, LLC plans to construct a 96 MW wind farm in Erath County. Approximately 29 wind turbines will be located in Erath County and Huckabay ISD. Turbine selection is ongoing at this time and has not been finalized. For purposes of this application, the project anticipates using 3.3 MW turbines manufactured by Vestas although final turbine selection may change.

This application covers all qualified property within Huckabay ISD necessary for the commercial operations of the wind farm. Qualified Investment includes, but is not limited to, turbines, turbine transformers (pad-mounts), towers, foundations, underground collection systems, electrical substation(s), generation transmission tie lines, electrical interconnections, met towers, roads, operations & maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity.

The map in Attachment 11 shows the proposed project area with the proposed improvement locations. The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final location of turbines, transmission lines, and supporting structures will be determined before construction begins.

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

TAB 8

Description of Qualified Property

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Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

TAB 9

Description of Land

See Attached

Buckthorn Wind Project Legal Descriptions

Landowner	County	Acres	Survey
Stewart, GW and D	Erath County	522	H.E. & W.T.R.R. Co Survey No. 5
Stewart, GW and D	Erath County	78	J.A. De La Garza Survey
Stewart, George	Erath County	474.22	J.A. De La Garza Survey A-287 and H.E. & W.T.R.R. Co Survey A-979
Carey, LB	Erath County	295.99	S.A. & M.G RR Co Surveys 37 A-372 and 40 A-370
Carey, LB	Erath County	200	S.A. & M.G RR Co Surveys 37 A-372 and J.A. De La Garza Survey A-287
Stewart, Montie and J	Erath County	428.84	J.A. De La Garza Survey A-286, J.A. De La Garza Survey A-287, and N.E. RR Co. Survey A-979
Tate, Lonnie	Erath County	272	Hood County School Land Survey, Abstract 1078
Tate, Lonnie	Erath County	132.89	Henry Barker Survey, Certificate No. 1105
Tate, Lonnie	Erath County	100	Henry Barker Survey, Certificate No. 1105
Tate, Lonnie	Erath County	60.85	Henry Barker Survey, Certificate No. 1105
Stone_R and Jones_L	Erath County	169.32	H.K. Zimmerman Survey Abstract No. 861
Stone_R and Jones_L	Erath County	73.07	Girard Stewart Survey, Abstract No. 1031
Stone_R and Jones_L	Erath County	6.46	T. Mencke Survey Abstract No 548
Stone_R and Jones_L	Erath County	83.92	Hood County School Land Survey, Abstract No. 1078
Stone_R and Jones_L	Erath County	40.57	J. L. Watson Survey, Abstract No. 856
Stone_R and Jones_L	Erath County	1.08	H.E. & W. T. Railroad Company Survey No. 5, Abstract No. 979
Stone_R and Jones_L	Erath County	3.59	W.A. Johnson Survey, Abstract No. 1021
Stone_R and Jones_L	Erath County	513.89	Deed from Ben Chambers et ux to Larry Forrest et ux, Recorded in Volume 931, Page 663
Stone_R and Jones_L	Erath County	3.61	Deed from James C. Buck et usx to Larry Forrest et ux, Recorded in Volume 954, Page 27
Brown, Troy and D	Erath County	142.422	J. Latham Survey, Abstract No. 489
Brown, Troy and D	Erath County	8.7	James Latham Survey, Abstract No. 489
D&V Terrell Ranch, LLC	Erath County	22.30	S.J. Robinson Survey, A-637
D&V Terrell Ranch, LLC	Erath County	217.18	Hood County School Land Survey, A-1078
D&V Terrell Ranch, LLC	Erath County	47.05	W.A. Johnson survey, A-1021
Greene, Robert	Erath County	32.00	W.A Grady School, A-310
Greene, Robert	Erath County	3.09	J.L. Watson Survey, A-1078
Greene, Robert	Erath County	0.29	Hood County School Land Survey, A-1078
Buck, James	Erath County	9.17	J.L. Watson Survey, A-856
Buck, James	Erath County	53.79	Hood County Land Survey, A-1078
Buck, James	Erath County	51.86	W.A. Johnson Survey, A-1021

Buck, James	Erath County	3.61	W.A. Johnson Survey, A-1021
Earley, David	Erath County	105.35	W.A Grady Survey, A-370
Coffman, Daniel	Erath County	100.00	S.A and M.G. Railroad Company Survey, Section 37, A-732
Spain, June	Erath County	614.97	J.A. Guzman Survey A-286, J.A De La Garza Survey A-287, J.W. Allison Survey A-1279, and the W.L. Kenney Survey A-1416
Fambro, Alex	Erath County	624.00	David Change Survey, A-1070
Fambro, Alex	Erath County	208.00	J. Cash Survey A-161
Fambro, Alex	Erath County	439.00	G.S. Jones Survey A-439
Fambro, Alex	Erath County	80.00	J. P. Allen Survey A-862
Fambro, Alex	Erath County	82.00	S.H. Allen Survey, A-1034
Fambro, Alex	Erath County	319.00	F.R. Lubbock Survey, A-497
Fambro, Alex	Erath County	98.00	J.B. Caro Survey, A-1138
Fambro, Alex	Erath County	317.00	J. Bancroft Survey, A-107
Fambro, Alex	Erath County	82.00	O.A. Smith Survey, A-1378
Fambro, Alex	Erath County	727.00	Wm. Graham Survey, A-288
Fambro, Alex	Erath County	195.00	H.T.& B. RR Co Survey, A-400
Fambro, Alex	Erath County	26.00	J. Sweeney Survey, A-1225
Fambro, Alex et al.	Erath County	690.00	M. Soloman Survey, A-1124
Fambro, Alex et al.	Erath County	160.00	J.H. Hawkins Survey, A-873
Fambro, Alex et al.	Erath County	662.00	J.A. Frey Survey, A-1104
Fambro, Alex et al.	Erath County	168.80	J.A. Guzman Survey, A-285
Fambro, Alex et al.	Erath County	160.00	G.T. Petty Survey, A-945
Fambro, Alex et al.	Erath County	89.75	J.W. Allison Survey, A-1279
Fambro, Alex et al.	Erath County	84.00	H.B. Kite Survey, A-1321
Fambro, Alex et al.	Erath County	445.00	H.T.&B. RR Co Survey A-400
Fambro, Alex et al.	Erath County	673.00	David Chance Survey A-1070
Fambro, Alex et al.	Erath County	106.00	Wm. Graham Survey, A-288
Pedros Twelve Point LTD	Erath County	557.23	J.A. Guzman Survey, Abstract No. 286, J.F. Torey and Company Survey, Abstract No. 790, D.R. Thornton Survey, Abstract No. 1348, and K. Pemberton Survey, Abstract No. 1417

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

TAB 10

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

None, not applicable

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

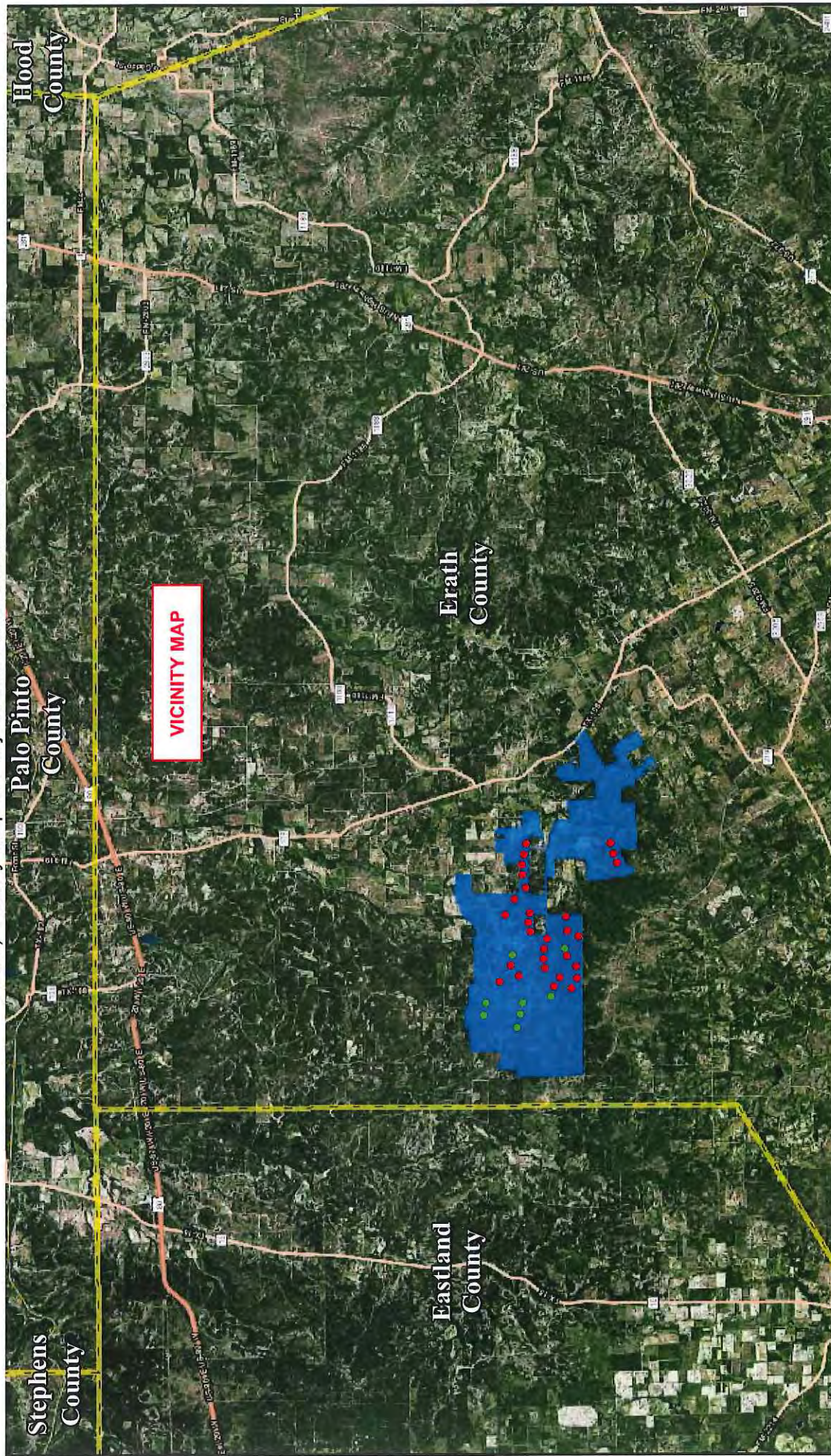
Cummings Westlake, LLC

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

11a&f) Vicinity Map of Project and Reinvestment Zone



BuckthornWind Project

02/08/2016

Legend

Wind Farm Boundary/Reinvestment Zone

County Borders

Vestas 3.3 117 96MW

Planned

Alternate

Project Location

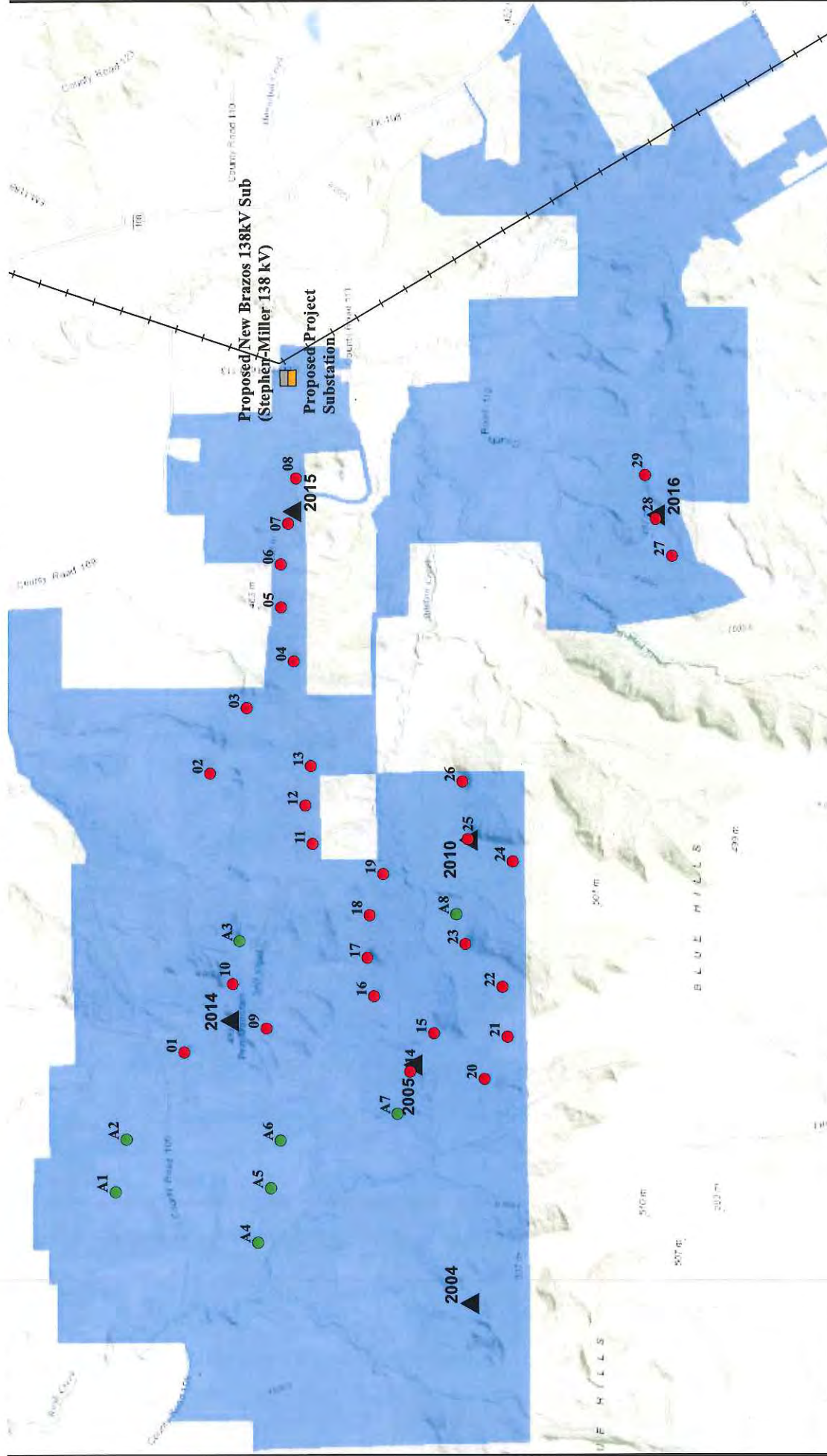
Reference

NAD 1983 UTM Zone 14N

0 1.5 3 Miles

N

11b&c) Map of Qualified Property and Investment



INFINITY RENEWABLES Buckthorn Wind Project 02/08/2016	Legend Vestas 3.3 117 96MW Planned (Red Dot) Alternate (Green Dot) Met Towers (Black Triangle) Wind Farm Boundary (Blue Area) Existing Transmission (Line with Cross-Ticks) (Stephen-Miller - Miller 138 kV)	Project Location Oklahoma, Arkansas, Louisiana, New Mexico, Texas	Reference NAD 1983 UTM Zone 14N 0 0.5 1 Miles N
--	---	--	--

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

TAB 12

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

See Attached

CUMMINGS WESTLAKE LLC

12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

February 16, 2016

Dr. Cheryl Floyd, Superintendent
Huckabay Independent School District
200 CR 421
Stephenville, TX 76401-6429

Re: Chapter 313 Job Waiver Request

Dear Dr. Floyd,

Buckthorn Wind Project, LLC requests that the Huckabay Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the tax code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Buckthorn Wind Project, LLC requests that the Huckabay Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Buckthorn Wind Project, LLC has committed to create three total jobs for the project, all of which will be in Huckabay ISD. Wind projects create a large number of full and part-time, but temporary, jobs during the construction phase of the project, but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The industry standard for employment is typically one full-time employee for approximately every 10-12 turbines. This number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,

A handwritten signature in black ink, reading "J. Weston Jackson" with a long, sweeping horizontal line extending to the right.

J. Weston Jackson
Partner

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

TAB 13

Calculation of three possible wage requirements with TWC documentation

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

**BUCKTHORN WIND PROJECT, LLC
TAB 13 TO CHAPTER 313 APPLICATION**

**ERATH COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2015	\$ 604	\$ 31,408
SECOND	2015	\$ 601	\$ 31,252
THIRD	2015	\$ 626	\$ 32,552
FOURTH	2014	\$ 651	\$ 33,852
AVERAGE		\$ 621	\$ 32,266

**ERATH COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2015	\$ 797	\$ 41,444
SECOND	2015	\$ 750	\$ 39,000
THIRD	2015	\$ 824	\$ 42,848
FOURTH	2014	\$ 884	\$ 45,968
AVERAGE		\$ 814	\$ 42,315
X		110%	110%
		\$ 895	\$ 46,547

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
North Central	2014	\$ 1,013	\$ 52,672
X		110%	110%
		\$ 1,114	\$ 57,939

* 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	3rd Qtr	Erath County	Private	00	0	10	Total, All Industries	\$626
2015	1st Qtr	Erath County	Private	00	0	10	Total, All Industries	\$604
2015	2nd Qtr	Erath County	Private	00	0	10	Total, All Industries	\$601
2014	4th Qtr	Erath County	Private	00	0	10	Total, All Industries	\$651

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	Erath County	Private	31	2	31-33	Manufacturing	\$797
2015	2nd Qtr	Erath County	Private	31	2	31-33	Manufacturing	\$750
2015	3rd Qtr	Erath County	Private	31	2	31-33	Manufacturing	\$824
2014	4th Qtr	Erath County	Private	31	2	31-33	Manufacturing	\$884

**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 \$52,672
= \$57,939

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.

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

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

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

Form 50-296A
Revised May 2014

Date: 2/8/2016
Applicant Name: Buckhorn Wind Project, LLC
JSD Name: Huckabay ISD

PROPERTY INVESTMENT AMOUNTS							
(Estimated investment in each year. Do not put cumulative totals.)							
			Column A	Column B	Column C	Column D	Column E
			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 not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investments A+B+C+D (Sum of Columns A+B+C+D)
Year	School Year (YYYY-YYYY)	Tax Year (fill in actual tax year below) YYYY					
Investment made before filing complete application with district	--	2016	Not eligible to become Qualified Property	0	0	0	0
			0	0	0	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	QTP1	2017	138,730,000	400,000	0	0	139,130,000
			0	0	0	0	
Complete tax years of qualifying time period	QTP2	2018	0	0	0	0	0
			138,730,000	400,000	0	0	139,130,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]			138,730,000	400,000	0	0	139,130,000
Total Qualified Investment (sum of green cells)			139,130,000				

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.

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

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

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

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

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

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

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

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonmovable components of buildings that will become Qualified Property	Column C Other investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)	
Total Investment from Schedule A1*	-	TOTALS FROM SCHEDULE A1		138,730,000	400,000	0	0	139,130,000	
Each year prior to start of value limitation period** <i>Insert as many rows as necessary.</i>	0	2017-2018	2017						
Value limitation period**	1	2018-2019	2018						
	2	2019-2020	2019						
	3	2020-2021	2020						
	4	2021-2022	2021						
	5	2022-2023	2022						
	6	2023-2024	2023						
	7	2024-2025	2024						
	8	2025-2026	2025						
	9	2026-2027	2026						
	10	2027-2028	2027						
Total Investment made through limitation									
Continue to maintain viable presence	11	2029-2029	2028						
	12	2029-2030	2029						
	13	2030-2031	2030						
	14	2031-2032	2031						
	15	2032-2033	2032						
	16	2033-2034	2033						
	17	2034-2035	2034						
	18	2035-2036	2035						
	19	2036-2037	2036						
	20	2037-2038	2037						
Additional years for 25 year economic impact as required by 313.026(e)(1)	21	2038-2039	2038						
	22	2039-2040	2039						
	23	2040-2041	2040						
	24	2041-2042	2041						
	25	2042-2043	2042						

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

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

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

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

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

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

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

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment meeting the definition of 313.026(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

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

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

2/8/2016

Date

Applicant Name

ISD Name

Buckthorn Wind Project, LLC

Form 50-296A

Revised May 2014

Huckabay ISD

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property		Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	2017	0	0	0	0	0
	1	2018-2019	2018	0	392,000	138,730,000	139,122,000	139,122,000
	2	2019-2020	2019	0	384,160	127,631,600	128,015,760	128,015,760
	3	2020-2021	2020	0	376,477	117,421,072	117,797,549	117,797,549
	4	2021-2022	2021	0	368,947	108,027,386	108,396,334	108,396,334
Value Limitation Period	5	2022-2023	2022	0	361,568	99,385,195	99,746,764	99,746,764
	6	2023-2024	2023	0	354,337	91,434,380	91,788,717	91,788,717
	7	2024-2025	2024	0	347,250	84,119,629	84,466,880	84,466,880
	8	2025-2026	2025	0	340,305	77,390,059	77,730,364	77,730,364
	9	2026-2027	2026	0	333,499	71,198,854	71,532,353	71,532,353
	10	2027-2028	2027	0	326,829	65,502,946	65,829,775	65,829,775
	11	2028-2029	2028	0	320,293	60,262,710	60,583,003	60,583,003
	12	2029-2030	2029	0	313,887	55,441,693	55,755,580	55,755,580
	13	2030-2031	2030	0	307,609	51,006,358	51,313,967	51,313,967
	14	2031-2032	2031	0	301,457	46,925,849	47,227,306	47,227,306
Continue to maintain viable presence	15	2032-2033	2032	0	295,428	43,171,781	43,467,209	43,467,209
	16	2033-2034	2033	0	289,519	39,718,039	40,007,558	40,007,558
	17	2034-2035	2034	0	283,729	36,540,596	36,824,324	36,824,324
	18	2035-2036	2035	0	278,054	33,617,348	33,895,402	33,895,402
	19	2036-2037	2036	0	272,493	30,927,960	31,200,453	31,200,453
	20	2037-2038	2037	0	267,043	28,453,723	28,720,767	28,720,767
	21	2038-2039	2038	0	261,702	26,177,426	26,439,128	26,439,128
	22	2039-2040	2039	0	256,468	24,083,232	24,339,700	24,339,700
	23	2040-2041	2040	0	251,339	22,156,573	22,407,912	22,407,912
	24	2041-2042	2041	0	246,312	20,384,047	20,630,359	20,630,359
Additional years for 25 year economic impact as required by 313.026(c)(1)	25	2042-2043	2042	0	241,386	18,753,323	18,994,709	18,994,709

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.

Date

2/8/2016

Applicant Name

Buckthorn Wind Project, LLC

ISD Name

Huckabay ISD

Schedule C: Employment Information

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs		Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	2017	100 FTE's	44,216	0	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2018-2019	2018	0	0	0	0	3	46,550
	2	2019-2020	2019	0	0	0	0	3	46,550
	3	2020-2021	2020	0	0	0	0	3	46,550
	4	2021-2022	2021	0	0	0	0	3	46,550
	5	2022-2023	2022	0	0	0	0	3	46,550
	6	2023-2024	2023	0	0	0	0	3	46,550
	7	2024-2025	2024	0	0	0	0	3	46,550
	8	2025-2026	2025	0	0	0	0	3	46,550
	9	2026-2027	2026	0	0	0	0	3	46,550
	10	2027-2028	2027	0	0	0	0	3	46,550
Years Following Value Limitation Period	11 through 25	2026-2041	2040	0	0	0	0	3	46,550

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)
If yes, answer the following two questions:

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

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

Yes ☒ No ☐

Yes ☒ No ☐

Yes ☐ No ☒

Schedule D: Other Incentives (Estimated)

2/8/2016

Date

Applicant Name

ISD Name

Buckthorn Wind Project, LLC
Huckabay 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: NONE					
	City: N/A					
	Other: N/A					
Tax Code Chapter 312	County: NONE					
	City: N/A					
	Other: N/A					
Local Government Code Chapters 380/381	County: N/A					
	City: N/A					
	Other: N/A					
Freeport Exemptions	N/A					
Non-Annexation Agreements	N/A					
Enterprise Zone/Project	N/A					
Economic Development Corporation	N/A					
Texas Enterprise Fund	N/A					
Employee Recruitment	N/A					
Skills Development Fund	N/A					
Training Facility Space and Equipment	N/A					
Infrastructure Incentives	N/A					
Permitting Assistance	N/A					
Other:						
Other:						
Other:						
Other:						
TOTAL						

Additional information on incentives for this project:

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

TAB 15

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

None

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

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**

16b) Legal Description of Reinvestment Zone

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The Reinvestment Zone was originally created on December 17, 2014, by action of the the Board of Trustees. As a result of the action, all of the following real property within Erath County, Texas is located within the boundaries of the *THE BUCKTHORN WIND REINVESTMENT ZONE*. A map of the Reinvestment Zone is attached as the last page of this **EXHIBIT 1**. The legal description of the is as follows:

Buckthorn Wind Project Legal Descriptions
July 18, 2014

Landowner	County	Acres	Survey
Stewart, GW and D	Erath County	522	H.E. & W.T.R.R. Co Survey No. 5
Stewart, GW and D	Erath County	78	J.A. De La Garza Survey
Stewart, George	Erath County	474.22	J.A. De La Garza Survey A-287 and H.E. & W.T.R.R. Co Survey A-979
Carey, LB	Erath County	295.99	S.A. & M.G RR Co Surveys 37 A-372 and 40 A-370
Carey, LB	Erath County	200	S.A. & M.G RR Co Surveys 37 A-372 and J.A. De La Garza Survey A-287
Stewart, Montie and J	Erath County	428.84	J.A. De La Garza Survey A-286, J.A. De La Garza Survey A-287, and N.E. RR Co. Survey A-979
Tate, Lonnie	Erath County	272	Hood County School Land Survey, Abstract 1078
Tate, Lonnie	Erath County	132.89	Henry Barker Survey, Certificate No. 1105
Tate, Lonnie	Erath County	100	Henry Barker Survey, Certificate No. 1105
Tate, Lonnie	Erath County	60.85	Henry Barker Survey, Certificate No. 1105
Stone_R and Jones_L	Erath County	169.32	H.K. Zimmerman Survey Abstract No. 861
Stone_R and Jones_L	Erath County	73.07	Girard Stewart Survey, Abstract No. 1031
Stone_R and Jones_L	Erath County	6.46	T. Mencke Survey Abstract No 548
Stone_R and Jones_L	Erath County	83.92	Hood County School Land Survey, Abstract No. 1078
Stone_R and Jones_L	Erath County	40.57	J. L. Watson Survey, Abstract No. 856
Stone_R and Jones_L	Erath County	1.08	H.E. & W. T. Railroad Company Survey No. 5, Abstract No. 979
Stone_R and Jones_L	Erath County	3.59	W.A. Johnson Survey, Abstract No. 1021
Stone_R and Jones_L	Erath County	513.89	Deed from Ben Chambers et ux to Larry Forrest et ux, Recorded in Volume 931, Page 663
Stone_R and Jones_L	Erath County	3.61	Deed from James C. Buck et usx to Larry Forrest et ux, Recorded in Volume 954, Page 27
Brown, Troy and D	Erath County	142.422	J. Latham Survey, Abstract No. 489
Brown, Troy and D	Erath County	8.7	James Latham Survey, Abstract No. 489
D&V Terrell Ranch, LLC	Erath County	22.30	S.J. Robinson Survey, A-637
D&V Terrell Ranch, LLC	Erath County	217.18	Hood County School Land Survey, A-1078
D&V Terrell Ranch, LLC	Erath County	47.05	W.A. Johnson survey, A-1021
Greene, Robert	Erath County	32.00	W.A. Grady School, A-310
Greene, Robert	Erath County	3.09	J.L. Watson Survey, A-1078
Greene, Robert	Erath County	0.29	Hood County School Land Survey, A-1078
Buck, James	Erath County	9.17	J.L. Watson Survey, A-856
Buck, James	Erath County	53.79	Hood County Land Survey, A-1078
Buck, James	Erath County	51.86	W.A. Johnson Survey, A-1021

Buck, James	Erath County	3.61	W.A. Johnson Survey, A-1021
Earley, David	Erath County	105.35	W.A Grady Survey, A-370
Coffman, Daniel	Erath County	100.00	S.A and M.G. Railroad Company Survey, Section 37, A-732
Spain, June	Erath County	614.97	J.A. Guzman Survey A-286, J.A De La Garza Survey A-287, J.W. Allison Survey A-1279, and the W.L. Kenney Survey A-1416
Fambro, Alex	Erath County	624.00	David Change Survey, A-1070
Fambro, Alex	Erath County	208.00	J. Cash Survey A-161
Fambro, Alex	Erath County	439.00	G.S. Jones Survey A-439
Fambro, Alex	Erath County	80.00	J. P. Allen Survey A-862
Fambro, Alex	Erath County	82.00	S.H. Allen Survey, A-1034
Fambro, Alex	Erath County	319.00	F.R. Lubbock Survey, A-497
Fambro, Alex	Erath County	98.00	J.B. Caro Survey, A-1138
Fambro, Alex	Erath County	317.00	J. Bancroft Survey, A-107
Fambro, Alex	Erath County	82.00	O.A. Smith Survey, A-1378
Fambro, Alex	Erath County	727.00	Wm. Graham Survey, A-288
Fambro, Alex	Erath County	195.00	H.T.& B. RR Co Survey, A-400
Fambro, Alex	Erath County	26.00	J. Sweeney Survey, A-1225
Fambro, Alex et al.	Erath County	690.00	M. Soloman Survey, A-1124
Fambro, Alex et al.	Erath County	160.00	J.H. Hawkins Survey, A-873
Fambro, Alex et al.	Erath County	662.00	J.A. Frey Survey, A-1104
Fambro, Alex et al.	Erath County	168.80	J.A. Guzman Survey, A-285
Fambro, Alex et al.	Erath County	160.00	G.T. Petty Survey, A-945
Fambro, Alex et al.	Erath County	89.75	J.W. Allison Survey, A-1279
Fambro, Alex et al.	Erath County	84.00	H.B. Kite Survey, A-1321
Fambro, Alex et al.	Erath County	445.00	H.T.&B. RR Co Survey A-400
Fambro, Alex et al.	Erath County	673.00	David Chance Survey A-1070
Fambro, Alex et al.	Erath County	106.00	Wm, Graham Survey, A-288
Pedros Twelve Point LTD	Erath County	557.23	J.A. Guzman Survey, Abstract No. 286, J.F. Torey and Company Survey, Abstract No. 790, D.R. Thornton Survey, Abstract No. 1348, and K. Pemberton Survey, Abstract No. 1417

16c) Resolution Creating the Reinvestment Zone

HUCKABAY INDEPENDENT SCHOOL DISTRICT

RESOLUTION CREATING THE BUCKTHORN WIND REINVESTMENT ZONE

WHEREAS, Section 312.0025 of the Texas Tax Code permits a school district to designate a reinvestment zone if that designation is reasonably likely to contribute to the expansion of primary employment in the reinvestment zone, or attract major investment in the reinvestment zone that would be a benefit to property in the reinvestment zone and to the school district and contribute to the economic development of the region of this state in which the school district is located; and,

WHEREAS, the Huckabay Independent School District (the "District") desires to encourage the development of primary employment and to attract major investment in the District and contribute to the economic development of the region in which the school district is located; and,

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

WHEREAS, the District caused to be published in a newspaper of general circulation in Erath County, Texas timely notice of a public hearing regarding the possible designation of the area described in the attached **Exhibit A** as a reinvestment zone for the purposes of Chapter 313 of the Texas Tax Code; and,

WHEREAS, the District wishes to create a reinvestment zone within the boundaries of the school district in Erath County, Texas as shown on the map attached as **Exhibit B**; and,

WHEREAS, the District has given written notice of the proposed action and the Public Hearing to all political subdivisions and taxing authorities having jurisdiction over the property proposed to be designated as the reinvestment zone, described in the attached **Exhibits A & B**; and,

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE HUCKABAY INDEPENDENT SCHOOL DISTRICT:

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

SECTION 2. That the Board of Trustees of the Huckabay Independent School District, after conducting such hearing and having heard such evidence and testimony, has made the following

findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on the adoption of *The Buckthorn Wind Reinvestment Zone* has been called, held and conducted, and that notices of such hearing have been published 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 Buckthorn Wind Reinvestment Zone* be and, by the adoption of this Resolution, are declared and certified to be the area as described in the description attached hereto as "Exhibit A"; and,
- (c) That the map attached hereto as "Exhibit B" is declared to be and, by the adoption of this Resolution, is certified to accurately depict and show the boundaries of *The Buckthorn Wind Reinvestment Zone* which is described in Exhibit A; and further certifies that the property described in Exhibit A is inside the boundaries shown on Exhibit B; and,
- (d) That creation of *The Buckthorn Wind Reinvestment Zone* with boundaries as described in Exhibit A and Exhibit B will result in benefits to the Huckabay Independent School District and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (e) That *The Buckthorn Wind Reinvestment Zone* described in Exhibit A and Exhibit B meets the criteria set forth in Texas Tax Code §312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract investment in the zone that will be a benefit to the property, and would contribute to economic development within the Huckabay Independent School District.

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

SECTION 4. That the existence of *The Buckthorn Wind Reinvestment Zone* shall first take effect upon, December 17, 2014, the date of the adoption of this Resolution by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such adoption.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section,

paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Huckabay Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in Erath County of the State of Texas, and furthermore, such notice was, in fact, delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 17th day of December, 2014.

HUCKABAY INDEPENDENT SCHOOL DISTRICT

By:



GREG STEWART President
Board of Trustees

ATTEST:



MONA LITTLE
Secretary
Board of Trustees

EXHIBIT A

METES AND BOUNDS DESCRIPTION OF THE BUCKTHORN WIND REINVESTMENT ZONE

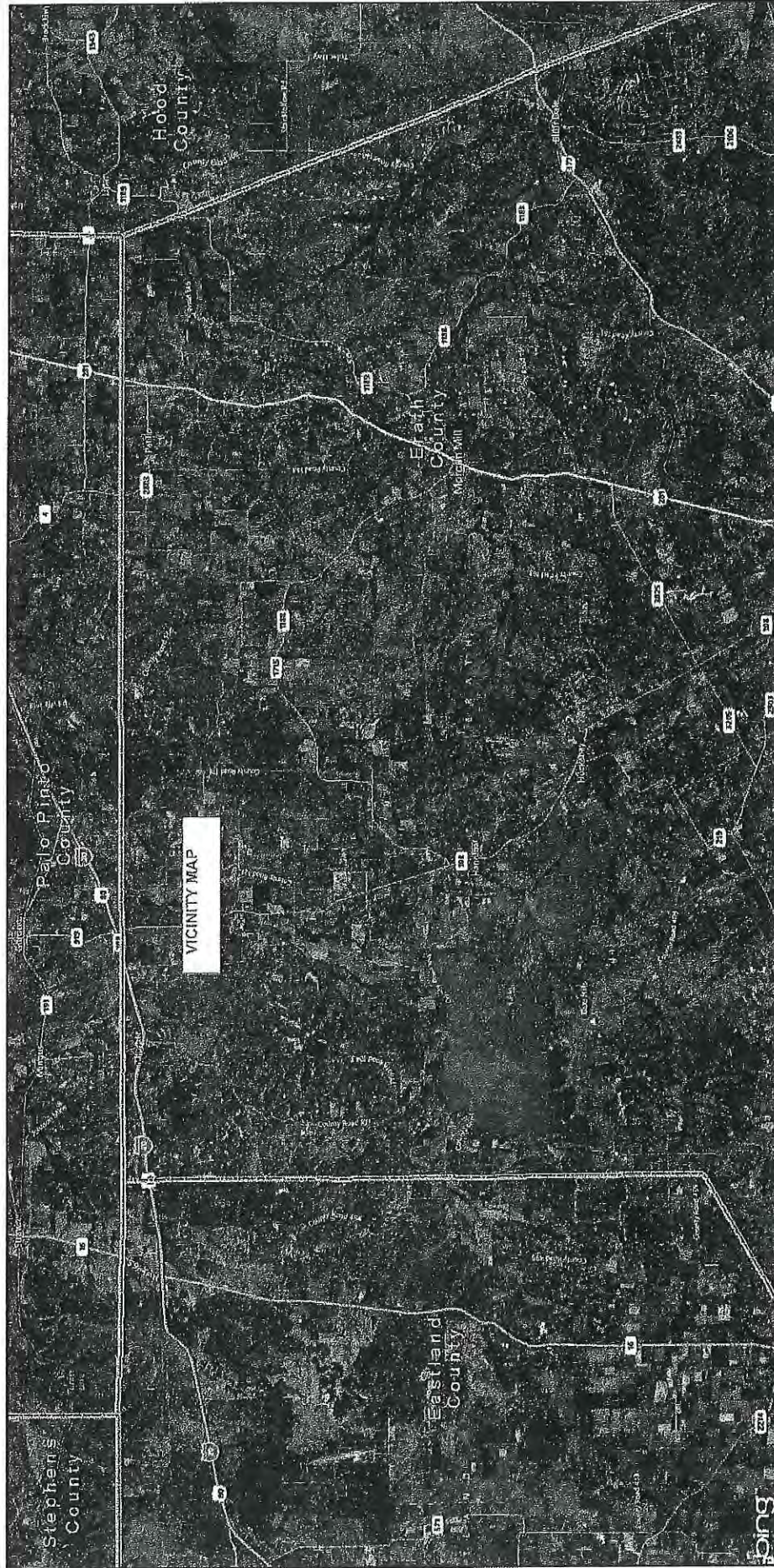
Buckthorn Wind Project Legal Descriptions
July 18, 2014

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Greene, Robert	Erath County	0.29	Hood County School Land Survey, A-1078
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Buck, James	Erath County	53.79	Hood County Land Survey, A-1078
Buck, James	Erath County	51.86	W.A. Johnson Survey, A-1021.

Buck, James	Erath County	3.61	W.A. Johnson Survey, A-1021
Earley, David	Erath County	105.35	W.A. Grady Survey, A-370
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Fambro, Alex	Erath County	439.00	G.S. Jones Survey A-439
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Fambro, Alex et al.	Erath County	690.00	M. Soloman Survey, A-1124
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Fambro, Alex et al.	Erath County	662.00	J.A. Frey Survey, A-1104
Fambro, Alex et al.	Erath County	168.80	J.A. Guzman Survey, A-285
Fambro, Alex et al.	Erath County	160.00	G.T. Petty Survey, A-945
Fambro, Alex et al.	Erath County	89.75	J.W. Allison Survey, A-1279
Fambro, Alex et al.	Erath County	84.00	H.B. Kite Survey, A-1321
Fambro, Alex et al.	Erath County	445.00	H.T. & B. RR Co Survey A-400
Fambro, Alex et al.	Erath County	673.00	David Chance Survey A-1070
Fambro, Alex et al.	Erath County	106.00	Wm. Graham Survey, A-288
Pedros Twelve Point LTD	Erath County	557.23	J.A. Guzman Survey, Abstract No. 286, J.F. Torey and Company Survey, Abstract No. 790, D.R. Thornton Survey, Abstract No. 1348, and K. Pemberton Survey, Abstract No. 1417

EXHIBIT B

SURVEY MAPS OF THE BUCKTHORN WIND REINVESTMENT ZONE

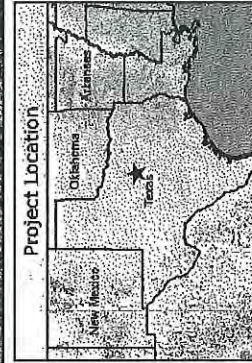



INFINITY
WIND POWER
 Buckthorn Wind Project

07/29/2014

Legend

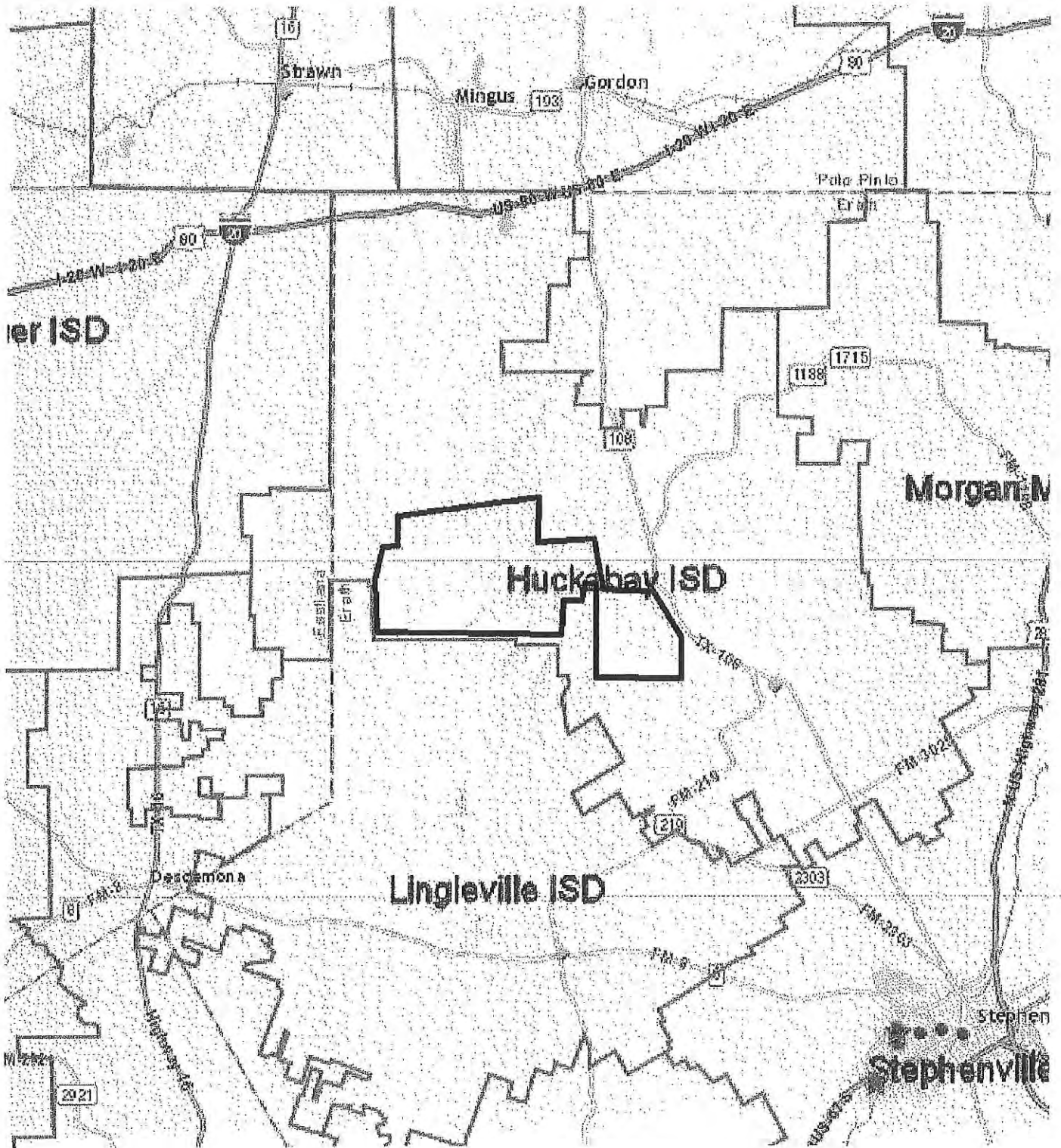
- GE 2.3-107 Array (96.6 MW)
- Wind Farm Boundary/Reinvestment Zone
- County Borders

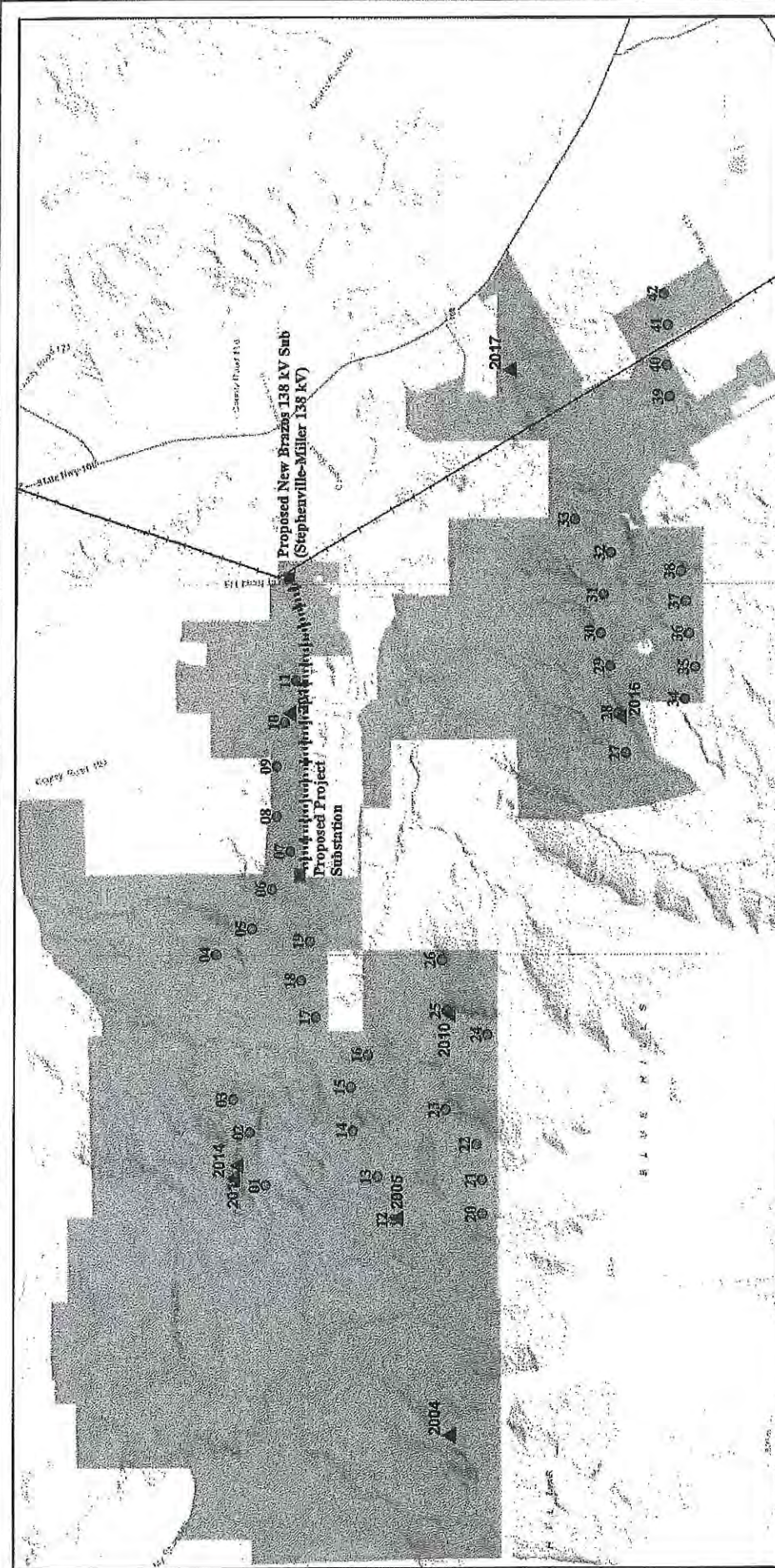


Reference

NAD 1983 UTM Zone 14N

0 1 2 3 4 5 Miles



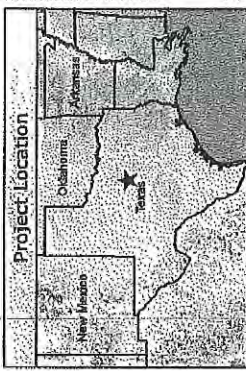


Buckthorn Wind Project

06/20/2014

Legend

- ▲ Met Towers
- GE 2.3-107 Array (96.6 MW)
- ⦿ Proposed Project 138 kV OHTL
- Existing Transmission (Stephenville-Miller 138 kV)
- Wind Farm Boundary



Reference

NAD 1983 UTM Zone 14N

0 0.25 0.5 0.75 1 1.25 Miles

CONFIDENTIAL

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

TAB 17

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



Form 50-296-A

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.

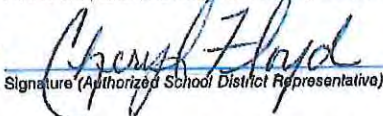
print
here

Dr. Cheryl Floyd

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here


Signature (Authorized School District Representative)

2-17-16

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

Derek Harding

Print Name (Authorized Company Representative (Applicant))

Manager

Title

sign
here


Signature (Authorized Company Representative (Applicant))

3/1/16

Date

GIVEN under my hand and seal of office this, the

day of

Notary Public In and for the State of Texas

My Commission expires:

(Notary Seal)

see attached

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.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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 Santa Barbara)
 On March 1, 2016 before me, Katherine A. Dowling, Notary Public,
 Date Here Insert Name and Title of the Officer
 personally appeared Derck M. Harding
 Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Katherine A. Dowling
 Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
 Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
☐ Corporate Officer — Title(s): _____	☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General	☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact	☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator	☐ Trustee ☐ Guardian or Conservator
☐ Other: _____	☐ Other: _____
Signer Is Representing: _____	Signer Is Representing: _____

Application for Appraised Value Limitation on Qualified Property

SECTION 12: Qualified Property

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

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): \$ 74,740.00
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): \$ 74,740.00

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? 3
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 629.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 898.00
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,114.00
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? 46,675.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 46,675.00
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 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

Cheryl Floyd
Print Name (Authorized School District Representative)

Superintendent
Title

sign
here

Cheryl Floyd
Signature (Authorized School District Representative)

May 26, 2016
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

Derek Harding
Print Name (Authorized Company Representative (Applicant))

Manager
Title

sign
here

Derek Harding
Signature (Authorized Company Representative (Applicant))

5/3/16
Date

See attached

GIVEN under my hand and seal of office this, the

day of

Notary Public in and for the State of Texas

(Notary Seal)

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.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

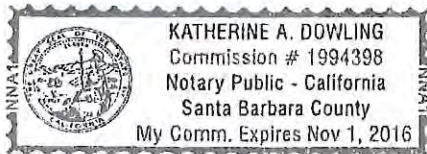
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of Santa Barbara)
 On May 3, 2016 before me, Katherine A. Dowling, Notary Public
Date Here Insert Name and Title of the Officer
 personally appeared Derek Harding
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Katherine A. Dowling
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
 Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
 Signer Is Representing: _____

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
 Signer Is Representing: _____

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

TAB 3

Documentation of Combined Group membership under Texas Tax Code 171.0001(7),
history of tax default, delinquencies and/or material litigation (if applicable)

See latest filing attached

Amendment No. 1

**ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY BUCKTHORN WIND PROJECT, LLC TO HUCKABAY ISD**

Franchise Tax

2016 Annual No Tax Due Report

Confirmation

You Have Filed Successfully

Please do NOT send a paper form

[Print this page for your records](#)

Submission ID: 31442185

Date and Time of Filing: 04/28/2016 03:28:02 PM

Taxpayer ID: 32054950400

Taxpayer Name: LIVE OAK WIND LAND HOLDINGS, LLC

Taxpayer Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306 - 2116

Entered By: Susan Wylie

Email Address: swylie@maproyalty.com

Telephone Number: (303) 895-3095

IP Address: 73.34.225.128

Additional Reports

Is this the reporting entity of a combined group?	Yes
Do any of the entities in the combined group have a temporary business loss preserved?	No
Will your total revenue be adjusted for the Tiered Partnership Election?	No

No Tax Due Report

SIC Code:	NAICS Code: 531390
Accounting Year Begin Date: 01/01/2015	Accounting Year End Date: 12/31/2015
Is this a passive entity as defined in Chapter 171 of the Texas Tax Code?	No
Is this entity's annualized total revenue below the no tax due threshold?	No
Does the entity have zero Texas Gross Receipts?	Yes
Is this entity a Real Estate Investment Trust (REIT) that meets the qualifications specified in section 171.0002(c)(4)?	No
Total Revenue:	\$4,050,261

Mailing Address

Street Address: 3000 EL CAMINO REAL STE 5-700
City: PALO ALTO
State: CA
Zip Code: 94306 - 2116
Country: USA

Affiliate 1

Legal Name of Affiliate: LIVE OAK WIND LAND HOLDINGS, LLC
Affiliate Taxpayer Number: 32054950400
SOS File Number or Comptroller File Number: 0802050000
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? Yes
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 12/31/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional Yes
association, limited partnership or financial institution?

Amendment No 1

Will you be filing an information report for this affiliate? Yes

Public Information Report			
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306-2116			
Principal Office: 3000 El Camino Real Ste 5-700, Palo Alto, CA 94306			
Principal Place Of Business: 3000 El Camino Real Ste 5-700, Palo Alto, CA 94306			
Changes from previous year?: Yes			
Officers, Directors, Managers, Member or General Partner			
Name: MAP ROYALTY INC			
Title: MANAGER	Director? No	Term Expiration Date:	
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306			
Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			
Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Infinity Wind Holdings, LLC	DE		100.0
Registered Agent and Office			
Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO			
Office: 211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701-2116			
Declaration Statement			
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.			

Affiliate 2	
Legal Name of Affiliate: Infinity Wind Holdings, LLC	
Affiliate Taxpayer Number: 270916806	
SOS File Number or Comptroller File Number:	
Affiliate NAICS Code: 531390	
Is this affiliate disregarded for Franchise Tax? No	
Does this affiliate have nexus? No	
Affiliate Reporting Begin Date: 01/01/2015	
Affiliate Reporting End Date: 12/31/2015	
Gross receipts subject to throwback in other states: 0	
Gross receipts everywhere: 3,716,079	
Gross receipts in Texas: 0	
Cost of goods sold or compensation: 0	
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes	
Will you be filing an information report for this affiliate? No	

Affiliate 3	
Legal Name of Affiliate: Antelope Hills Wind Project, LLC	
Affiliate Taxpayer Number: 271551850	
SOS File Number or Comptroller File Number:	
Affiliate NAICS Code: 531390	
Is this affiliate disregarded for Franchise Tax? No	
Does this affiliate have nexus? No	
Affiliate Reporting Begin Date: 01/01/2015	
Affiliate Reporting End Date: 04/02/2015	
Gross receipts subject to throwback in other states: 0	
Gross receipts everywhere: 0	
Gross receipts in Texas: 0	
Cost of goods sold or compensation: 0	
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes	
Will you be filing an information report for this affiliate? No	

Affiliate 4

Legal Name of Affiliate: Antelope Hills Wind Holdings, LLC
 Affiliate Taxpayer Number: 364780483
 SOS File Number or Comptroller File Number:
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? No
 Affiliate Reporting Begin Date: 01/01/2015
 Affiliate Reporting End Date: 12/31/2015
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? No

Affiliate 5

Legal Name of Affiliate: Buckthorn Wind Land Holdings, LLC
 Affiliate Taxpayer Number: 32054950384
 SOS File Number or Comptroller File Number: 0802050005
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? Yes
 Affiliate Reporting Begin Date: 01/01/2015
 Affiliate Reporting End Date: 12/31/2015
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306-2116

Principal Office: 3000 El Camino Real Ste 5-700, Palo Alto, CA 94306

Principal Place Of Business: 3000 El Camino Real Ste 5-700, Palo Alto, CA 94306

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: MAP ROYALTY INC

Title: MANAGER

Director? No

Term Expiration Date:

Mailing Address: 3000 EL CAMINO REAL STE 5-700
 PALO ALTO, CA 94306

Owned Entity(s)

Owned Entity(s)

State of Formation

TX SOS File #

Percentage of Ownership

None entered.

Owners

Owned Entity(s)

State of Formation

TX SOS File #

Percentage of Ownership

Infinity Wind Holdings, LLC

DE

100.0

Registered Agent and Office

Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS
 INCO

Office: 211 E. 7TH STREET, SUITE 620
 AUSTIN, TX 78701-2116

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 6

Legal Name of Affiliate: Buckthorn Wind Project, LLC

Affiliate Taxpayer Number: 32050151797

SOS File Number or Comptroller File Number: 0801731544

Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? Yes

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information ReportMailing Address: 3000 EL CAMINO REAL STE 5-700
PALO ALTO, CA 94306

Principal Office: 3760 State Street, Ste 200, Santa Barbara, CA 93105

Principal Place Of Business: 3760 State Street, Ste 200, Santa Barbara, CA 93105

Changes from previous year?: No

Officers, Directors, Managers, Member or General Partner

Name: INFINITY WIND HOLDINGS

Title: MANAGING M

Director? No

Term Expiration Date:

Mailing Address: 3000 EL CAMINO REAL STE 5-700
PALO ALTO, CA 94306**Owned Entity(s)**

Owned Entity(s)

State of Formation

TX SOS File #

Percentage of Ownership

None entered.

Owners

Owned Entity(s)

State of Formation

TX SOS File #

Percentage of Ownership

Infinity Wind Holdings, LLC

DE

100.0

Registered Agent and OfficeAgent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS
INCOOffice: 211 E. 7TH STREET, SUITE 620
AUSTIN, TX 78701**Declaration Statement**

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 7

Legal Name of Affiliate: Cottonwood Wind Land Holdings, LLC

Affiliate Taxpayer Number: 000000001

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? No

Affiliate 8

Legal Name of Affiliate: Cottonwood II Wind Project, LLC
Affiliate Taxpayer Number: 272586750
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 12/18/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 9
Legal Name of Affiliate: Frontier Wind Project, LLC
Affiliate Taxpayer Number: 300830751
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 03/18/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 10
Legal Name of Affiliate: Heartland Divide Wind Land Holdings, LLC
Affiliate Taxpayer Number: 352514035
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 12/31/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 11
Legal Name of Affiliate: Heartland Divide Wind Project, LLC
Affiliate Taxpayer Number: 271648975
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 12/18/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? No

Affiliate 12

Legal Name of Affiliate: Horse Thief Wind Project, LLC
 Affiliate Taxpayer Number: 263245023
 SOS File Number or Comptroller File Number:
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? No
 Affiliate Reporting Begin Date: 01/01/2015
 Affiliate Reporting End Date: 12/31/2015
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? No

Affiliate 13

Legal Name of Affiliate: Iron Star Wind Project, LLC
 Affiliate Taxpayer Number: 263288653
 SOS File Number or Comptroller File Number:
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? No
 Affiliate Reporting Begin Date: 01/01/2015
 Affiliate Reporting End Date: 12/31/2015
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? No

Affiliate 14

Legal Name of Affiliate: Ironwood Wind Land Holdings, LLC
 Affiliate Taxpayer Number: 272177874
 SOS File Number or Comptroller File Number:
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? No
 Affiliate Reporting Begin Date: 01/01/2015
 Affiliate Reporting End Date: 12/31/2015
 Gross receipts subject to throwback in other states: 0
 Gross receipts everywhere: 691,856
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? No

Affiliate 15

Legal Name of Affiliate: Live Oak Wind Project, LLC
 Affiliate Taxpayer Number: 32040272893
 SOS File Number or Comptroller File Number: 0801168740
 Affiliate NAICS Code: 531390
 Is this affiliate disregarded for Franchise Tax? No
 Does this affiliate have nexus? Yes
 Affiliate Reporting Begin Date: 01/01/2015
 Affiliate Reporting End Date:

12/18/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? No

Failing to complete an Information Report for this affiliate can impact the affiliate's account status.

Affiliate 16

Legal Name of Affiliate: Mammoth Plains Wind Holdings, LLC

Affiliate Taxpayer Number: 900933529

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? No

Affiliate 17

Legal Name of Affiliate: Mammoth Plains II Wind Project, LLC

Affiliate Taxpayer Number: 901001660

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 12/18/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? No

Affiliate 18

Legal Name of Affiliate: Midway Wind Project, LLC

Affiliate Taxpayer Number: 300892813

SOS File Number or Comptroller File Number:

Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? No

Affiliate Reporting Begin Date: 12/10/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? No

Affiliate 19

Legal Name of Affiliate:

MP Wind Land Holdings, LLC:

Affiliate Taxpayer Number: 800933787
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 12/31/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 545,743
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 20

Legal Name of Affiliate: Pioneer Creek Wind Project, LLC
Affiliate Taxpayer Number: 611774506
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 11/06/2015
Affiliate Reporting End Date: 12/18/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 21

Legal Name of Affiliate: Red Pine Wind Land Holdings, LLC
Affiliate Taxpayer Number: 300830753
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 12/31/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 22

Legal Name of Affiliate: Red Pine Wind Project, LLC
Affiliate Taxpayer Number: 271305230
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 02/27/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? No

Affiliate 23

Legal Name of Affiliate: River Birch Wind Land Holdings, LLC

Affiliate Taxpayer Number: 32053404748

SOS File Number or Comptroller File Number: 0801948361

Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? Yes

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states: 0

Gross receipts everywhere: 0

Gross receipts in Texas: 0

Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes

Will you be filing an information report for this affiliate? Yes

Public Information Report

Mailing Address: 3000 EL CAMINO REAL STE 5-700

PALO ALTO, CA 94306-2116

Principal Office: 3000 El Camino Real Ste 5-700, Palo Alto, CA 94306

Principal Place Of Business: 3000 El Camino Real Ste 5-700, Palo Alto, CA 94306

Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: MAP 2006, L.P.

Title: MANAGER

Director? No

Term Expiration Date:

Mailing Address: 3000 EL CAMINO REAL STE 5-700

PALO ALTO, CA 94306

Name: STEPHEN M HALL

Title: TREASURER

Director? No

Term Expiration Date:

Mailing Address: 3000 EL CAMINO REAL STE 5-700

PALO ALTO, CA 94306

Owned Entity(s)

Owned Entity(s)

State of Formation

TX SOS File #

Percentage of Ownership

None entered.

Owners

Owned Entity(s)

State of Formation

TX SOS File #

Percentage of Ownership

Infinity Wind Holdings, LLC

DE

99.0

Registered Agent and Office

Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS
INCO

Office: 211 E. 7TH STREET, SUITE 620
AUSTIN, TX 78701-2116

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Affiliate 24

Legal Name of Affiliate: River Birch Wind Project, LLC

Affiliate Taxpayer Number: 32040272901

SOS File Number or Comptroller File Number: 0801168739

Affiliate NAICS Code: 531390

Is this affiliate disregarded for Franchise Tax? No

Does this affiliate have nexus? Yes

Affiliate Reporting Begin Date: 01/01/2015

Affiliate Reporting End Date: 12/31/2015

Gross receipts subject to throwback in other states:

0
 Gross receipts everywhere: 0
 Gross receipts in Texas: 0
 Cost of goods sold or compensation: 0
 Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
 Will you be filing an information report for this affiliate? Yes

Public Information Report			
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306			
Principal Office: 3760 State Street, Ste 200, Santa Barbara, CA 93105			
Principal Place Of Business: 3760 State Street, Ste 200, Santa Barbara, CA 93105			
Changes from previous year?: No			
Officers, Directors, Managers, Member or General Partner			
Name: INFINITY WIND HOLDINGS			
Title: MEMBER	Director? No	Term Expiration Date:	
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306			
Name: INFINITY WIND HOLDINGS			
Title: MANAGER	Director? No	Term Expiration Date:	
Mailing Address: 3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306			
Owned Entity(s)			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			
Owners			
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
Infinity Wind Holdings, LLC	DE		100.0
Registered Agent and Office			
Agent: CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO			
Office: 211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701			
Declaration Statement			
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.			

Affiliate 25	
Legal Name of Affiliate: Roosevelt Wind Holdings, LLC	
Affiliate Taxpayer Number: 901000954	
SOS File Number or Comptroller File Number:	
Affiliate NAICS Code: 531390	
Is this affiliate disregarded for Franchise Tax? No	
Does this affiliate have nexus? No	
Affiliate Reporting Begin Date: 01/01/2015	
Affiliate Reporting End Date: 12/31/2015	
Gross receipts subject to throwback in other states: 0	
Gross receipts everywhere: 0	
Gross receipts in Texas: 0	
Cost of goods sold or compensation: 0	
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes	
Will you be filing an information report for this affiliate? No	

Affiliate 26	
Legal Name of Affiliate: Roosevelt II Solar Project, LLC	
Affiliate Taxpayer Number: 371767919	
SOS File Number or Comptroller File Number:	
Affiliate NAICS Code: 531390	
Is this affiliate disregarded for Franchise Tax? No	

Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 12/31/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 27

Legal Name of Affiliate: Roosevelt II Wind Project, LLC
Affiliate Taxpayer Number: 611727887
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 12/31/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 28

Legal Name of Affiliate: Santa Fe Wind Project, LLC
Affiliate Taxpayer Number: 900795218
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 12/31/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 29

Legal Name of Affiliate: Shooting Star Wind Land Holdings, LLC
Affiliate Taxpayer Number: 453456560
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 12/31/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 1,021,272
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 30

Legal Name of Affiliate:

Steele Flats Wind Land Holdings, LLC

Affiliate Taxpayer Number: 800871230
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 12/31/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 359,794
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 31

Legal Name of Affiliate: Sunflower Wind Land Holdings, LLC
Affiliate Taxpayer Number: 352496689
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 12/31/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 32

Legal Name of Affiliate: Sunflower Wind Project, LLC
Affiliate Taxpayer Number: 271305397
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 04/02/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 33

Legal Name of Affiliate: Three Horses Wind Holdings, LLC
Affiliate Taxpayer Number: 800794193
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 12/31/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0

Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 34

Legal Name of Affiliate: Western Plains Wind Land Holdings, LLC
Affiliate Taxpayer Number: 264559847
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 12/31/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

Affiliate 35

Legal Name of Affiliate: Western Plains Wind Project, LLC
Affiliate Taxpayer Number: 274580908
SOS File Number or Comptroller File Number:
Affiliate NAICS Code: 531390
Is this affiliate disregarded for Franchise Tax? No
Does this affiliate have nexus? No
Affiliate Reporting Begin Date: 01/01/2015
Affiliate Reporting End Date: 12/21/2015
Gross receipts subject to throwback in other states: 0
Gross receipts everywhere: 0
Gross receipts in Texas: 0
Cost of goods sold or compensation: 0
Is this affiliate a corporation, limited liability company, professional association, limited partnership or financial institution? Yes
Will you be filing an information report for this affiliate? No

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Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

TAB 10

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

There is 1.87 miles of 138KV transmission line; i.e., the existing property, located in the Reinvestment Zone which is owned by Brazos Electric Power Coop.

If the proposed Buckthorn Wind Project is built, the Erath Appraisal District will create a new account(s) under the project name to separately assess all improvements that qualify under this 313 value limitation.

Existing improvements are not eligible for value limitation and are expressly excluded from this application

Amendment No. 1

**ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY BUCKTHORN WIND PROJECT, LLC TO HUCKABAY ISD**

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

TAB 11

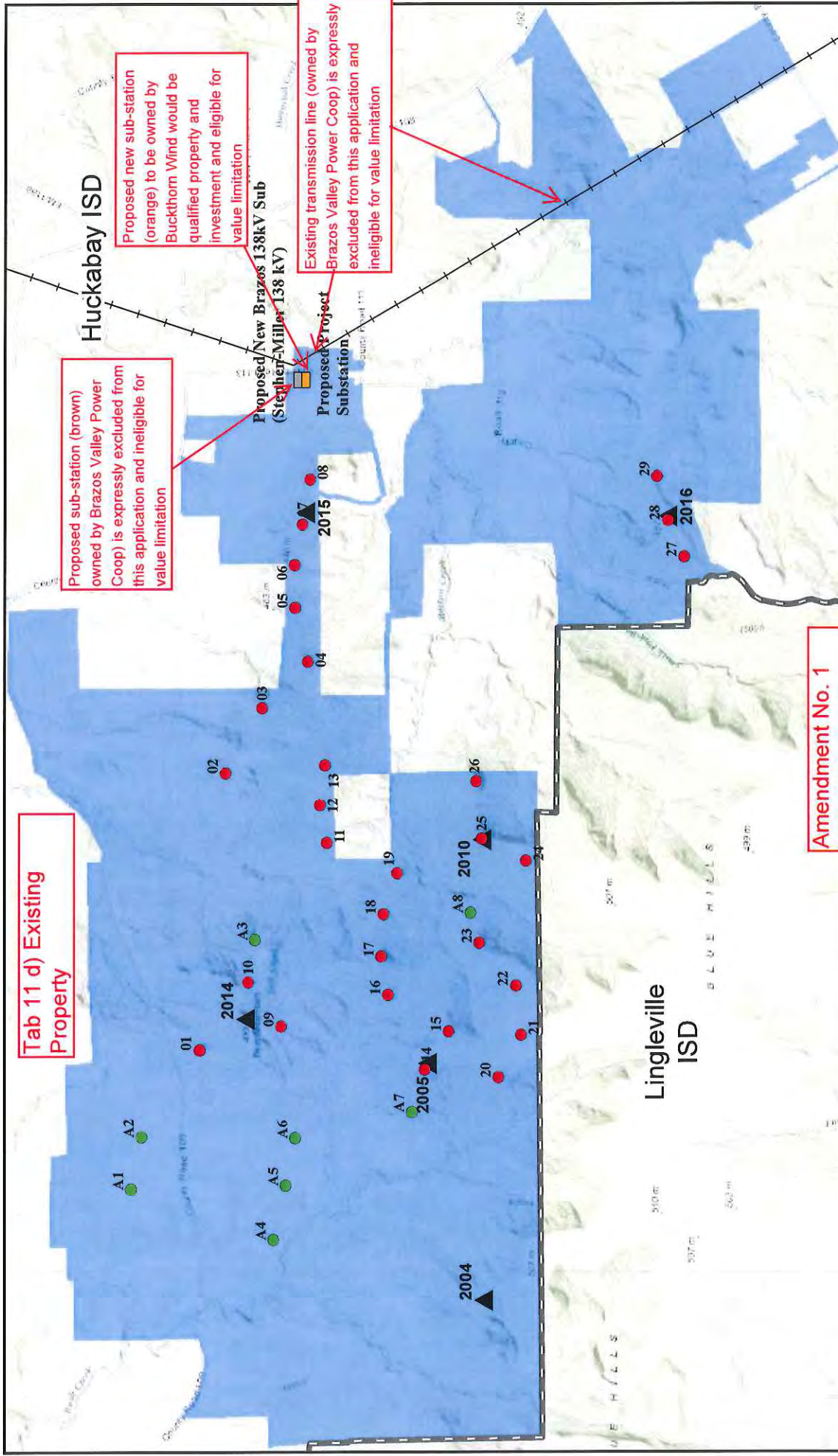
Maps that clearly show:

d) Existing property

Amendment No. 1

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY BUCKTHORN WIND PROJECT, LLC TO HUCKABAY ISD*

Tab 11 d) Existing Property



Amendment No. 1

INFINITY RENEWABLES Buckthorn Wind Project 04/26/2016	Legend Vestas 3.3 117 96MW Planned (red dot) Alternate (green dot) Wind Farm Boundary (blue outline) School Districts (grey icon) Met Towers (black triangle) Existing Transmission (black line) — (Stephenville - Miller 138 kV)	Project Location	Reference NAD 1983 UTM Zone 14N 0 0.5 1 Miles CONFIDENTIAL
---	---	--------------------------------	--

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? 3
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 629.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 898.00
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,114.00
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? 46,675.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 46,675.00
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 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

Print Name (Authorized School District Representative)

Title

sign
here

Signature (Authorized School District Representative)

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print
here

Derek Harding

Manager

Print Name (Authorized Company Representative (Applicant))

Title

sign
here

Derek M. Harding
Signature (Authorized Company Representative (Applicant))

5/3/16
Date

See attached

GIVEN under my hand and seal of office this, the

day of

Notary Public in and for the State of Texas

(Notary Seal)

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.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

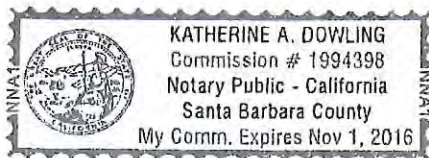
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of Santa Barbara)
 On May 3, 2016 before me, Katherine A. Dowling, Notary Public
Date Here Insert Name and Title of the Officer
 personally appeared Derek Harding
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Katherine A. Dowling
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

- ☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

**BUCKTHORN WIND PROJECT, LLC
TAB 13 TO CHAPTER 313 APPLICATION**

**ERATH COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2015	\$ 604	\$ 31,408
SECOND	2015	\$ 601	\$ 31,252
THIRD	2015	\$ 622	\$ 32,344
FOURTH	2015	\$ 688	\$ 35,776
AVERAGE		\$ 629	\$ 32,695

**ERATH COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2015	\$ 797	\$ 41,444
SECOND	2015	\$ 750	\$ 39,000
THIRD	2015	\$ 823	\$ 42,796
FOURTH	2015	\$ 894	\$ 46,488
AVERAGE		\$ 816	\$ 42,432
X		110%	110%
		\$ 898	\$ 46,675

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
North Central	2014	\$ 1,013	\$ 52,672
X		110%	110%
		\$ 1,114	\$ 57,939

* 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	4th Qtr	Erath County	Private	00	0	10	Total, All Industries	\$688
2015	1st Qtr	Erath County	Private	00	0	10	Total, All Industries	\$604
2015	2nd Qtr	Erath County	Private	00	0	10	Total, All Industries	\$601
2015	3rd Qtr	Erath County	Private	00	0	10	Total, All Industries	\$622

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	Erath County	Private	31	2	31-33	Manufacturing	\$797
2015	2nd Qtr	Erath County	Private	31	2	31-33	Manufacturing	\$750
2015	3rd Qtr	Erath County	Private	31	2	31-33	Manufacturing	\$823
2015	4th Qtr	Erath County	Private	31	2	31-33	Manufacturing	\$895

**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 \$52,672
= \$57,939

Source: Texas Occupational Employment and Wages

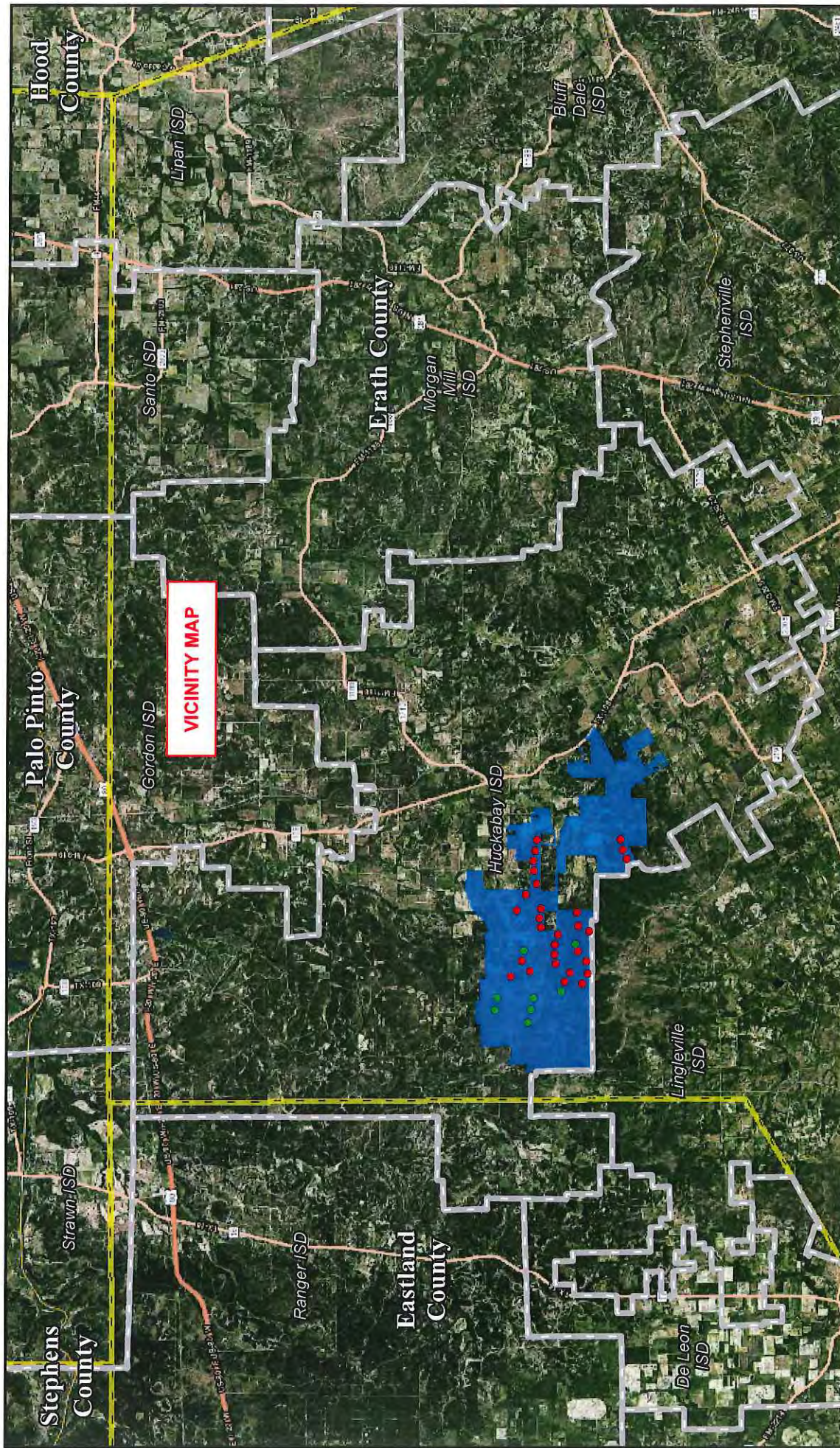
Data published: July 2015

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.



Reference		
		NAD 1983 UTM Zone 14N



Legend	
Wind Farm Boundary/Reinvestment Zone	County Borders
Vestas 3.3 117 96MW Planned	Vestas 3.3 117 96MW Alternate
School Districts	

	Buckthorn Wind Project
04/26/2016	

CONFIDENTIAL

Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

TAB 14

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

See attached Schedule C (amended)

Amendment No. 1

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY BUCKTHORN WIND PROJECT, LLC TO HUCKABAY ISD*

Date

2/8/2016

Applicant Name

Buckthorn Wind Project, LLC

ISD Name

Huckabay ISD

Schedule C: Employment Information

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs		Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	2017	100 FTE's	44,216	0	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2018-2019	2018	0	0	0	0	3	46,550
	2	2019-2020	2019	0	0	0	0	3	46,550
	3	2020-2021	2020	0	0	0	0	3	46,550
	4	2021-2022	2021	0	0	0	0	3	46,550
	5	2022-2023	2022	0	0	0	0	3	46,550
	6	2023-2024	2023	0	0	0	0	3	46,550
	7	2024-2025	2024	0	0	0	0	3	46,550
	8	2025-2026	2025	0	0	0	0	3	46,550
	9	2026-2027	2026	0	0	0	0	3	46,550
	10	2027-2028	2027	0	0	0	0	3	46,550
Years Following Value Limitation Period	11 through 25	2028-2041	2040	0	0	0	0	3	46,550

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)
If yes, answer the following two questions:

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

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

Yes ☒ No ☐

Yes ☒ No ☐

Yes ☐ No ☒

Amendment No. 1

Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of : 09/29/2016 09:51:59 AM

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

BUCKTHORN WIND PROJECT, LLC	
Texas Taxpayer Number	32050151797
Mailing Address	3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306-2116
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	02/08/2013
Texas SOS File Number	0801731544
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 9, 2016

Dr. Cheryl Floyd
Superintendent
Huckabay Independent School District
200 CR 421
Stephenville, Texas 76401-6429

Dear Superintendent Floyd:

On June 2, 2016, the Comptroller issued written notice that Buckthorn Wind Project, LLC (the applicant) submitted a completed application (Application #1126) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on February 17, 2016, to the Huckabay 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 requested a waiver for 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 #1115.

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 by December 31, 2016.

Note that any building or improvement existing as of the application review start date of June 2, 2016, 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 800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Korry Castillo

Attachment D

Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED BUCKTHORN
WIND PROJECT, LLC PROJECT IN THE HUCKABAY
INDEPENDENT SCHOOL DISTRICT
(PROJECT # 1126)**

PREPARED BY



OCTOBER 17, 2016

Executive Summary

Buckthorn Wind Project, LLC (Company) has requested that the Huckabay Independent School District (HISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to HISD on February 17, 2016 the Company plans to invest \$139.1 million to construct a manufacturing facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

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

Under the provisions of Chapter 313, HISD may offer a minimum value limitation of \$10 million. This value limitation, under the proposed application, will begin in the 2018-19 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

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

Total Revenue Loss Payment owed to HISD	\$1.4 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$7.86 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. The Completeness Letter for the Buckthorn Wind Project was issued on June 2, 2016.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. The Comptroller's Office issued its Certificate for the Buckthorn Wind Project on June 9, 2016. After the certificate is received, the district has until the 150th day from the

receipt of the Completeness Letter or until December 31st, whichever is earlier, to adopt an agreement.

Each value limitation agreement is unique and to ensure the proper revenue-loss protection and maximum supplemental benefits are in place, an understanding of the school district's finances and a thorough knowledge of the Ch. 313 statute are required. MCA and O'Hanlon, McCollom & Demerath will ensure the best interests of HISD are secured. In consultation with the District, an Agreement was negotiated with the Company. A final version of the agreement must be submitted to the Comptroller for review prior to final adoption by the school district's board of trustees.

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

How the 313 Agreement Interacts with Texas School Finance

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of three components: Tier I, Tier II and additional state aid for tax reduction (ASATR), although ASATR is currently scheduled to be eliminated by the 2017-18 school year. (For more detailed information on the school finance funding system, please review the Texas Education Agency's [School Finance 101: Funding of Texas Public Schools.](#))

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

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

Additional State Aid for Tax Reduction (ASATR) guarantees a school district a set amount of state and local M&O funds per student in weighted average daily attendance to compensate for the mandatory reduction in, or compression of, the local M&O tax rate that was adopted in 2005 or 2006. ASATR funding is expected to be eliminated by the 2017-18 school year under current law. ASATR funds are not a factor in the calculations shown below.

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

finance formula system calculates state aid entitlements using the property value for the preceding year as certified by the Comptroller.

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

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

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

Underlying School District Data Assumptions

A key element in any analysis of the school finance implications of a Chapter 313 agreement is the provision for revenue protection in the agreement between the school district and the applicant. The agreement calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue-protection language in the agreement. This approach also reduces guess work as to future changes in school finance and property tax laws.

The general approach used here to analyze the future revenue stream of the school district under a value limitation is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. Student enrollment counts are held constant at 196 students in average daily attendance (ADA) in analyzing the effects of the project on the finances of HISD. The District's local tax base reached \$124.3 million for the 2015 tax year and is maintained at that level for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$1.04 per \$100 is used throughout this analysis.

HISD has estimated 2015-16 state property wealth per weighted ADA or WADA of approximately \$381,557. As a result, HISD is not considered a Chapter 41 or recapture district under the school finance system, although it could be in if the project is constructed in the absence of a value limitation agreement. Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

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

The mandated school district homestead exemption increase from \$15,000 to \$25,000 has been incorporated into the analysis. Given that the models below focus exclusively on the Buckthorn Wind Project, LLC project values, however, the homestead exemption change does not have a significant impact on this analysis.

The M&O tax rate for 2015 is maintained at \$1.04 per \$100. Although the impact of the Chapter 313 project value returning to the total tax roll for M&O funding purposes could result in a lower M&O tax rate that analysis is beyond the scope of this revenue report.

Table 1 – Base District Information with Buckthorn Wind Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD with Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP0	2016-17	195.70	307.07	\$1.0400	\$0.0000	\$124,269,396	\$124,269,396	\$122,061,319	\$122,061,319	\$397,510	\$397,510
QTP1	2017-18	195.70	307.07	\$1.0400	\$0.0000	\$124,269,396	\$124,269,396	\$122,061,319	\$122,061,319	\$397,510	\$397,510
QTP2/VL1	2018-19	195.70	307.07	\$1.0400	\$0.0000	\$263,391,396	\$134,269,396	\$122,061,319	\$122,061,319	\$397,510	\$397,510
VL2	2019-20	195.70	307.07	\$1.0400	\$0.0000	\$252,285,156	\$134,269,396	\$261,183,319	\$132,061,319	\$850,580	\$430,076
VL3	2020-21	195.70	307.07	\$1.0400	\$0.0000	\$242,066,945	\$134,269,396	\$250,077,079	\$132,061,319	\$814,411	\$430,076
VL4	2021-22	195.70	307.07	\$1.0400	\$0.0000	\$232,665,730	\$134,269,396	\$239,858,868	\$132,061,319	\$781,134	\$430,076
VL5	2022-23	195.70	307.07	\$1.0400	\$0.0000	\$224,016,160	\$134,269,396	\$230,457,653	\$132,061,319	\$750,517	\$430,076
VL6	2023-24	195.70	307.07	\$1.0400	\$0.0000	\$216,058,113	\$134,269,396	\$221,808,083	\$132,061,319	\$722,349	\$430,076
VL7	2024-25	195.70	307.07	\$1.0400	\$0.0000	\$208,736,276	\$134,269,396	\$213,850,036	\$132,061,319	\$696,432	\$430,076
VL8	2025-26	195.70	307.07	\$1.0400	\$0.0000	\$201,999,760	\$134,269,396	\$206,528,199	\$132,061,319	\$672,588	\$430,076
VL9	2026-27	195.70	307.07	\$1.0400	\$0.0000	\$195,801,749	\$134,269,396	\$199,791,683	\$132,061,319	\$650,649	\$430,076
VL10	2027-28	195.70	307.07	\$1.0400	\$0.0000	\$190,099,171	\$134,269,396	\$193,593,672	\$132,061,319	\$630,465	\$430,076
VP1	2028-29	195.70	307.07	\$1.0400	\$0.0000	\$184,852,399	\$184,852,399	\$187,891,094	\$132,061,319	\$611,894	\$430,076
VP2	2029-30	195.70	307.07	\$1.0400	\$0.0000	\$180,024,976	\$180,024,976	\$182,644,322	\$182,644,322	\$594,807	\$594,807
VP3	2030-31	195.70	307.07	\$1.0400	\$0.0000	\$175,583,363	\$175,583,363	\$177,816,899	\$177,816,899	\$579,086	\$579,086
VP4	2031-32	195.70	307.07	\$1.0400	\$0.0000	\$171,496,702	\$171,496,702	\$173,375,286	\$173,375,286	\$564,621	\$564,621
VP5	2032-33	195.70	307.07	\$1.0400	\$0.0000	\$167,736,605	\$167,736,605	\$169,288,625	\$169,288,625	\$551,312	\$551,312

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

M&O Impact of the Buckthorn Wind project on HISD

School finance models were prepared for HISD under these assumptions through the 2032-33 school year. Under the proposed agreement, a model is established to make a calculation of the “Baseline Revenue Model” by adding the total value of the project to the model, but without assuming that a value limitation is approved. These model results are detailed in Table 2.

Additionally, a separate model is established to make a calculation of the “Value Limitation Revenue Model” by adding the project’s limited value of \$10 million to the model. These results are shown in Table 3.

Table 2- "Baseline Revenue Model" --Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2016-17	\$1,199,898	\$420,073	\$0	\$0	\$47,996	\$45,591	\$0	\$0	\$5,750	\$1,719,308
QTP1	2017-18	\$1,199,898	\$420,073	\$0	\$0	\$47,996	\$45,591	\$0	\$0	\$5,750	\$1,719,308
QTP2/VL1	2018-19	\$2,563,294	\$420,073	\$0	\$0	\$102,532	\$97,445	\$0	\$38,910	\$5,750	\$3,228,004
VL2	2019-20	\$2,454,453	\$65,172	\$0	-\$940,536	\$98,178	\$0	\$0	\$2,845	\$5,750	\$1,685,861
VL3	2020-21	\$2,354,314	\$65,172	\$0	-\$837,727	\$94,173	\$0	\$0	\$2,729	\$5,750	\$1,684,411
VL4	2021-22	\$2,262,182	\$65,172	\$0	-\$742,919	\$90,487	\$0	\$0	\$2,622	\$5,750	\$1,683,293
VL5	2022-23	\$2,177,417	\$65,172	\$0	-\$655,483	\$87,097	\$2,877	\$0	\$0	\$5,750	\$1,682,830
VL6	2023-24	\$2,099,428	\$65,172	\$0	-\$575,266	\$83,977	\$6,163	\$0	\$339	\$5,750	\$1,685,562
VL7	2024-25	\$2,027,674	\$65,172	\$0	-\$504,597	\$81,107	\$9,179	\$0	\$2,939	\$5,750	\$1,687,224
VL8	2025-26	\$1,961,656	\$65,172	\$0	-\$439,407	\$78,466	\$11,985	\$0	\$2,842	\$5,750	\$1,686,463
VL9	2026-27	\$1,900,915	\$65,172	\$0	-\$379,269	\$76,037	\$14,583	\$0	\$2,752	\$5,750	\$1,685,940
VL10	2027-28	\$1,845,030	\$65,172	\$0	-\$323,788	\$73,801	\$16,945	\$0	\$2,674	\$5,750	\$1,685,584
VP1	2028-29	\$1,793,612	\$65,172	\$0	-\$272,603	\$71,744	\$19,168	\$0	\$2,598	\$5,750	\$1,685,441
VP2	2029-30	\$1,746,303	\$65,172	\$0	-\$225,380	\$69,852	\$21,172	\$0	\$2,533	\$5,750	\$1,685,402
VP3	2030-31	\$1,702,775	\$65,172	\$0	-\$181,812	\$68,111	\$23,076	\$0	\$2,468	\$5,750	\$1,685,540
VP4	2031-32	\$1,662,726	\$65,172	\$0	-\$141,617	\$66,509	\$24,842	\$0	\$2,408	\$5,750	\$1,685,789
VP5	2032-33	\$1,625,877	\$65,172	\$0	-\$104,535	\$65,035	\$26,411	\$0	\$2,357	\$5,750	\$1,686,066

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

Table 3- "Value Limitation Revenue Model" --Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2016-17	\$1,199,898	\$420,073	\$0	\$0	\$47,996	\$45,591	\$0	\$0	\$5,750	\$1,719,308
QTP1	2017-18	\$1,199,898	\$420,073	\$0	\$0	\$47,996	\$45,591	\$0	\$0	\$5,750	\$1,719,308
QTP2/VL1	2018-19	\$1,297,898	\$420,073	\$0	\$0	\$51,916	\$49,303	\$0	\$2,241	\$5,750	\$1,827,181
VL2	2019-20	\$1,297,898	\$320,073	\$0	\$0	\$51,916	\$41,661	\$0	\$0	\$5,750	\$1,717,298
VL3	2020-21	\$1,297,898	\$320,073	\$0	\$0	\$51,916	\$41,661	\$0	\$0	\$5,750	\$1,717,298
VL4	2021-22	\$1,297,898	\$320,073	\$0	\$0	\$51,916	\$41,661	\$0	\$0	\$5,750	\$1,717,298
VL5	2022-23	\$1,297,898	\$320,073	\$0	\$0	\$51,916	\$41,661	\$0	\$0	\$5,750	\$1,717,298
VL6	2023-24	\$1,297,898	\$320,073	\$0	\$0	\$51,916	\$41,661	\$0	\$0	\$5,750	\$1,717,298
VL7	2024-25	\$1,297,898	\$320,073	\$0	\$0	\$51,916	\$41,661	\$0	\$0	\$5,750	\$1,717,298
VL8	2025-26	\$1,297,898	\$320,073	\$0	\$0	\$51,916	\$41,661	\$0	\$0	\$5,750	\$1,717,298
VL9	2026-27	\$1,297,898	\$320,073	\$0	\$0	\$51,916	\$41,661	\$0	\$0	\$5,750	\$1,717,298
VL10	2027-28	\$1,297,898	\$320,073	\$0	\$0	\$51,916	\$41,661	\$0	\$0	\$5,750	\$1,717,298
VP1	2028-29	\$1,793,612	\$320,073	\$0	\$0	\$71,744	\$57,562	\$0	\$13,708	\$5,750	\$2,262,449
VP2	2029-30	\$1,746,303	\$65,172	\$0	-\$225,380	\$69,852	\$21,172	\$0	\$2,533	\$5,750	\$1,685,402
VP3	2030-31	\$1,702,775	\$65,172	\$0	-\$181,812	\$68,111	\$23,076	\$0	\$2,468	\$5,750	\$1,685,540
VP4	2031-32	\$1,662,726	\$65,172	\$0	-\$141,617	\$66,509	\$24,842	\$0	\$2,408	\$5,750	\$1,685,789
VP5	2032-33	\$1,625,877	\$65,172	\$0	-\$104,535	\$65,035	\$26,411	\$0	\$2,357	\$5,750	\$1,686,066

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

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

Table 4 displays the results of the comparison between the Baseline Revenue Model and the Value Limitation Revenue Model (Tables 2 and 3). The difference between the two models indicates there will be a total revenue loss of \$1.4 million under the Agreement, with all of this loss expected in the first limitation year (2018-19). Nearly all of the reduction in M&O taxes under the limitation agreement is offset through a reduction in recapture costs owed to the state under current law.

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2016-17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2017-18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2018-19	-\$1,265,396	\$0	\$0	\$0	-\$50,616	-\$48,142	\$0	-\$36,669	\$0	-\$1,400,823
VL2	2019-20	-\$1,156,555	\$254,901	\$0	\$940,536	-\$46,262	\$41,661	\$0	-\$2,845	\$0	\$31,436
VL3	2020-21	-\$1,056,416	\$254,901	\$0	\$837,727	-\$42,257	\$41,661	\$0	-\$2,729	\$0	\$32,887
VL4	2021-22	-\$964,284	\$254,901	\$0	\$742,919	-\$38,571	\$41,661	\$0	-\$2,622	\$0	\$34,004
VL5	2022-23	-\$879,519	\$254,901	\$0	\$655,483	-\$35,181	\$38,784	\$0	\$0	\$0	\$34,468
VL6	2023-24	-\$801,530	\$254,901	\$0	\$575,266	-\$32,061	\$35,498	\$0	-\$339	\$0	\$31,735
VL7	2024-25	-\$729,776	\$254,901	\$0	\$504,597	-\$29,191	\$32,482	\$0	-\$2,939	\$0	\$30,074
VL8	2025-26	-\$663,758	\$254,901	\$0	\$439,407	-\$26,550	\$29,676	\$0	-\$2,842	\$0	\$30,834
VL9	2026-27	-\$603,017	\$254,901	\$0	\$379,269	-\$24,121	\$27,078	\$0	-\$2,752	\$0	\$31,358
VL10	2027-28	-\$547,132	\$254,901	\$0	\$323,788	-\$21,885	\$24,716	\$0	-\$2,674	\$0	\$31,714
VP1	2028-29	\$0	\$254,901	\$0	\$272,603	\$0	\$38,394	\$0	\$11,110	\$0	\$577,008
VP2	2029-30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2030-31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2032-33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

M&O Impact on the Taxpayer

Table 5 summarizes the impact of the property value limitation in terms of the potential tax savings to the taxpayer under the property value limitation agreement. The focus of this table is on the M&O tax rate only. A \$1.04 per \$100 M&O tax rate is assumed in 2015-16 (the most recent year available) and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$9.2 million over the life of the agreement. The HISD revenue losses are expected to total approximately \$1.4 million. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to total \$7.86 million, prior to any negotiations with Buckthorn Wind on supplemental payments.

Table 5 - Estimated Financial Impact of the Buckthorn Wind Project Property Value Limitation Request Submitted to HISD at \$1.0400 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits
QTP0	2016-17	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0
QTP1	2017-18	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2018-19	\$139,122,000	\$10,000,000	\$129,122,000	\$1.040	\$1,446,869	\$104,000	\$1,342,869	-\$1,400,823	\$0
VL2	2019-20	\$128,015,760	\$10,000,000	\$118,015,760	\$1.040	\$1,331,364	\$104,000	\$1,227,364	\$0	\$1,227,364
VL3	2020-21	\$117,797,549	\$10,000,000	\$107,797,549	\$1.040	\$1,225,095	\$104,000	\$1,121,095	\$0	\$1,121,095
VL4	2021-22	\$108,396,334	\$10,000,000	\$98,396,334	\$1.040	\$1,127,322	\$104,000	\$1,023,322	\$0	\$1,023,322
VL5	2022-23	\$99,746,764	\$10,000,000	\$89,746,764	\$1.040	\$1,037,366	\$104,000	\$933,366	\$0	\$933,366
VL6	2023-24	\$91,788,717	\$10,000,000	\$81,788,717	\$1.040	\$954,603	\$104,000	\$850,603	\$0	\$850,603
VL7	2024-25	\$84,466,880	\$10,000,000	\$74,466,880	\$1.040	\$878,456	\$104,000	\$774,456	\$0	\$774,456
VL8	2025-26	\$77,730,364	\$10,000,000	\$67,730,364	\$1.040	\$808,396	\$104,000	\$704,396	\$0	\$704,396
VL9	2026-27	\$71,532,353	\$10,000,000	\$61,532,353	\$1.040	\$743,936	\$104,000	\$639,936	\$0	\$639,936
VL10	2027-28	\$65,829,775	\$10,000,000	\$55,829,775	\$1.040	\$684,630	\$104,000	\$580,630	\$0	\$580,630
VP1	2028-29	\$60,583,003	\$60,583,003	\$0	\$1.040	\$630,063	\$630,063	\$0	\$0	\$0
VP2	2029-30	\$55,755,580	\$55,755,580	\$0	\$1.040	\$579,858	\$579,858	\$0	\$0	\$0
VP3	2030-31	\$51,313,967	\$51,313,967	\$0	\$1.040	\$533,665	\$533,665	\$0	\$0	\$0
VP4	2031-32	\$47,227,306	\$47,227,306	\$0	\$1.040	\$491,164	\$491,164	\$0	\$0	\$0
VP5	2032-33	\$43,467,209	\$43,467,209	\$0	\$1.040	\$452,059	\$452,059	\$0	\$0	\$0
						\$12,924,845	\$3,726,809	\$9,198,036	-\$1,400,823	\$7,855,167

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

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with HISD not levying an I&S tax rate. While the value of the Buckthorn Wind project is expected to depreciate over the life of the agreement and beyond, local taxpayers would benefit if they give future consideration to a bond issue.

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

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

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

Attachment E

Taxable Value of Property



Glenn Hegar
Texas Comptroller of Public Accounts

Taxes [Comptroller.Texas.Gov/Taxes/]

Property Tax [comptroller.texas.gov/taxes/property-tax/]

SCHOOL AND APPRAISAL DISTRICTS PROPERTY VALUE STUDY 2014 REPORT

2014 ISD Summary Worksheet

067/Eastland

072-908/Huckabay ISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family Residences	0	N/A	0	0
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	0	N/A	0	0
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	309,400	N/A	309,400	309,400

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
D2. Real Prop Farm & Ranch	78,220	N/A	78,220	78,220
E. Real Prop NonQual Acres	67,700	N/A	67,700	67,700
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	13,260	N/A	13,260	13,260
J. Utilities	2,310	N/A	2,310	2,310
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	0	N/A	0	0
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	470,890		470,890	470,890

Loss To the Additional \$10,000 Homestead Exemption Deductions	2014 Total Taxable Value	Roll T3 2014 Mean	Ratio WTD T4	2014 Total Taxable Value	50% of the loss to the Local Optional Percentage Homestead Exemption	2014 Total Taxable Value
	0					0
Total Taxable Value	470,890			470,890		470,890 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
470,890	470,890	470,890	470,890	470,890	470,890

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
0	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	Local Tax Roll	T9 2014 WTD T10	2014 PTAD	2014 Value
T7 = T1 minus 50% of the loss to the local optional percentage homestead exemption	Value	Mean Ratio	Value Estimate	Assigned

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
470,890	470,890	470,890	470,890	470,890	470,890

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

072/Erath

072-908/Huckabay ISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family Residences	7,918,250	N/A	7,918,250	7,918,250

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
B. Multi-Family Residences	1,788,240	N/A	1,788,240	1,788,240
C1. Vacant Lots	282,840	N/A	282,840	282,840
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	9,712,340	N/A	9,712,340	9,712,340
D2. Real Prop Farm & Ranch	2,215,000	N/A	2,215,000	2,215,000
E. Real Prop NonQual Acres	74,648,070	N/A	74,648,070	74,648,070
F1. Commercial Real	4,218,210	N/A	4,218,210	4,218,210
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	3,537,480	N/A	3,537,480	3,537,480
J. Utilities	21,737,510	N/A	21,737,510	21,737,510
L1. Commercial Personal	2,432,750	N/A	2,432,750	2,432,750
L2. Industrial Personal	58,350	N/A	58,350	58,350
M. Other Personal	1,647,850	N/A	1,647,850	1,647,850

Loss To the Additional \$10,000 Homestead Exemption	Local Tax Value	Roll T3 2014 Mean	WTD T4 Ratio	2014 T5 Value	50% of the loss to the Local Optional Percentage Homestead Exemption	2014 T6 Value
N/A	0	N/A				0
O. Residential Inventory	0	N/A		0		0
S. Special Inventory	0	N/A		0		0
Subtotal	130,196,890			130,196,890		130,196,890
Less Total Deductions	10,020,315			10,020,315		10,020,315
Total Taxable Value	120,176,575			120,176,575		120,176,575 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
123,700,485	120,176,575	123,700,485	120,176,575	120,176,575	120,176,575

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
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Loss To	T8	T9	T10	50% of the loss	T12
the Additional \$10,000 Homestead Exemption				to the Local Optional Percentage Homestead Exemption	
	3,523,910				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
123,700,485	120,176,575	123,700,485	120,176,575	120,176,575	120,176,575

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	Local Tax Roll	2014 WTD	2014 PTAD	2014 Value Assigned
Category	Value	Mean Ratio	Value Estimate	
072-908/Huckabay ISD				

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family Residences	7,918,250	N/A	7,918,250	7,918,250
B. Multi-Family Residences	1,788,240	N/A	1,788,240	1,788,240
C1. Vacant Lots	282,840	N/A	282,840	282,840
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	10,021,740	N/A	10,021,740	10,021,740
D2. Real Prop Farm & Ranch	2,293,220	N/A	2,293,220	2,293,220
E. Real Prop NonQual Acres	74,715,770	N/A	74,715,770	74,715,770
F1. Commercial Real	4,218,210	N/A	4,218,210	4,218,210
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	3,550,740	N/A	3,550,740	3,550,740
J. Utilities	21,739,820	N/A	21,739,820	21,739,820

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
L1. Commercial Personal	2,432,750	N/A	2,432,750	2,432,750
L2. Industrial Personal	58,350	N/A	58,350	58,350
M. Other Personal	1,647,850	N/A	1,647,850	1,647,850
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	130,667,780		130,667,780	130,667,780
Less Total Deductions	10,020,315		10,020,315	10,020,315
Total Taxable Value	120,647,465		120,647,465	120,647,465 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

Attachment F

TEA's Facilities Value

Attachment G

Participation Agreement

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

by and between

HUCKABAY INDEPENDENT SCHOOL DISTRICT

and

BUCKTHORN WIND PROJECT, LLC

(Texas Taxpayer ID # 32050151797)

Comptroller Application # 1126

Dated

October 20, 2016

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

STATE OF TEXAS §

COUNTY OF ERATH §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this “Agreement,” is executed and delivered by and between the **HUCKABAY INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the “District,” a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **BUCKTHORN WIND PROJECT, LLC**, Texas Taxpayer Identification Number 32050151797 hereinafter referred to as the “Applicant.” The Applicant and the District are hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, on February 17, 2016, the Superintendent of Schools of the Huckabay Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on February 17, 2016, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

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

WHEREAS, the District and the Texas Comptroller's Office have determined that the Application is complete and June 2, 2016 is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Erath Appraisal District established in Erath County, Texas (the “Erath County Appraisal District”), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on June 9, 2016, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, on October 20, 2016, 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 October 20, 2016, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on October 20, 2016, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on October 17, 2016, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on October 20, 2016, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I

DEFINITIONS

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

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

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

“Applicant” means Buckthorn Wind Project, LLC, (Texas Taxpayer ID #32050151797) the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on February 17, 2016. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

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

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

“Appraised Value” shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

"Appraisal District" means the Erath Appraisal District.

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

"Commercial Operation" means the generation of electricity (other than test energy) by Applicant from all of the wind turbines included in the Qualified Property for which electricity Applicant is entitled to receive compensation from a third party power purchaser, offtaker, merchant buyer, spot market buyer, or other third party purchaser.

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

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

"County" means Erath County, Texas.

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

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

"Force Majeure" means those causes generally recognized under Texas law as constituting impossible conditions. Each Party must inform the other in writing with proof of receipt within sixty (60) business days of the existence of such Force Majeure or otherwise waive this right as a defense.

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

"Maintain Viable Presence" means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant's maintenance of jobs and wages as required by the Act and as set forth in its Application.

"Market Value" shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

"New Qualifying Jobs" means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller's Rules.

"New Non-Qualifying Jobs" means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

"Qualified Investment" has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller's Rules.

"Qualified Property" has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller's Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

"Qualifying Time Period" means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller's Rules, and this Agreement.

"State" means the State of Texas.

"Supplemental Payment" means any payments or transfers of things of value made to the District or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the Agreement and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

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

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

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

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

Section 1.2 NEGOTIATED DEFINITIONS. Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller's Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

"Annual Limit" means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District's average daily attendance in the amount of 196 for the 2015-2016 school year, as calculated pursuant to Texas Education Code §42.005, times the greater of \$100, or any larger amount allowed by Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for Tax Year 2016, which by virtue of the Application Approval Date is the Tax Year that includes the date on which Qualifying Time Period begins.

"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 for each and every year of this Agreement, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term includes any and all amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant's ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement. For each year of this Agreement, the "Applicable School Finance Law" shall be interpreted to include all provisions made applicable for any calculations made for the specific year for which calculations are being made.

"M&O Amount" means the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date as set forth in Section 4.2 of this Agreement.

"New M&O Revenue" means the total State and local Maintenance and Operations Revenue that District actually received for such school Year.

"Net Tax Benefit" means, for any subject Tax Year during the term of this Agreement, an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties, for all Tax Years up to and including the subject Tax Year; *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 Tax Years during the term of this Agreement for all Tax Years up to an including the subject Tax Year, plus (B) any and all payments due to the District under Articles IV and V, of this

Agreement for all Tax Years up to and including the subject Tax Year, plus (C) any and all payments owed to the District under Article VI of this Agreement for all Tax Years prior to the subject Tax Year.

"Revenue Protection Amount" means the amount calculated pursuant to Section 4.2 of this Agreement.

"Original M&O Revenue" means the total State and local Maintenance and Operations Revenue that District would have received for the Tax Year, under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant's Qualified Property been subject to the ad valorem maintenance & operations tax at the rate applicable for such Tax Year. For purposes of this calculation, the Third Party will base its calculations upon actual local taxable values for each applicable year as certified by the County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property subject to this Agreement, *plus* the total appraised value of the Qualified Property subject to this Agreement. In this calculation, the total appraised value of the Qualified Property subject to this Agreement will be used for the Qualified Property in lieu of the property's M&O taxable value. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant's Qualified Property will be used for the Qualified Property in lieu of the property's M&O taxable value.)

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

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

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

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is June 2, 2016, which will be used to determine the eligibility of the Applicant's Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is October 20, 2016.

C. The Qualifying Time Period for this Agreement:

- i. Starts on October 20, 2016, the Application Approval Date,; and
- ii. Ends on December 31, 2018, the last day of the second complete Tax Year following

the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2018, the first complete Tax Year that begins after the date of the commencement of Commercial Operation;
- ii. Ends on December 31, 2027.

E. The Final Termination Date for this Agreement is December 31, 2032.

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

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

- A. the Market Value of the Applicant's Qualified Property; or
- B. Ten Million Dollars (\$10,000,000), based on Section 313.054 of the TEXAS TAX CODE

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

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

- A. have completed the Applicant's Qualified Investment in the amount of \$1,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$651.00 for all New Non-Qualifying Jobs created by the Applicant.

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

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

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

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

ARTICLE III **QUALIFIED PROPERTY**

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

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

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

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

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

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was a sole and direct cause, all as calculated in Section 4.2 below. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement.

The Parties hereto expressly understand and agree that, for all years to which this Agreement may apply, the calculation of losses that District incurs in its Maintenance and Operations Revenue will be defined for each applicable Tax Year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may periodically change in accordance with changes made from time to time in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement; ii) are based upon current School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and, iii) may change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject only to the provisions of Section 7.1 of this Agreement, 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, 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. Notwithstanding any other provision in this Agreement, the M&O Amount owed by Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue.
- B. In making the calculations required by this Section 4.2 of this Agreement:
 - i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for each year for which the calculation is made.
 - ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).

iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.

iv. For all calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, Subsection *ii* of this subsection will reflect the Tax Limitation Amount for such year.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") approved each year by the District. The District agrees that for all Tax Years the Third Party selected by the District shall be either RM School Finance Consulting or Moak Casey & Associates. If the District desires to select a Third Party other than RM School Finance Consulting or Moak Casey & Associates, such selection must receive the Applicant's consent, which consent shall not be unreasonably withheld, delayed, or conditioned.

Section 4.4. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District for each Tax Year pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.5. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 4.2, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, subject to the provisions of Section 4.6. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.6. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party, plus any reasonable and necessary out-of-pocket third party legal expenses incurred by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas, for any audits conducted by the State Auditor's Office, or for other legal expenses which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Ten Thousand Dollars (\$10,000.00).

Section 4.7. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records and other information in accordance with Section 4.6 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the final determination of certification containing the calculations, and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.8. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Property by the Appraisal District.

If as a result of an appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.9. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in 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, 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's Maintenance and Operations Revenue, 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.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following: all non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the lease of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.

ARTICLE VI

SUPPLEMENTAL PAYMENTS

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

A. Amounts Exclusive of Indemnity Amounts. In addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for Supplemental Payments to be calculated as set forth in this Article VI. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article VI is separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all payments under Articles IV, V, and VI are subject to the limitations contained in Section 7.1, and that all Supplemental Payments under this Article IV are subject to the separate limitations contained in Section 6.2 and Section 6.3.B.

B. Adherence to Statutory Limits on Supplemental Payments. It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant under this Article VI shall not exceed the limit imposed by the provisions of Texas Tax Code §313.027(i), as such limit is allowed to be increased by the Legislature for any future year of this Agreement.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

A. The total of the Supplemental Payments made pursuant to this Article shall: not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application;

B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period;

C. the limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)–(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement; and

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's 2015-2016 Average Daily Attendance of 196, rounded to the nearest whole number.

Section 6.3. SUPPLEMENTAL PAYMENT CALCULATION - SUBJECT TO NET TAX BENEFIT LIMITATION.

A. During each Tax Year beginning with the Application Approval Date and continuing thereafter until December 31 of the third year following the end of the Tax Limitation Period, District shall, subject to the limitations set forth in Subsection 6.3(B) and Section 7.1, below, be entitled to receive Supplemental Payments equal to the greater amount set forth in Section 6.2(D), above.

B. Beginning with the first year of the Tax Limitation Period, as defined in Section 2.3(D)(1), above, and continuing thereafter until December 31 of the third year following the end of the Tax Limitation Period, Applicant's Supplemental Payment Obligation, set forth in Subsection 6.3.(A) shall be further limited to an amount not to exceed Forty Percent (40%) of Applicant's Net Tax Benefit.

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

Section 6.4. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.3, above.

- (a) B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6, above.
- (b) C. The payment of all amounts due under this Article shall be made by December 31 of the tax year for which the payment is due.

Section 6.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under Article VI of this agreement be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District's Board of Trustees at any time.

Any designation of a successor beneficiary under this Section shall not alter the Aggregate Limit or the Net Aggregate Limit or the Supplemental Payments calculated as described in Section 6.5, above.

ARTICLE VII

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the 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 the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July

31 of the year following the Tax Year with respect to which a 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 the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

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

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

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

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

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

Section 8.4. DATA REQUESTS. Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information

reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

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

A. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

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

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR.

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

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

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

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized

Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

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

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

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

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

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

C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

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

A. The Application, any Application Supplement, or any Application Amendment on which

this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

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

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

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;
- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and

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

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

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

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have not greater than sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Erath County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such

mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Erath County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the 30 days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

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

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.2 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the 60 days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

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

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

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

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

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

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS. Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

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

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in

Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

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

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

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

ARTICLE X.

MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

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

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

Dr. Cheryl Floyd
Superintendent
Huckabay Independent School District
200 CR 421
Stephenville, TX 76401
Phone: (254) 968-8476
Facsimile: (254) 965-3740
Email: cfloyd@hisd.us

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

Jennifer Hein
Regional General Counsel
Buckthorn Wind Project, LLC
5790 Fleet Street, Suite 200
Carlsbad, CA 92008
Phone: 760-710-2187
Email: Jennifer.Hein@nrg.com

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

D. A copy of any notice delivered to the Applicant shall also be delivered to any lender for which the Applicant has provided the District notice of collateral assignment information pursuant to Section 10.3.C, below.

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition, or provision, or a waiver of any other term, condition, or provision of this Agreement.

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

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

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

- i. require that all property added by amendment be eligible property as defined by

Section 313.024 of the TEXAS TAX CODE;

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

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

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

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

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

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

Section 10.6. AUTHORITY TO EXECUTE AGREEMENT. Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 10.7. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as

hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree, or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 10.8. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.9. INTERPRETATION.

A. When a reference is made in this Agreement to a Section, Article, or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

B. The words "include," "includes," and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase, "but not limited to". Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require.

C. The provisions of the Act and the Comptroller's Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:

- i. The Act;
- ii. The Comptroller's Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
- iii. This Agreement and its Attachments including the Application as incorporated by reference.

Section 10.10. EXECUTION OF COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 10.11. PUBLICATION OF DOCUMENTS. The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

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

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

C. This Section does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION. Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

- A. all payments, including liquidated damage and tax payments, have been made;
- B. all reports have been submitted;
- C. all records have been maintained in accordance with Section 8.6.A; and
- D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

B. Delivery is deemed complete as follows:

- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
- iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
- iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 20th day of October, 2016.

**BUCKTHORN WIND PROJECT,
LLC**

By: _____

Authorized Company
Representative

HUCKABAY INDEPENDENT SCHOOL DISTRICT

By: _____

**GREG STEWART
PRESIDENT, BOARD OF TRUSTEES**

ATTEST:

By: _____

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

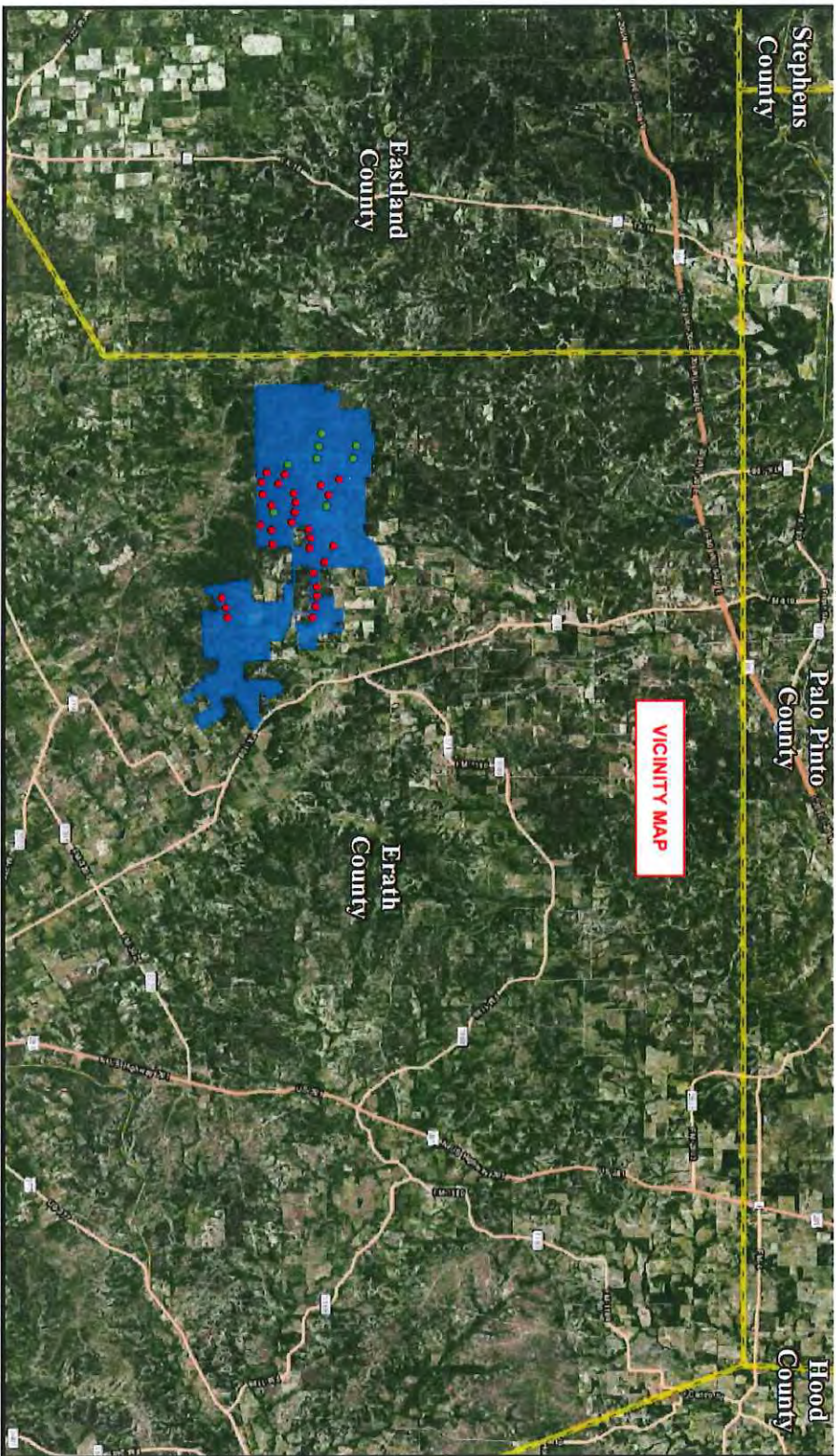
As of the time of the Application Approval Date, pursuant to Chapter 312 of the Texas Tax Code, the Huckabay Independent School District Board of Trustees designated the following real property within the areas of Erath County as a Reinvestment Zone. A map of this Buckthorn Wind Reinvestment Zone is attached as the last page of this **EXHIBIT 1** following the legal description of the zone. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the Buckthorn Wind Reinvestment Zone.

Buckthorn Wind Project Legal Descriptions

Landowner	County	Acres	Survey
Stewart, GW and D	Erath County	522	H.E. & W.T.R.R. Co Survey No. 5
Stewart, GW and D	Erath County	78	J.A. De La Garza Survey
Stewart, George	Erath County	474.22	J.A. De La Garza Survey A-287 and H.E. & W.T.R.R. Co Survey A-979
Carey, LB	Erath County	295.99	S.A. & M.G RR Co Surveys 37 A-372 and 40 A-370
Carey, LB	Erath County	200	S.A. & M.G RR Co Surveys 37 A-372 and J.A. De La Garza Survey A-287
Stewart, Montie and J	Erath County	428.84	J.A. De La Garza Survey A-286, J.A. De La Garza Survey A-287, and N.E. RR Co. Survey A-979
Tate, Lonnie	Erath County	272	Hood County School Land Survey, Abstract 1078
Tate, Lonnie	Erath County	132.89	Henry Barker Survey, Certificate No. 1105
Tate, Lonnie	Erath County	100	Henry Barker Survey, Certificate No. 1105
Tate, Lonnie	Erath County	60.85	Henry Barker Survey, Certificate No. 1105
Stone_R and Jones_L	Erath County	169.32	H.K. Zimmerman Survey Abstract No. 861
Stone_R and Jones_L	Erath County	73.07	Girard Stewart Survey, Abstract No. 1031
Stone_R and Jones_L	Erath County	6.46	T. Mencke Survey Abstract No 548
Stone_R and Jones_L	Erath County	83.92	Hood County School Land Survey, Abstract No. 1078
Stone_R and Jones_L	Erath County	40.57	J. L. Watson Survey, Abstract No. 856
Stone_R and Jones_L	Erath County	1.08	H.E. & W. T. Railroad Company Survey No. 5, Abstract No. 979
Stone_R and Jones_L	Erath County	3.59	W.A. Johnson Survey, Abstract No. 1021
Stone_R and Jones_L	Erath County	513.89	Deed from Ben Chambers et ux to Larry Forrest et ux, Recorded in Volume 931, Page 663
Stone_R and Jones_L	Erath County	3.61	Deed from James C. Buck et usx to Larry Forrest et ux, Recorded in Volume 954, Page 27
Brown, Troy and D	Erath County	142.422	J. Latham Survey, Abstract No. 489
Brown, Troy and D	Erath County	8.7	James Latham Survey, Abstract No. 489
D&V Terrell Ranch, LLC	Erath County	22.30	S.J. Robinson Survey, A-637
D&V Terrell Ranch, LLC	Erath County	217.18	Hood County School Land Survey, A-1078
D&V Terrell Ranch, LLC	Erath County	47.05	W.A. Johnson survey, A-1021
Greene, Robert	Erath County	32.00	W.A Grady School, A-310
Greene, Robert	Erath County	3.09	J.L. Watson Survey, A-1078
Greene, Robert	Erath County	0.29	Hood County School Land Survey, A-1078
Buck, James	Erath County	9.17	J.L. Watson Survey, A-856
Buck, James	Erath County	53.79	Hood County Land Survey, A-1078
Buck, James	Erath County	51.86	W.A. Johnson Survey, A-1021

Buck, James	Erath County	3.61	W.A. Johnson Survey, A-1021
Earley, David	Erath County	105.35	W.A Grady Survey, A-370
Coffman, Daniel	Erath County	100.00	S.A and M.G. Railroad Company Survey, Section 37, A-732
Spain, June	Erath County	614.97	J.A. Guzman Survey A-286, J.A De La Garza Survey A-287, J.W. Allison Survey A-1279, and the W.L. Kenney Survey A-1416
Fambro, Alex	Erath County	624.00	David Change Survey, A-1070
Fambro, Alex	Erath County	208.00	J. Cash Survey A-161
Fambro, Alex	Erath County	439.00	G.S. Jones Survey A-439
Fambro, Alex	Erath County	80.00	J. P. Allen Survey A-862
Fambro, Alex	Erath County	82.00	S.H. Allen Survey, A-1034
Fambro, Alex	Erath County	319.00	F.R. Lubbock Survey, A-497
Fambro, Alex	Erath County	98.00	J.B. Caro Survey, A-1138
Fambro, Alex	Erath County	317.00	J. Bancroft Survey, A-107
Fambro, Alex	Erath County	82.00	O.A. Smith Survey, A-1378
Fambro, Alex	Erath County	727.00	Wm. Graham Survey, A-288
Fambro, Alex	Erath County	195.00	H.T.& B. RR Co Survey, A-400
Fambro, Alex	Erath County	26.00	J. Sweeney Survey, A-1225
Fambro, Alex et al.	Erath County	690.00	M. Soloman Survey, A-1124
Fambro, Alex et al.	Erath County	160.00	J.H. Hawkins Survey, A-873
Fambro, Alex et al.	Erath County	662.00	J.A. Frey Survey, A-1104
Fambro, Alex et al.	Erath County	168.80	J.A. Guzman Survey, A-285
Fambro, Alex et al.	Erath County	160.00	G.T. Petty Survey, A-945
Fambro, Alex et al.	Erath County	89.75	J.W. Allison Survey, A-1279
Fambro, Alex et al.	Erath County	84.00	H.B. Kite Survey, A-1321
Fambro, Alex et al.	Erath County	445.00	H.T.&B. RR Co Survey A-400
Fambro, Alex et al.	Erath County	673.00	David Chance Survey A-1070
Fambro, Alex et al.	Erath County	106.00	Wm. Graham Survey, A-288
Pedros Twelve Point LTD	Erath County	557.23	J.A. Guzman Survey, Abstract No. 286, J.F. Torey and Company Survey, Abstract No. 790, D.R. Thornton Survey, Abstract No. 1348, and K. Pemberton Survey, Abstract No. 1417

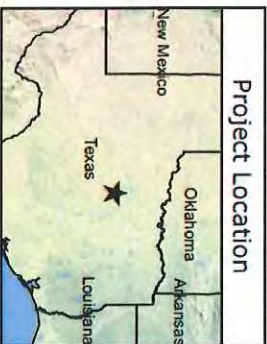
11d&1 VICINITY MAP OF PROJECT AND REINVESTMENT ZONE



INFINITY RENEWABLES
Buckthorn Wind Project
02/08/2016

Legend

- Wind Farm Boundary/Reinvestment Zone
- County Borders
- Vestas 3.3 117 96MW
- Planned
- Alternate



Reference

NAD 1983 UTM Zone 14N

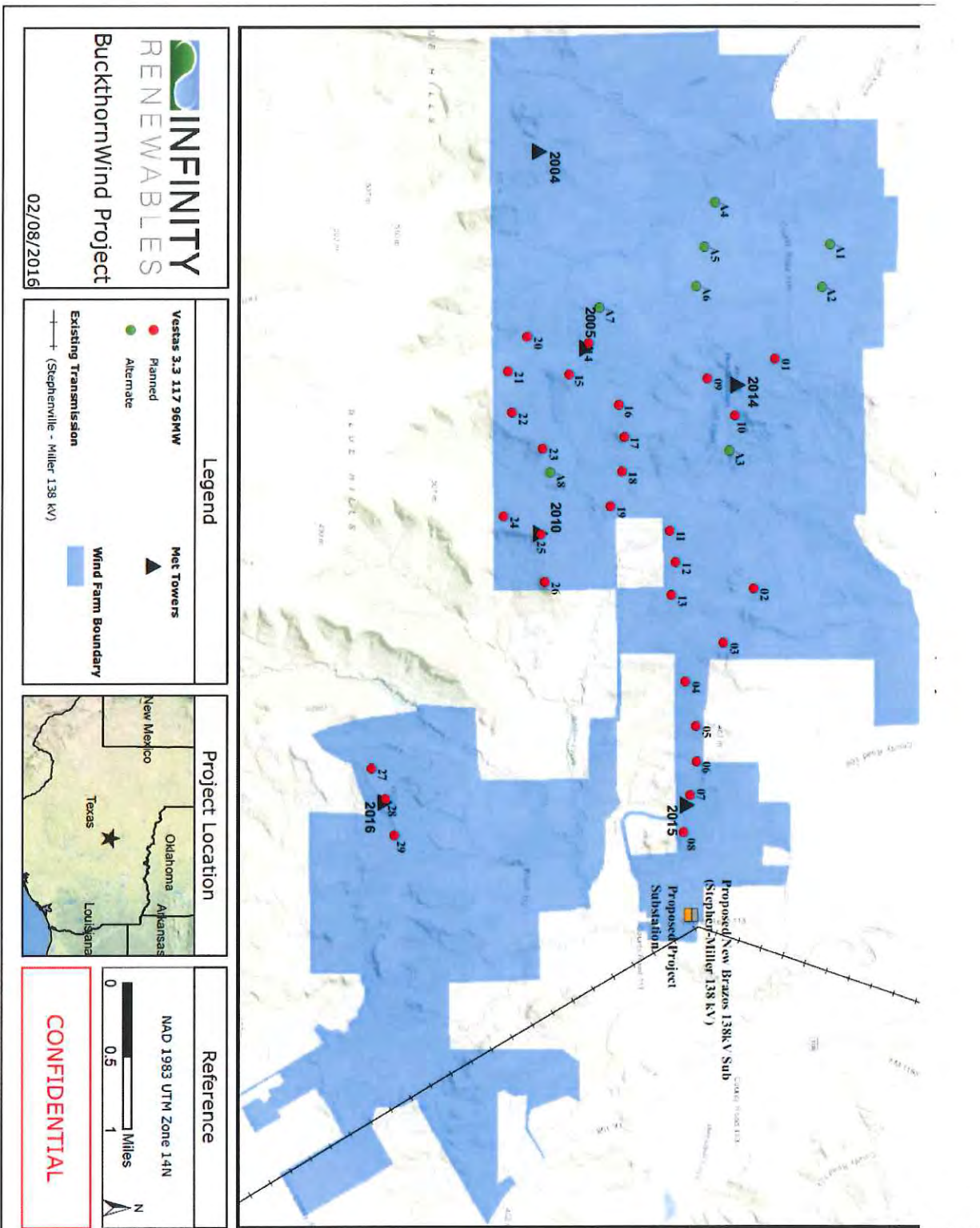
0 1.5 3 Miles

CONFIDENTIAL

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the map attached to this **Exhibit 2**.



Between Huckabay ISD and Buckthorn Wind Project, LLC
October 20, 2016

ement
Comptroller Form 50-826 (January 2016)

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment shall be all tangible personal property first placed in service after October 20, 2016, owned by the Applicant, as more fully described in Tab 7 of the Application, and located within the boundaries of the Huckabay Independent School District and the project boundaries depicted on the map attached to **Exhibit 2**.

Buckthorn Wind Project, LLC plans to construct a 96 MW wind farm in Erath County. Approximately 29 wind turbines will be located in Erath County and Huckabay ISD. Turbine selection is ongoing at this time and has not been finalized. For purposes of this application, the project anticipates using 3.3 MW turbines manufactured by Vestas although final turbine selection may change.

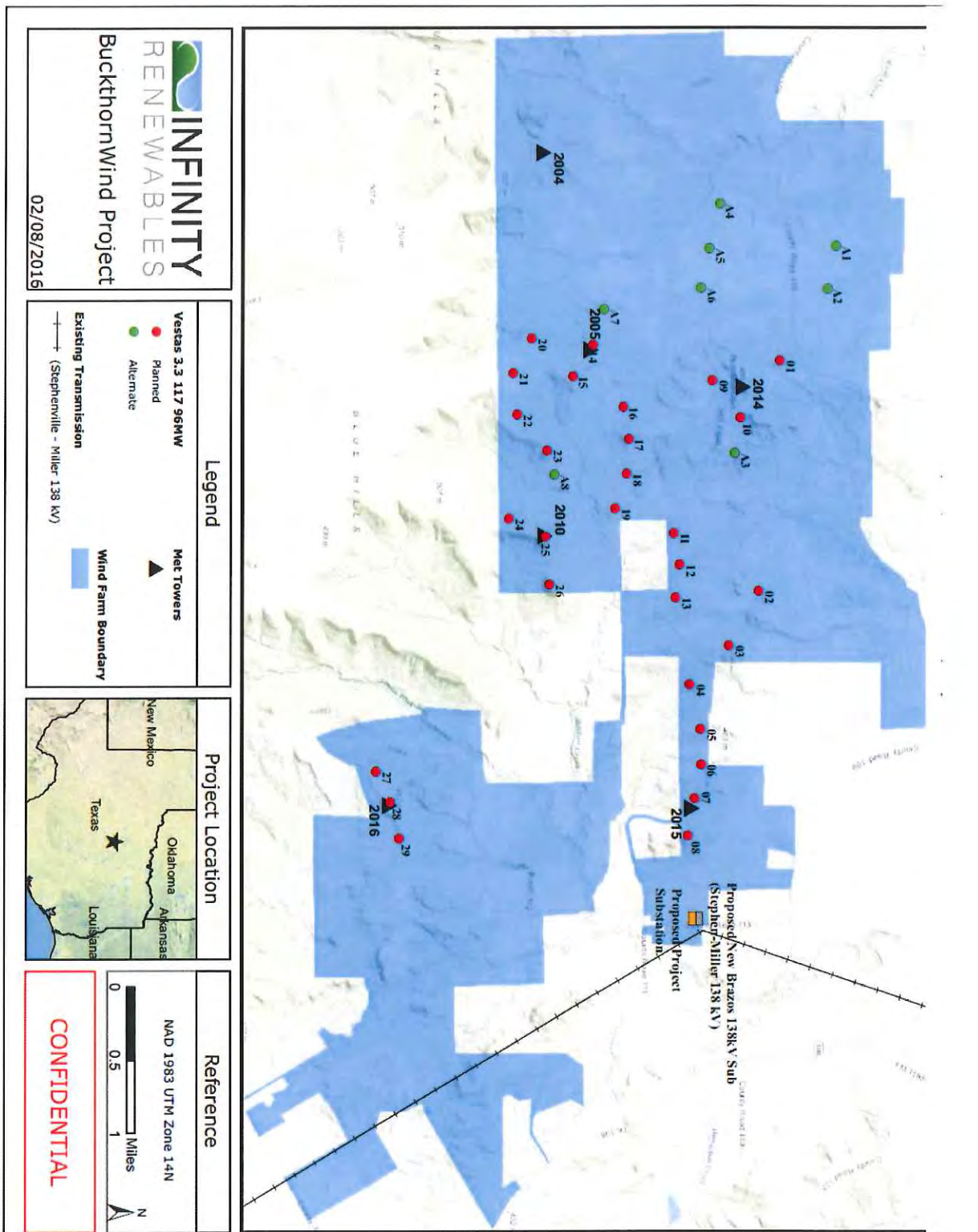
This application covers all qualified property within Huckabay ISD necessary for the commercial operations of the wind farm. Qualified Investment includes, but is not limited to, turbines, turbine transformers (pad-mounts), towers, foundations, underground collection systems, electrical substation(s), generation transmission tie lines, electrical interconnections, met towers, roads, operations & maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity.

The below map shows the proposed project area with the proposed improvement locations. The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final location of turbines, transmission lines, and supporting structures will be determined before construction begins.

Agreement for Limitation on Appraised Value
Between Huckabay ISD and Buckthorn Wind Project, LLC
October 20, 2016

Texas Economic Development Act Agreement
Comptroller Form 50-826 (January 2016)

EXHIBIT 3



ment
Between Huckabay ISD and Buckthorn Wind Project, LLC
October 20, 2016
Comptroller Form 50-826 (January 2016)

EXHIBIT 4

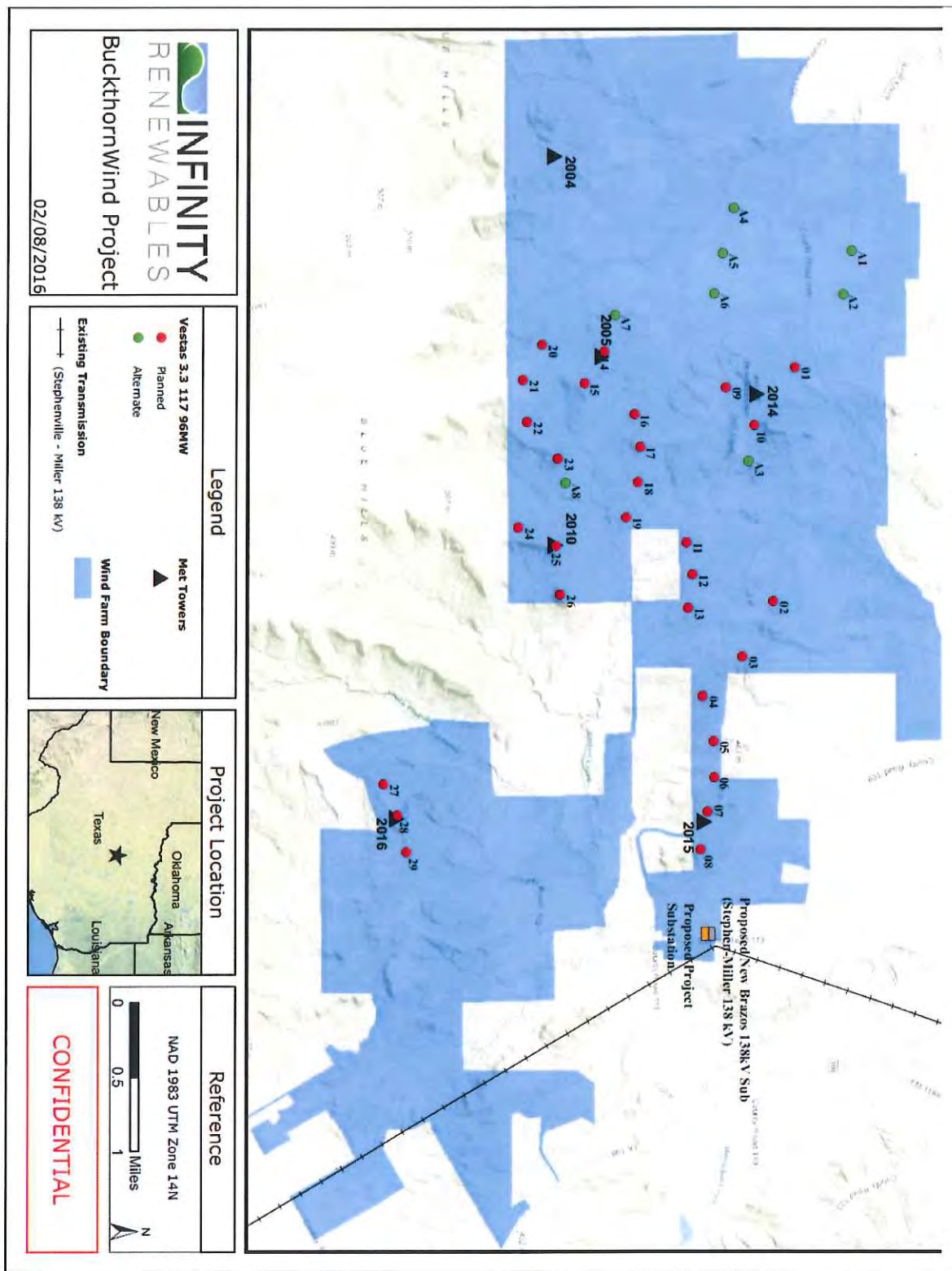
DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property within Huckabay ISD necessary for the commercial operations of the wind-powered electric generating facility with an operating capacity of approximately 96 megawatts as more fully described in Tab 4 of the Application. Furthermore, all Qualified Property will be located within the project boundaries indicated on the map attached on the last page of this **EXHIBIT 4**.

Buckthorn Wind Project, LLC plans to construct a 96 MW wind farm in Erath County. Approximately 29 wind turbines will be located in Erath County and Huckabay ISD. Turbine selection is ongoing at this time and has not been finalized. For purposes of this application, the project anticipates using 3.3 MW turbines manufactured by Vestas although final turbine selection may change.

This agreement covers all qualified property within Huckabay ISD necessary for the commercial operations of the wind farm. Qualified Property includes, but is not limited to, turbines, turbine transformers (pad-mounts), towers, foundations, underground collection systems, electrical substation(s), generation transmission tie lines, electrical interconnections, met towers, roads, operations & maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity.

The below map shows the proposed project area with the proposed improvement locations. The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final location of turbines, transmission lines, and supporting structures will be determined before construction begins.



Agreement for Limitation on Appraised Value
Between Huckabay ISD and Buckthorn Wind Project, LLC
October 20, 2016

Texas Economic Development Act Agreement
Comptroller Form 50-826 (May 2015)

Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

October 20, 2016

President and Members
Board of Trustees
Huckabay Independent School District
200 CR 421
Stephenville, TX 76401

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

Dear President and Members of the Board of Trustees:

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

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

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

Sincerely,

Daniel T. Casey

www.moakcasey.com

Phone 512-485-7878

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

Fax 512-485-7888

O'HANLON, MCCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

KEVIN O'HANLON

CERTIFIED, CIVIL APPELLATE

CERTIFIED, CIVIL TRIAL

LESLIE MCCOLLOM

CERTIFIED, CIVIL APPELLATE

CERTIFIED, LABOR AND EMPLOYMENT

TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

October 25, 2016

President and Members
Of the Board of Trustees
Huckabay Independent School District
200 CR 421
Stephenville, TX 76401

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

Dear President and Members of the Board of Trustees:

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

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

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

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

Sincerely,

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

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

October 17, 2016

Dr. Cheryl Floyd
Superintendent
Huckabay Independent School District
200 CR 421
Stephenville, Texas 76401-6429

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Huckabay Independent School District and Buckthorn Wind Project, LLC, Application #1126

Dear Superintendent Floyd:

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 Huckabay Independent School District and Buckthorn Wind Project, 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.

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at desiree.caufield@cpa.texas.gov or by phone at 1-800-531-5441, ext. 6-8597, or at 512-936-8597.

Sincerely,

Will Counihan
Director
Data Analysis & Transparency Division

cc: Daniel T. Casey, Moak, Casey & Associates, LLP
Derek Harding, Buckthorn Wind Project, LLC
Casey Willis, Buckthorn Wind Project, LLC
Wes Jackson, Cummings Westlake, LLC

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

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

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

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

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

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

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