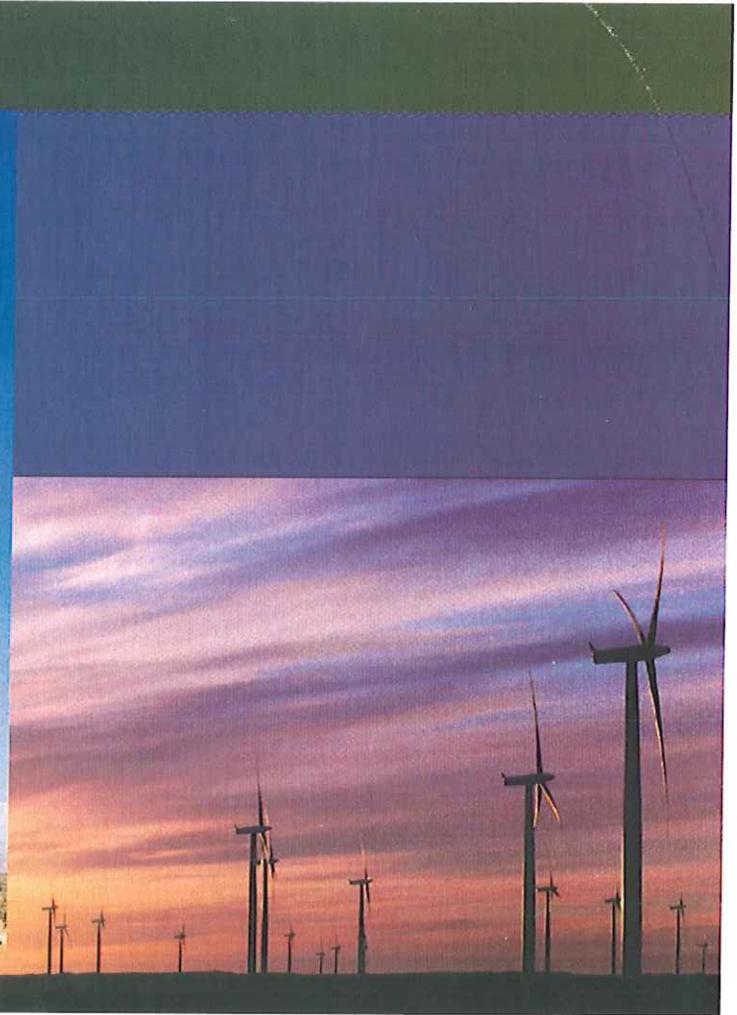
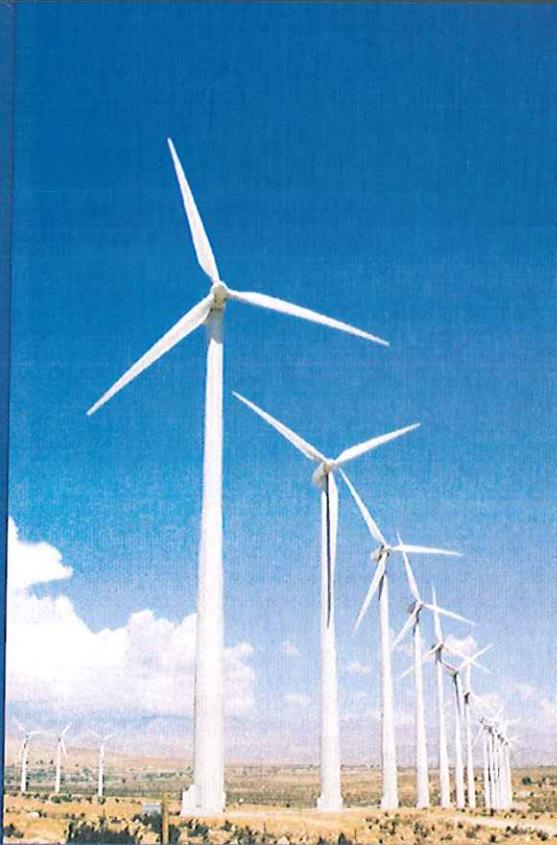


**FINDINGS OF THE CHILlicothe
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
BLUE SUMMIT WIND, LLC**



October 16, 2012

**FINDINGS
OF THE
CHILLICOTHE INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
BLUE SUMMIT WIND, LLC.**

OCTOBER 16, 2012

FINDINGS OF THE CHILLICOTHE INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
BLUE SUMMIT WIND, LLC.

STATE OF TEXAS §

COUNTY OF WILBARGER §

On the 16th day of October, 2012, a public meeting of the Board of Trustees of the Chillicothe Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of the Blue Summit Wind, LLC. (Blue Summit) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Chillicothe Independent School District makes the following findings with respect to the application of Blue Summit, and the economic impact of that application:

On May 15, 2012, the Superintendent of Schools of the Chillicothe Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from Blue Summit for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, Blue Summit (Texas Taxpayer Id. 0800702870), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

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

Board Findings of the Chillicothe Independent School District

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Willbarger County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a favorable recommendation was issued on July 20, 2012. A copy of the Comptroller's letter is attached to the findings as **Attachment C**.

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

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

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

After receipt of the Application, the District entered into negotiations with Blue Summit, over the specific language to be included in the Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these findings as **Attachment G**.

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

Board Finding Number 1.

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

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

Board Finding Number 2.

The economic condition of Wilbarger County, Texas is in need of long-term improvement.

Based on information provided by the Comptroller's Office, Wilbarger County is the 146th largest in the state in terms of population. Population growth in Wilbarger County is negative and was the state's 209th fastest growing county from 2009 to 2010. The state population grew by 1.8 percent between 2009 and 2010, while the population of Wilbarger County decreased by 0.3 percent over the same period.

September 2011 employment for Wilbarger County was down 1.5 percent from September 2010, below the state's 0.9 percent increase in total employment during the same period. The unemployment rate in Wilbarger County was 5.8 percent in September 2011, lower than the state average of 8.5 percent. It is noteworthy that the Wilbarger County unemployment rate decreased from 6.2 percent a year ago to the 5.8 percent level in September 2011.

Board Findings of the Chillicothe Independent School District

Wilbarger County continues to have a lower per capita personal income than the state as a whole. In terms of per capita income, Wilbarger County County's \$34,287 in 2009 ranked 99th among the 254 counties in Texas, while the Texas average was \$38,609 for the same period.

While some of these indicators are positive, the local economy in Wilbarger County is susceptible to adverse changes because of its relatively small population base. Wilbarger County will benefit from economic activity like that associated with the Blue Summit project. Major capital investments like this project are beneficial to the community on a number of fronts, including direct and indirect employment, expanded opportunities for existing businesses and increased local tax bases.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least \$48,000 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of the regional average manufacturing wage. Blue Summit indicates that total employment will be approximately four (4) new jobs, all of which will be qualifying jobs.

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

After construction, the project will create four new jobs when fully operational. All four jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the NORTEX Regional Planning Commission Region, where Wilbarger County is located was \$38,153 in 2010. The annual average manufacturing wage for 2011 for Wilbarger County is \$42,224. That same year, the county annual average wage for all industries was \$31,564. In addition to a salary of \$48,000, each qualifying position will receive the following benefits: medical, dental and vision insurance coverage; paid holidays; paid vacations; pension; 401(k); short and long term disability; life insurance; sick time/sickness in family time; education assistance; and flexible spending accounts.

Board Finding Number 4.

The level of the applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$35.8 million on the basis of the goal of four (4) new qualifying positions for the entire Blue Summit project.

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

The project's total investment is \$143.2 million, resulting in a relative level of investment per qualifying job of \$35.8 million.

Board Finding Number 5.

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 6.

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

Table 1 depicts Blue Summit Wind, LLC's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Blue Summit Wind, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2012	71	63	134	\$3,679,500	\$3,320,500	\$7,000,000
2013	4	8	12	\$192,000	\$808,000	\$1,000,000
2014	4	5	9	\$192,000	\$808,000	\$1,000,000
2015	4	9	13	\$192,000	\$808,000	\$1,000,000
2016	4	11	15	\$192,000	\$808,000	\$1,000,000
2017	4	15	19	\$192,000	\$1,808,000	\$2,000,000
2018	4	17	21	\$192,000	\$1,808,000	\$2,000,000
2019	4	17	21	\$192,000	\$1,808,000	\$2,000,000
2020	4	18	22	\$192,000	\$1,808,000	\$2,000,000
2021	4	20	24	\$192,000	\$2,808,000	\$3,000,000
2022	4	20	24	\$192,000	\$2,808,000	\$3,000,000
2023	4	19	23	\$192,000	\$2,808,000	\$3,000,000
2024	4	25	29	\$192,000	\$2,808,000	\$3,000,000
2025	4	17	21	\$192,000	\$2,808,000	\$3,000,000
2026	4	19	23	\$192,000	\$2,808,000	\$3,000,000
2027	4	19	23	\$192,000	\$2,808,000	\$3,000,000

Source: CPA, REMI, Blue Summit Wind, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.6 billion in 2010. Chillicothe ISD’s ad valorem tax base in 2010 was \$125 million. The statewide average wealth per WADA was estimated at \$345,067 for fiscal 2010. During that same year, Chillicothe ISD’s estimated wealth per WADA was \$391,905. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Wilbarger County, and Wilbarger General Hospital District, with all property tax incentives sought being granted using estimated market value from Blue Summit Wind, LLC’s application. Blue Summit Wind, LLC has applied for both a value limitation under Chapter 313, Tax Code and a tax abatement with the county. Table 3 illustrates the estimated tax impact of the Blue Summit Wind, LLC project on the region if all taxes are assessed.

Board Findings of the Chillicothe Independent School District

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Chillicothe ISD I&S Levy	Chillicothe ISD M&O Levy	Chillicothe ISD M&O and I&S Tax Levies (Before Credit Credited)	Chillicothe ISD M&O and I&S Tax Levies (After Credit Credited)	Wilbarger County	Wilbarger General Hospital District	Estimated Total Property Taxes
				0.0000	1.0400			0.4731	0.1623	
2013	\$143,162,353	\$143,162,353		\$0	\$1,488,888	\$1,488,888	\$1,488,888	\$0	\$232,281	\$1,721,169
2014	\$137,435,859	\$137,435,859		\$0	\$1,429,333	\$1,429,333	\$1,429,333	\$0	\$222,990	\$1,652,323
2015	\$131,938,424	\$10,000,000		\$0	\$104,000	\$104,000	\$104,000	\$0	\$214,070	\$318,070
2016	\$126,660,887	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$205,507	\$257,507
2017	\$121,594,452	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$197,287	\$249,287
2018	\$116,730,674	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$189,396	\$241,396
2019	\$112,061,447	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$181,820	\$233,820
2020	\$107,578,989	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$174,547	\$226,547
2021	\$103,275,830	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$167,565	\$219,565
2022	\$99,144,796	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$160,862	\$212,862
2023	\$95,179,004	\$95,179,004		\$0	\$989,862	\$989,862	\$0	\$450,254	\$154,428	\$604,682
2024	\$91,371,844	\$91,371,844		\$0	\$950,267	\$950,267	\$0	\$432,244	\$148,251	\$580,494
2025	\$87,716,971	\$87,716,971		\$0	\$912,256	\$912,256	\$506,164	\$414,954	\$142,321	\$1,063,439
2026	\$84,208,292	\$84,208,292		\$0	\$875,766	\$875,766	\$875,766	\$398,356	\$136,628	\$1,410,750
2027	\$80,839,960	\$80,839,960		\$0	\$840,736	\$840,736	\$840,736	\$382,422	\$131,163	\$1,354,320
						Total	\$5,608,887	\$2,078,229	\$2,659,115	\$10,346,231

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Blue Summit Wind, LLC
¹Tax Rate per \$100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Chillicothe ISD I&S Levy	Chillicothe ISD M&O Levy	Chillicothe ISD M&O and I&S Tax Levies	Wilbarger County	Wilbarger General Hospital District	Estimated Total Property Taxes
				0.0000	1.0400		0.4731	0.1623	
2013	\$143,162,353	\$143,162,353		\$0	\$1,488,888	\$1,488,888	\$677,244	\$232,281	\$2,398,413
2014	\$137,435,859	\$137,435,859		\$0	\$1,429,333	\$1,429,333	\$650,154	\$222,990	\$2,302,477
2015	\$131,938,424	\$131,938,424		\$0	\$1,372,160	\$1,372,160	\$624,148	\$214,070	\$2,210,378
2016	\$126,660,887	\$126,660,887		\$0	\$1,317,273	\$1,317,273	\$599,182	\$205,507	\$2,121,963
2017	\$121,594,452	\$121,594,452		\$0	\$1,264,582	\$1,264,582	\$575,215	\$197,287	\$2,037,084
2018	\$116,730,674	\$116,730,674		\$0	\$1,213,999	\$1,213,999	\$552,206	\$189,396	\$1,955,601
2019	\$112,061,447	\$112,061,447		\$0	\$1,165,439	\$1,165,439	\$530,118	\$181,820	\$1,877,377
2020	\$107,578,989	\$107,578,989		\$0	\$1,118,821	\$1,118,821	\$508,913	\$174,547	\$1,802,282
2021	\$103,275,830	\$103,275,830		\$0	\$1,074,069	\$1,074,069	\$488,557	\$167,565	\$1,730,190
2022	\$99,144,796	\$99,144,796		\$0	\$1,031,106	\$1,031,106	\$469,014	\$160,862	\$1,660,983
2023	\$95,179,004	\$95,179,004		\$0	\$989,862	\$989,862	\$450,254	\$154,428	\$1,594,543
2024	\$91,371,844	\$91,371,844		\$0	\$950,267	\$950,267	\$432,244	\$148,251	\$1,530,762
2025	\$87,716,971	\$87,716,971		\$0	\$912,256	\$912,256	\$414,954	\$142,321	\$1,469,531
2026	\$84,208,292	\$84,208,292		\$0	\$875,766	\$875,766	\$398,356	\$136,628	\$1,410,750
2027	\$80,839,960	\$80,839,960		\$0	\$840,736	\$840,736	\$382,422	\$131,163	\$1,354,320
						Total	\$17,044,558	\$7,752,979	\$27,456,652

Source: CPA, Blue Summit Wind, LLC
¹Tax Rate per \$100 Valuation

Board Finding Number 7.

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 \$114 million to the tax base for debt service purposes at the peak investment level for the 2013-14 school year. The Blue Summit project remains fully taxable for debt services taxes, although, Chillicothe ISD does not currently levy I&S tax rate. The value of the Blue Summit project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value will add to the District's tax base.

Board Finding Number 8.

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 Blue Summit 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 manufacturing project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in Chillicothe ISD as stated in **Attachment D**.

Board Finding Number 9.

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

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

According to Blue Summit Wind, LLC's application, "Blue Summit Wind, LLC is a subsidiary of NextEra Energy Resources, LLC (NEER), which owns and operates wind farms at a number of locations in Texas and throughout the United States. NEER is

Board Findings of the Chillicothe Independent School District

currently developing and constructing wind farms in a number of locations. The Project could be sites at any location with adequate wind resource and access to transmission.”

Board Finding Number 10.

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

Board Finding Number 11.

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

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).

According to the Texas Comptroller of Public Accounts’ School and Appraisal Districts’ Property Value Study 2011 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2011 industrial value for Chillicothe ISD is \$21.53 million. Chillicothe ISD 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. Chillicothe ISD is classified as a “rural” district based on its population characteristics. Given that the value of industrial property in Chillicothe ISD is more than \$1 million but less than \$90 million, it is classified as a Category III district which can offer a minimum value limitation of \$10 million.

Board Finding Number 13.

The Applicant (Taxpayer Id. 0800702870) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

Board Finding Number 14.

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

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the first and subsequent years 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. Revenue protection measures are in place for the duration of the Agreement.

Board Finding Number 15.

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 Chillicothe Independent School District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the Chillicothe Independent School District.

Board Findings of the Chillicothe Independent School District

Dated the 16th day of October 2012.

CHILlicothe INDEPENDENT SCHOOL DISTRICT

By: 
Bill Haynes, President, Board of Trustees

ATTEST:

By: 
Jennifer Trufan, Secretary, Board of Trustees



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

October 12, 2012

President and Members
Board of Trustees
Chillicothe Independent School District
1610 S. 6th Street
Chillicothe, Texas 79225

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

Dear President Haynes 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 Chillicothe Independent School District, with respect to the pending Application of Blue Summit Wind, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review we have drawn the following conclusions:

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

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

Sincerely,

Daniel T. Casey

www.moakcasey.com

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 12, 2012

President and Members
Of the Board of Trustees
Chillicothe Independent School District
PO Box 418
Chillicothe, Texas 79225

Re: Recommendations and Findings of the Firm Concerning Application of Blue Summit Wind, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, first qualifying year 2013

Dear President Haynes 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 Chillicothe Independent School District, with respect to the pending Application of Blue Summit Wind, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, to be effected by an agreement with a first qualifying time year of 2013. 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 Blue Summit Wind, LLC. Based upon our review we have drawn the following conclusions:

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

Letter to Chillicothe ISD

October 16, 2012

Page 2 of 2

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 Blue Summit Wind, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

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

Kevin O'Hanlon
For the Firm

Attachment A

Application



Application for Appraised Value Limitation on Qualified Property

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

Form 50-296
(Revised May 2010)

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

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

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

This notice must include:

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

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

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

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, make a recommendation to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

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

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

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Authorized School District Representative		Date application received by district 2/13/2012
First Name Coby	Last Name Norman	
Title Superintendent		
School District Name Chillicothe		
Street Address 1610 S. 6th Street		
Mailing Address 1610 S. 6th Street		
City Chillicothe	State TXX	ZIP 79225
Phone Number 940-852-5391	Fax Number (940) 852-5269	
Mobile Number (optional)	E-mail Address cnorman@cisd-tx.net	

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

Will consultant be primary contact? Yes No



Application for Appraised Value Limitation on Qualified Property

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name Kevin Last Name O'Hanlon

Title Consultant

Firm Name O'Hanlon, McCollom & Demerath

Street Address 808 West Avenue

Mailing Address 808 West Avenue

City Austin State TX ZIP 78701

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

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

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

Signature (Authorized School District Representative) Date 5/15/2012

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

If yes, date determined complete. May 15, 2012

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

Table with 4 columns: Checklist, Page X of 16, Check Completed. Rows include: 1 Date application received by the ISD, 2 Certification page signed and dated by authorized school district representative, 3 Date application deemed complete by ISD, 4 Certification pages signed and dated by applicant or authorized business representative of applicant, 5 Completed company checklist, 6 School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application)

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name Dean		Last Name Gosselin	
Title Vice President			
Organization Blue Summit Wind, LLC			
Street Address 700 Universe Blvd			
Mailing Address 700 Universe Blvd			
City Juno Beach		State FL	ZIP 33408
Phone Number 561-691-7016		Fax Number	
Mobile Number (optional)		Business e-mail Address dean.gosselin@nexteraenergy.com	

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

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

First Name Robert		Last Name Stephens	
Title Tax Manager			
Organization NextEra Energy Resources, LLC			
Street Address 700 Universe Blvd			
Mailing Address 700 Universe Blvd			
City Juno Beach		State FL	ZIP 33408
Phone Number 561-691-7175		Fax Number	
Mobile Number (optional)		E-mail Address robert.stephens@nexteraenergy.com	

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

Will consultant be primary contact? Yes No



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name		Last Name	
Title			
Firm Name			
Street Address			
Mailing Address			
City		State	ZIP
Phone Number		Fax Number	
Business email Address			

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

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

Signature (Authorized Business Representative (Applicant)) Date

[Handwritten Signature] 4/27/2012

GIVEN under my hand and seal of office this 27 day of April 2012



[Handwritten Signature]
 Notary Public, State of _____

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 § 37.10.



FEES AND PAYMENTS

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

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

Please answer only either A OR B:

A. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code, 313.027(i)?

B. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)?

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

Blue Summit Wind, LLC

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

11137881576

NAICS code

221119

Is the applicant a party to any other Chapter 313 agreements?

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

Applicant is contemporaneously applying to Northside ISD. Applicant had 2 agreements expire for no qualified investment, 1st qualifying year 2009

APPLICANT BUSINESS STRUCTURE

Registered to do business in Texas with the Texas Secretary of State?

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

Limited liability company

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)?

2. Is the applicant current on all tax payments due to the State of Texas?

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas?

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



ELIGIBILITY UNDER TAX CODE CHAPTER 313.024

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

PROJECT DESCRIPTION

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

See Checklist Item 4

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

See Checklist Item 4

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

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

PROJECTED TIMELINE

Begin Construction Q2 2012 Begin Hiring New Employees Q4 2012

Construction Complete Q4 2012 Fully Operational Q4 2012

Purchase Machinery & Equipment Q2 2012

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? Yes No

Note: Improvements made before that time may not be considered qualified property.

When do you anticipate the new buildings or improvements will be placed in service? Q4 2012



ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source	Amount
N/A	
Total	

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

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

Wilbarger County has approved a tax abatement for the project. Terms of the agreement are listed in Schedule D.

THE PROPERTY

Identify county or counties in which the proposed project will be located Wilbarger

Central Appraisal District (CAD) that will be responsible for appraising the property Wilbarger County

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

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

County: Wilbarger (100%) City: N/A
(Name and percent of project) (Name and percent of project)

Hospital District: Wilbarger County (100%) Water District: N/A
(Name and percent of project) (Name and percent of project)

Other (describe): N/A Other (describe): N/A
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD? Yes No

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

See Checklist Item 5. Project is also located in the Northside ISD.

INVESTMENT

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as rural, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's Web site at www.window.state.tx.us/taxinfo/proptax/hb1200/values.html.

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

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

What is your total estimated *qualified* investment? 83,100,882

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

What is the anticipated date of application approval? Aug 2012

What is the anticipated date of the beginning of the qualifying time period? Aug 2012

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? 143,162,353

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

Attach the following items to this application:

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

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

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

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

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

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

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

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

QUALIFIED PROPERTY

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

Attach the following items to this application:

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

Land

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

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

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

Will the project be on leased land? Yes No



QUALIFIED PROPERTY (CONTINUED)

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

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

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

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

Miscellaneous

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

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

List current market value of existing property at site as of most recent tax year. N/A (Market Value) 2011 (Tax Year)

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

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

WAGE AND EMPLOYMENT INFORMATION

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

The last complete calendar quarter before application review start date is the:

[x] First Quarter [] Second Quarter [] Third Quarter [] Fourth Quarter of 2012 (year)

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

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

Total number of new jobs that will have been created when fully operational 4

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

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

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

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 4

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

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

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

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



WAGE AND EMPLOYMENT INFORMATION (CONTINUED)

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

110% of the county average weekly wage for all jobs (all industries) in the county is 667.70

110% of the county average weekly wage for manufacturing jobs in the county is 892.65

110% of the county average weekly wage for manufacturing jobs in the region is 807.08

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

☐ §313.021(5)(A) or ☐ §313.021(5)(B) or ☐ §313.021(3)(E)(ii), or ☑ §313.051(b)?

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? 41,968

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? 48,000

Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)? ☑ Yes ☐ No

Will each qualifying job require at least 1,600 of work a year? ☑ Yes ☐ No

Will any of the qualifying jobs be jobs transferred from one area of the state to another? ☐ Yes ☑ No

Will any of the qualifying jobs be retained jobs? ☐ Yes ☑ No

Will any of the qualifying jobs be created to replace a previous employee? ☐ Yes ☑ No

Will any required qualifying jobs be filled by employees of contractors? ☑ Yes ☐ No

If yes, what percent? 100%

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

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

See Checklist Item 15

ECONOMIC IMPACT

Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)? ☐ Yes ☑ No

Is Schedule A completed and signed for all years and attached? ☑ Yes ☐ No

Is Schedule B completed and signed for all years and attached? ☑ Yes ☐ No

Is Schedule C (Application) completed and signed for all years and attached? ☑ Yes ☐ No

Is Schedule D completed and signed for all years and attached? ☑ Yes ☐ No

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

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

CONFIDENTIALITY NOTICE

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

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

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

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

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

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

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

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

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

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

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

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



COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

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

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

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

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

Checklist Item 3

TX230P01 F0.00.02

TX2011

Ver. 2.1

05-158-A

(Rev. 9-10/5)

TEXAS FRANCHISE TAX REPORT - Page 1

Tcode 13250 Annual

Taxpayer number 32002608134 Report year 2011 Due date 11/15/2011 Privilege period covered by this report 01/01/2011 — 12/31/2011

Taxpayer name NextEra Energy Power Marketing, LLC (fka FPL Energy Power Marketing)					Secretary of State file number	
Mailing address 700 Universe Blvd., CTX-JB PO Box 14000					or Comptroller file number 0801079569	
City Juno Beach	State FL	Country US	ZIP Code 33408	Plus 4	Check box if the address has changed <input type="checkbox"/>	
Check box if this is a combined report <input checked="" type="checkbox"/>		Check box if Total Revenue is adjusted for Tiered Partnership Election, see instructions. <input type="checkbox"/>		Check box to request a Certificate of Account Status <input type="checkbox"/>		
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			

*If not twelve months, see instructions for annualized revenue

Accounting year begin date	Accounting year end date	SIC code	NAICS code
010110	123110	4911	551112

REVENUE (Whole dollars only)

1. Gross receipts or sales	1. <input type="checkbox"/>	28158689111.00
2. Dividends	2. <input type="checkbox"/>	12226163.00
3. Interest	3. <input type="checkbox"/>	262518716.00
4. Rents	4. <input type="checkbox"/>	54428859.00
5. Royalties	5. <input type="checkbox"/>	0.00
6. Gains/losses	6. <input type="checkbox"/>	365981028.00
7. Other income	7. <input type="checkbox"/>	503745926.00
8. Total gross revenue (Add items 1 thru 7)	8. <input type="checkbox"/>	29357589803.00
9. Exclusions from gross revenue (See instructions) (Item 8 minus item 9)	9. <input type="checkbox"/>	2313872514.00
10. TOTAL REVENUE (If less than zero, enter 0)	10. <input type="checkbox"/>	27043717289.00

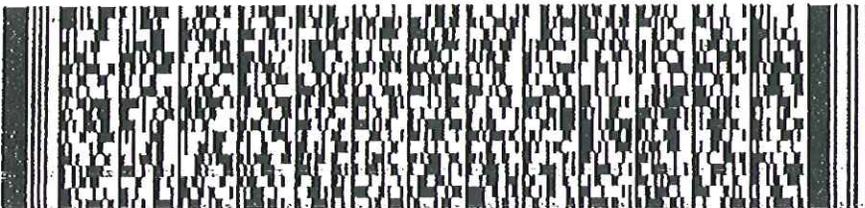
COST OF GOODS SOLD (Whole dollars only)

11. Cost of goods sold	11. <input type="checkbox"/>	22031420712.00
12. Indirect or administrative overhead costs (Limited to 4%)	12. <input type="checkbox"/>	177002385.00
13. Other (See instructions)	13. <input type="checkbox"/>	0.00
14. TOTAL COST OF GOODS SOLD (Add items 11 thru 13)	14. <input type="checkbox"/>	22208423097.00

COMPENSATION (Whole dollars only)

15. Wages and cash compensation	15. <input type="checkbox"/>	1518605606.00
16. Employee benefits	16. <input type="checkbox"/>	-13493519.00
17. Other (See instructions)	17. <input type="checkbox"/>	0.00
18. TOTAL COMPENSATION (Add items 15 thru 17)	18. <input type="checkbox"/>	1505112087.00

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>
PM Date	



Taxpayer number 32002608134
 Report year 2011
 Due date 11/15/2011
 Taxpayer name NextEra Energy Power Marketing,

MARGIN (Whole dollars only)			
19. Revenue (Item 10 X 70%)	19. <input checked="" type="checkbox"/>		18930602102.00
20. Revenue (Item 10 minus Item 14 COGS)	20. <input checked="" type="checkbox"/>		4835294192.00
21. Revenue (Item 10 minus Item 18 Compensation)	21. <input checked="" type="checkbox"/>		25538605202.00
22. MARGIN (Enter the lowest amount from Items 19, 20 or 21)	22. <input checked="" type="checkbox"/>		4835294192.00
APPORTIONMENT FACTOR			
23. Gross receipts in Texas (Whole dollars only)	23. <input checked="" type="checkbox"/>		3807861526.00
24. Gross receipts everywhere (Whole dollars only)	24. <input checked="" type="checkbox"/>		27043717289.00
25. APPORTIONMENT FACTOR (Divide Item 23 by Item 24) (Round to 4 decimal places)	25. <input checked="" type="checkbox"/>		0.1408
TAXABLE MARGIN (Whole dollars only)			
26. Apportioned margin (Multiply Item 22 by Item 25)	26. <input checked="" type="checkbox"/>		680809422.00
27. Allowable deductions (See Instructions)	27. <input checked="" type="checkbox"/>		33279543.00
28. TAXABLE MARGIN (Item 26 minus Item 27)	28. <input checked="" type="checkbox"/>		647529879.00
TAX DUE			
29. Tax rate (See Instructions for determining the appropriate tax rate)		X X X	29. <input checked="" type="checkbox"/> 0.0100
30. Tax due (Multiply Item 28 by the tax rate in Item 29) (Dollars and cents)	30. <input checked="" type="checkbox"/>		6475298.79
TAX ADJUSTMENTS (Dollars and cents) (Do not include prior payments)			
31. Tax credits (Item 23 from Form 05-160)	31. <input checked="" type="checkbox"/>		4336.00
32. Tax due before discount (Item 30 minus Item 31)	32. <input checked="" type="checkbox"/>		6470962.79
33. Discount (See Instructions, not applicable for report year 2010 & 2011)	33. <input checked="" type="checkbox"/>		0.00
TOTAL TAX DUE (Dollars and cents)			
34. TOTAL TAX DUE (Item 32 minus Item 33)	34. <input checked="" type="checkbox"/>		6470962.79

Do not include payment if this amount is less than \$1,000 or if annualized total revenue is \$1,000,000 or less (\$300,000 or less for report years 2008 and 2009;

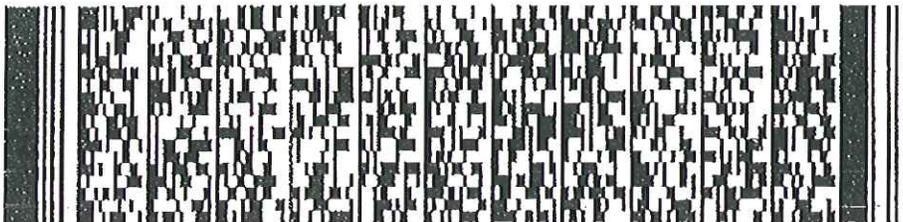
See Instructions. If the entity makes a tiered partnership election, ANY amount in Item 34 is due. Complete Form 05-170 if making a payment.

Print or type name	Area code and phone number 561-671-7605
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief.	
sign here MARK MAISTO President, Commodities & Retail Markets	Date 11/15/11 Mail original to: COMPTROLLER OF PUBLIC ACCOUNTS P.O. Box 149348 Austin, TX 78714-9348

If you have any questions regarding franchise tax, you may contact the Texas State Comptroller's field office in your area or call (800)262-1381 or (512)463-4600.

Instructions for each report year are online at <http://www.window.state.tx.us/taxinfo/taxforms/05-forms.html>

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>
PM Date	



**TEXAS FRANCHISE TAX
AFFILIATE SCHEDULE**

Tcode 13253 Annual

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

32002608134

2011

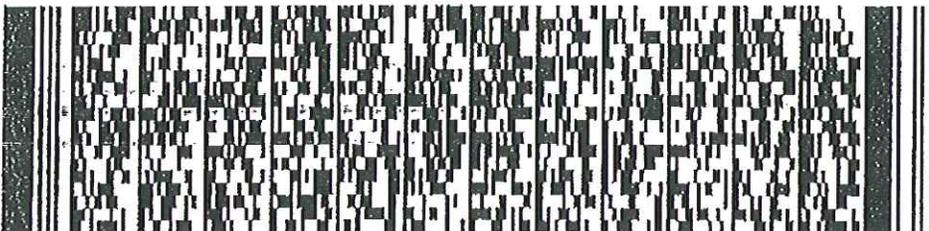
NextEra Energy Power Marketing, LLC (fka FPL

Reporting entity must be included on Affiliate Schedule.

1. Legal name of affiliate Lone Star Wind, LLC		2. Affiliate taxpayer number (if none, use FEI number) 10306094417		3. Affiliate NAICS code 523900	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010110	
				7. Affiliate reporting end date m m d d y y 123110	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 23297748 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 73553 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			
1. Legal name of affiliate Blue Summit Wind, LLC		2. Affiliate taxpayer number (if none, use FEI number) 11137881576		3. Affiliate NAICS code 339999	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010110	
				7. Affiliate reporting end date m m d d y y 123110	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 10 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			
1. Legal name of affiliate Capricorn Ridge Wind, LLC		2. Affiliate taxpayer number (if none, use FEI number) 13645968556		3. Affiliate NAICS code 339999	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010110	
				7. Affiliate reporting end date m m d d y y 123110	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 37993801 .00			
10. Gross receipts in Texas (before eliminations) 35223838 .00		11. Cost of goods sold or compensation (before eliminations) 119327544 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			

An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

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VE/DE FM



Checklist Item 4

The applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property described below which is located in Wilbarger County, Texas in the Chillicothe ISD. The project spans two districts. The portion of the project in Chillicothe represents approximately 62% of the project.

Blue Summit Wind, LLC will enter into an agreement with NextEra Energy Operating Services, LLC ("NextEra OSI") for the operation and maintenance of the project. NextEra OSI is a Delaware limited liability company which is an affiliate of Blue Summit Wind, LLC. All persons employed at the site will be employees of NextEra OSI.

As of April 27, 2012 work has commenced on grading and filling at the site, road construction and foundation excavation is underway, but no assets have been placed in service. The first turbines are expected to be complete in November 2012, and the project is expected to be fully operational in December 2012.

The property for which the applicant is requesting an appraised value limitation shall include, but not be limited to, the following: approximately 53 General Electric wind power turbines, which will have a total generating capacity of 84.4 megawatts; towers, reinforced concrete slabs supporting the weight of each turbine tower; equipment and towers used to gather meteorological data; buried and overhead electrical conductor cables (including poles) used to transport electricity from each turbine tower to an electrical substation; the electrical substation and electrical conductor cables used to transport electricity off of the project site; one or more operation and maintenance buildings used to store maintenance supplies, replacement parts and related equipment; and various appurtenant equipment and small items related to the above. The facility will require installation and use of a relatively insubstantial amount of personal property. None of this property is covered under an existing appraisal district account number.

Ability to Relocate

Blue Summit Wind, LLC is a subsidiary of NextEra Energy Resources, LLC (NEER), which owns and operates wind farms at a number of locations in Texas and throughout the United States. NEER is currently developing and constructing wind farms in a number of locations. The Project could be sited at any location with adequate wind resource and access to transmission.

Checklist Item 5

53 of the 85 wind turbines are expected to be located in the Chillicothe Independent School District. These turbines are expected to have a combined generating capacity of 84.4 megawatts, which represents approximately 62% of the total project 135.4 megawatt generation capacity.

The remaining 32 turbines, representing about 51 megawatts of generating capacity (38% of total project) are expected to be located in the Northside Independent School District. The project substation is also expected to be located in the Northside ISD.

The attached map provides a visual representation of the turbine locations within each school district.

Checklist Item 6

The property for which the applicant is requesting an appraised value limitation shall include, but not be limited to, the following: approximately 53 General Electric wind power turbines, which will have a total generating capacity of 84.4 megawatts; towers, reinforced concrete slabs supporting the weight of each turbine tower; equipment and towers used to gather meteorological data; buried and overhead electrical conductor cables (including poles) used to transport electricity from each turbine tower to an electrical substation; the electrical substation and electrical conductor cables used to transport electricity off of the project site; one or more operation and maintenance buildings used to store maintenance supplies, replacement parts and related equipment; and various appurtenant equipment and small items related to the above. The facility will require installation and use of a relatively insubstantial amount of personal property.

Checklist Item 8

See Checklist Item 6

Checklist Item 10

<u>SURVEY_NAM</u>	<u>SECTION</u>	<u>BLOCK_NAME</u>	<u>ABSTRACT_N</u>	<u>Acres</u>
H&TCRR	40			22.51
H&TCRR	2	BLK10	1690	102.44
HRS R KEYS			630	243.33
H&TCRR	3	BLK10	194	672.90
H&TCRR	12	BLK10	832	345.56
H&TCRR	12	BLK10	1944	336.20
H HADDEN			33	1143.25
H&TCRR	33	BLK15	389	634.44
H&TCRR	32	BLK15	869	639.87
H&TCRR	12	BLK15	899	639.66
SURVEY #4	4		1655	251.24
H&TCRR	9	BLK16	403	517.63
H&TCRR	10	BLK16	1412	305.36
H&TCRR	10	BLK16	762	329.33
H&TCRR	11	BLK16	404	647.33
H&TCRR	13	BLK10	189	667.88
H&TCRR	11	BLK11	138	635.03
H&TCRR	11	BLK10	190	325.50
H&TCRR	34	BLK15	1980	341.06
H&TCRR	34	BLK15	1978	299.46
H&TCRR	20	BLK15	1374	638.35
H&TCRR	5	BLK10	193	670.06
H&TCRR	9	BLK15	453	544.88
H&TCRR	7	BLK10	192	680.50
H&TCRR	27	BLK10	197	629.73
H&TCRR	14	BLK11	1735	322.55
H&TCRR	14	BLK11	809	308.38
H&TCRR	30	BLK11	1738	646.69
H&TCRR	10	BLK15	1873	306.81
H&TCRR	10	BLK15	1862	159.74
H&TCRR	10	BLK15	1311	157.08
H&TCRR	4	BLK11	1982	111.71
H&TCRR	4	BLK11	2048	89.16
H&TCRR	4	BLK11	1872	107.73
H&TCRR	4	BLK11	2074	323.40
H&TCRR	23	BLK15	337	639.87
H&TCRR	18	BLK15	962	324.22
H&TCRR	18	BLK15	870	315.76
H&TCRR	8	BLK15	1893	319.00
H&TCRR	8	BLK15	1059	317.72
H&TCRR	28	BLK16	851	73.87
H&TCRR	2	BLK11	1760	113.13
H&TCRR	5	BLK11	232	647.04
H&TCRR	25	BLK16	411	549.92
H&TCRR	27	BLK16	412	47.54
H&TCRR	42	BLK16	1118	119.19

Checklist Item 10

<u>SURVEY_NAM</u>	<u>SECTION</u>	<u>BLOCK_NAME</u>	<u>ABSTRACT_N</u>	<u>Acres</u>
H&TCRR	29	BLK11	146	638.75
H&TCRR	8	BLK16	2080	323.12
H&TCRR	8	BLK16	844	324.76
H&TCRR	7	BLK15	452	636.94
H&TCRR	6	BLK11	1499	310.72
H&TCRR	6	BLK11	1624	325.49
H&TCRR	8	BLK10	1609	344.02
H&TCRR	8	BLK10	1968	161.24
H&TCRR	8	BLK10	1712	165.99
SURVEY #2	2		1736	294.08
H&TCRR	21	BLK15	336	638.93
H&TCRR	22	BLK15	1984	645.02
H&TCRR	26	BLK10	784	638.65
H&TCRR	12	BLK16	1917	319.90
H&TCRR	41	BLK16	419	481.53
H&TCRR	40	BLK16	1275	157.81
H&TCRR	19	BLK10	186	682.18
H&TCRR	18	BLK10	2093	84.83
H&TCRR	18	BLK10	2088	168.43
H&TCRR	6	BLK10	1024	676.97
H&TCRR	24	BLK15	1137	641.90
H&TCRR	19	BLK15	335	643.39
H&TCRR	14	BLK10	1590	341.19
H&TCRR	14	BLK10	829	328.13
H&TCRR	25	BLK15	338	638.44
H&TCRR	15	BLK10	188	678.84
H&TCRR	25	BLK10	198	315.66
H&TCRR	13	BLK11	137	638.93
H&TCRR	3	BLK11	231	641.76
H&TCRR	12	BLK11	912	649.09
GC&SFRR	1		623	293.64
H&TCRR	4	BLK10	720	100.47
H&TCRR	4	BLK10	1975	160.48
H&TCRR	4	BLK10	1308	168.83
H&TCRR	4	BLK10	1952	79.44
H&TCRR	4	BLK10	1658	168.88
H&TCRR	11	BLK15	454	637.07
S&M	3		599	212.73
H&TCRR	13	BLK15	455	639.73
H&TCRR	16	BLK10	915	325.70
H&TCRR	16	BLK10	1614	332.53
H&TCRR	26	BLK16	1962	334.96
H&TCRR	26	BLK16	1852	228.36
H&TCRR	43	BLK16	420	382.08
H&TCRR	2	BLK15	1172	95.20
H&TCRR	2	BLK15	2086	237.17

Checklist Item 10

<u>SURVEY_NAM</u>	<u>SECTION</u>	<u>BLOCK_NAME</u>	<u>ABSTRACT_N</u>	<u>Acres</u>
H&TCRR	2	BLK15	1779	78.05
H&TCRR	3		999	211.08
H&TCRR			23	143.62
H&TCRR	10	BLK15	1873	3.14
H&TCRR	2	BLK15	1873	3.14

Checklist Item 12

There are no existing improvements.

Checklist Item 13

Request for Waiver of Jobs Creation Requirement

Blue Summit Wind, LLC requests that the Chillicothe Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the tax code.

While wind projects involve a large number of temporary jobs during the construction period, the long-term operational phase requires only a relatively small number of highly-skilled technicians. These technicians provide scheduled and unscheduled maintenance and repair work on the wind turbines, electrical collection system, substation, and other ancillary infrastructure associated with a utility-scale wind farm. Additional project-related full-time jobs may include a project manager and an asset manager, although these positions may or may not be located at the project site depending on various factors.

It is anticipated that the Blue Summit Wind project will result in the creation of seven qualifying jobs. Because the project will be located in two school districts these jobs will also be split proportionately between the two school districts.

We find that the industry standard for permanent employment is approximately one full-time technician for every fifteen turbines, although this number varies depending upon the type of turbines and the support and technical assistance offered by the turbine manufacturer.

Based upon our operating procedures, the geographic location of the property and the support we anticipate receiving from the manufacturer, the company staffing plan for this wind farm calls for more than the industry standard of one full-time employee for every fifteen turbines.

Checklist Item 14 - Wage Information

110% of Wilbarger County Average Weekly Wage for All Jobs

2011 Q1	582				
2011 Q2	563				
2011 Q3	619				
2011 Q4	<u>664</u>				
	607	x	110%	\$	667.70

110% of Wilbarger County Average Weekly Wage for Manufacturing Jobs

2011 Q1	741				
2011 Q2	718				
2011 Q3	866				
2011 Q4	<u>921</u>				
	812	x	110%	\$	892.65

110% of NORTEX Average Annual Wage for Manufacturing Jobs

$$38,153 \times 110\% = \$ 41,968.30$$

110% of NORTEX Average Weekly Wage for Manufacturing Jobs

$$38,153 \div 52 \text{ weeks} \times 110\% = 807.08$$



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Quarterly Employment and Wages (QCEW)

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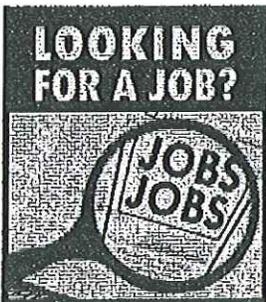
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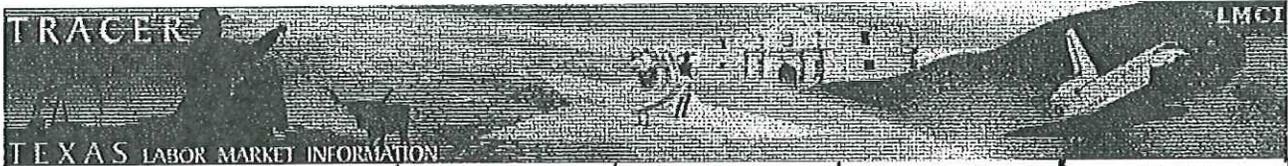
Page 1 of 1 (40 results/page)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2011	1st Qtr	Wilbarger County	Private	00	0	10	Total, All Industries	\$582
2011	2nd Qtr	Wilbarger County	Private	00	0	10	Total, All Industries	\$563
2011	3rd Qtr	Wilbarger County	Private	00	0	10	Total, All Industries	\$619
2011	4th Qtr	Wilbarger County	Private	00	0	10	Total, All Industries	\$664

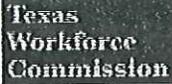
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- All Data Types
- Unemployment (LAUS)
- Employment Estimates (CES)
- Quarterly Employment and Wages (QCEW)
- Wages by Profession
- Projections - Occupation
- Projections - Industry
- Consumer Price Index
- Income
- Staffing Patterns
- Population

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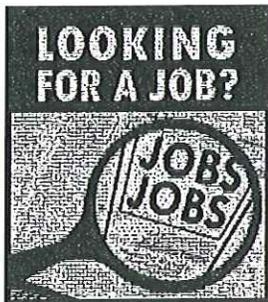
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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2011	1st Qtr	Wilbarger County	Private	31	2	31-33	Manufacturing	\$741
2011	2nd Qtr	Wilbarger County	Private	31	2	31-33	Manufacturing	\$718
2011	3rd Qtr	Wilbarger County	Private	31	2	31-33	Manufacturing	\$866
2011	4th Qtr	Wilbarger County	Private	31	2	31-33	Manufacturing	\$921

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**2010 Manufacturing Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas		
1. Panhandle Regional Planning Commission	\$18.60	\$38,683
2. South Plains Association of Governments	\$16.21	\$33,717
3. NORTEX Regional Planning Commission	\$18.34	\$38,153
4. North Central Texas Council of Governments	\$23.45	\$48,777
5. Ark-Tex Council of Governments	\$15.49	\$32,224
6. East Texas Council of Governments	\$17.63	\$36,672
7. West Central Texas Council of Governments	\$17.48	\$36,352
8. Rio Grande Council of Governments	\$15.71	\$32,683
9. Permian Basin Regional Planning Commission	\$19.90	\$41,398
10. Concho Valley Council of Governments	\$15.33	\$31,891
11. Heart of Texas Council of Governments	\$17.91	\$37,257
12. Capital Area Council of Governments	\$25.37	\$52,778
13. Brazos Valley Council of Governments	\$15.24	\$31,705
14. Deep East Texas Council of Governments	\$15.71	\$32,682
15. South East Texas Regional Planning Commission	\$27.56	\$57,333
16. Houston-Galveston Area Council	\$24.52	\$51,002
17. Golden Crescent Regional Planning Commission	\$20.07	\$41,738
18. Alamo Area Council of Governments	\$17.28	\$35,952
19. South Texas Development Council	\$13.27	\$27,601
20. Coastal Bend Council of Governments	\$21.55	\$44,822
21. Lower Rio Grande Valley Development Council	\$14.35	\$29,846
22. Texoma Council of Governments	\$18.10	\$37,651
23. Central Texas Council of Governments	\$17.21	\$35,788
24. Middle Rio Grande Development Council	\$13.21	\$27,471

Source: Texas Occupational Employment and Wages

Data published: June 2011

Data published annually, next update will be June 2012.

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.

Checklist Item 15

In addition to the annual salary, each qualified position will receive the following benefits:

- Medical, dental and vision insurance coverage
- Paid holidays
- Paid vacations
- Pension
- 401k
- Short and Long term disability
- Life insurance
- Sick time / sickness in family time
- Education assistance
- Flexible spending accounts

Checklist Item 16

Blue Summit is not submitting an economic impact report, so this item is not applicable.

Schedule A (Rev. May 2010): Investment

Form 50-296

Blue Summit Wind, LLC
Chillicothe

Applicant Name
ISD Name

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: Tangible Personal Property (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment) Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property) Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property) Complete tax years of qualifying time period Value Limitation Period Continue to Maintain Viable Presence Post-Settle-Up Period Post-Settle-Up Period	1	2013-14	2013				
	2	2014-15	2014				
	3	2015-16	2015				
	4	2016-17	2016				
	5	2017-18	2017				
	6	2018-19	2018				
	7	2019-20	2019				
	8	2020-21	2020				
	9	2021-22	2021				
	10	2022-23	2022				
	11	2023-24	2023				
	12	2024-25	2024				
	13	2025-26	2025				
	14	2026-27	2026				
	15	2027-28	2027				
			\$60,061,471				\$60,061,471
			\$83,100,882		\$83,100,882		\$83,100,882

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.
 Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D).
 For the purposes of investment, please list amount invested each year, not cumulative totals.
 Column B: Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.
 The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).
 Column D: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.
 Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility.
 The most significant example for many projects would be land. Other examples may be items such as professional services, etc.
 Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.
 Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.
 This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

4/27/2012


SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

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

Blue Summit Wind, LLC

Chillicothe

Form 50-296

Applicant Name
ISD Name

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"		Final taxable value for i&S - after all reductions	Final taxable value for M&O—after all reductions
	pre-year 1	2012-13	2012				Exempted Value		
Tax Credit Period (with 50% cap on credit)	1	2013-14	2013		\$143,162,353			\$143,162,353	\$143,162,353
	2	2014-15	2014		\$137,435,859			\$137,435,859	\$137,435,859
	3	2015-16	2015		\$131,938,424			\$131,938,424	\$10,000,000
	4	2016-17	2016		\$126,660,887			\$126,660,887	\$10,000,000
	5	2017-18	2017		\$121,594,452			\$121,594,452	\$10,000,000
	6	2018-19	2018		\$116,730,674			\$116,730,674	\$10,000,000
	7	2019-20	2019		\$112,061,447			\$112,061,447	\$10,000,000
	8	2020-21	2020		\$107,578,989			\$107,578,989	\$10,000,000
	9	2021-22	2021		\$103,275,830			\$103,275,830	\$10,000,000
	10	2022-23	2022		\$99,144,796			\$99,144,796	\$10,000,000
	11	2023-24	2023		\$95,179,004			\$95,179,004	\$95,179,004
	12	2024-25	2024		\$91,371,844			\$91,371,844	\$91,371,844
	13	2025-26	2025		\$87,716,971			\$87,716,971	\$87,716,971
	14	2026-27	2026		\$84,208,292			\$84,208,292	\$84,208,292
	15	2027-28	2027		\$80,839,960			\$80,839,960	\$80,839,960

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

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

4/27/2012

DATE

Schedule C- Application: Employment Information

Applicant Name: Blue Summit Wind, LLC
 ISD Name: Chillicothe

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New 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 new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	pre-year 1	2012-13	2012	139,500 man- hours	52,000	4	48,000	4	48,000
	1	2013-14	2013			4	48,000	4	48,000
	2	2014-15	2014			4	48,000	4	48,000
	3	2015-16	2015			4	48,000	4	48,000
	4	2016-17	2016			4	48,000	4	48,000
	5	2017-18	2017			4	48,000	4	48,000
	6	2018-19	2018			4	48,000	4	48,000
	7	2019-20	2019			4	48,000	4	48,000
	8	2020-21	2020			4	48,000	4	48,000
	9	2021-22	2021			4	48,000	4	48,000
	10	2022-23	2022			4	48,000	4	48,000
	11	2023-24	2023			4	48,000	4	48,000
	12	2024-25	2024			4	48,000	4	48,000
	13	2025-26	2025			4	48,000	4	48,000
	14	2026-27	2026			4	48,000	4	48,000
	15	2027-28	2027			4	48,000	4	48,000
Complete tax years of qualifying time period									
Tax Credit Period (with 50% cap on credit)									
Credit Settle-Up Period									
Post- Settle-Up Period									
Post- Settle-Up Period									

Notes: For job definitions see TAC §9.1051(14) and Tax Code §313.021(3).

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE _____
 DATE 4/27/2012

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

Applicant Name

Blue Summit Wind, LLC

ISD Name

Cillicothe

Form 50-296

		Sales Tax Information		Franchise Tax		Other Property Tax Abatements Sought				
		Sales Taxable Expenditures		Franchise Tax		County	City	Hospital	Other	
	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2012-13	2012	8,263,980	134,898,373		100%			
	Complete tax years of qualifying time period	1	2013-14	2013			0	100%		
		2	2014-15	2014			0	100%		
		3	2015-16	2015			0	100%		
		4	2016-17	2016			0	100%		
		5	2017-18	2017			10,117	100%		
	Value Limitation Period	6	2018-19	2018			30,324	100%		
		7	2019-20	2019			30,364	100%		
		8	2020-21	2020			30,303	100%		
		9	2021-22	2021			29,870	100%		
		10	2022-23	2022			29,321	100%		
	Credit Settle-Up Period	11	2023-24	2023			14,074			
		12	2024-25	2024			6,756			
		13	2025-26	2025			3,243			
	Post-Settle-Up Period	14	2026-27	2026			1,557			
15		2027-28	2027			747				

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE 4/27/2012

Checklist Item 21

See Checklist Item 7

AN ORDER DESIGNATING CERTAIN REAL PROPERTY WITHIN UNINCORPORATED WILBARGER COUNTY, TEXAS A REINVESTMENT ZONE

WHEREAS, on the 12th day of March, 2012, the Commissioners Court of Wilbarger County held a public hearing to consider the designation of an unincorporated area within Wilbarger County, Texas, as reinvestment zone; and

WHEREAS, the Commissioners Court of Wilbarger County finds that the designation of the area as a reinvestment zone would contribute to the creation of new primary employment; and

WHEREAS, Commissioners Court of Wilbarger County finds that the designation of the area as a reinvestment zone would contribute to the economic development of Wilbarger County, Texas; and

WHEREAS, the Commissioners Court of Wilbarger County finds that the area to be designated as a reinvestment zone is not within the taxing jurisdiction of any municipality;

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF WILBARGER COUNTY TEXAS:

Section 1. That the findings and recitals in the preamble to this Order are found to be true and correct and are hereby ratified approved and adopted.

Section 2. That pursuant to Chapter 312 of the Texas Tax Code, all real property within Wilbarger County, save and except all property within the City Limits and/or taxing jurisdiction of the City of Vernon, is hereby designated as a reinvestment zone to be called the Wilbarger County Reinvestment Zone.

Greg Tyra
GREG TYRA
Wilbarger County Judge
Wilbarger County, Texas

ATTEST:

Jana Kennon
JANA KENNON, Wilbarger County Clerk

FILED
Jana Kennon, County Clerk
Wilbarger County, Texas

MAR 19 2012

By *Jana Kennon* Deputy

Checklist Item 23

The Wilbarger County Reinvestment Zone established pursuant to the March 19, 2012 Order consists of all real property within Wilbarger County, save and except all property within the City Limits and/or taxing jurisdiction of the City of Vernon.

See Checklist Item 22 for a copy of the Order and the description of the Wilbarger County Reinvestment Zone.

Guidelines & Criteria For Granting Tax Abatements in Reinvestment Zones

Wilbarger County, Texas

Preamble

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

I. Abatement Application Procedure

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

(b) Eligible property. Abatement may only be granted for the following property constructed or otherwise put in place after the effective date of the tax abatement agreement: new, expanded or modernized buildings and structures, fixed machinery and equipment; site improvements; related fixed improvements; other tangible items necessary to the operation and administration of the project or facility; and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code.

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

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

(2) a map and description of the property;

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

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

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

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

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

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

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

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

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

(B) Consideration of application. If the County determines that the application should be further considered, the

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

(C) Expedited consideration of application. If the County determines that the application should receive expedited consideration, the County Judge shall schedule an opportunity to obtain public input on the application at the Commissioners Court next meeting. At least seven (7) days prior to the meeting, the County must send written notice to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought and must publish notice of the hearing time, place and subject in the local newspaper. Also at this time the County must give written notice of its intent to enter into a tax abatement agreement to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought, along with a copy of the proposed tax abatement agreement. During the regularly scheduled meeting, the

Commissioners Court evaluates the application against the criteria in Section II and decides whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is not designated, the Commissioner Court shall pass an order to that effect and may then immediately consider for approval the tax abatement agreement between the applicant and the county. After consideration, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement, or to decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County.

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

II. Criteria for Designating a Reinvestment Zone

(a) Minimum requirement. To be designated a reinvestment zone, County Commissioners must find by majority vote that:

(1) the property for which the abatement is sought will be reasonable likely as a result the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the county, or meet one or more of the other requirements provided in section 312.202 of the Texas Tax Code; and

(2) that the improvements sought are feasible and practical and would be a benefit to the land to be included in the zone and to the county after expiration of the tax abatement agreement.

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

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

Fire medical?

III. Format for Tax Abatement Agreement

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

- (1) the kind, number and location of all proposed improvements of the property;**
- (2) provisions allowing for reasonable access to the property for initial and intermittent inspection purposes by County employees or designated representatives to ensure improvements are made in compliance with the agreement;**

(3) provisions limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the area during the period of abatement;

(4) provisions for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided in the agreement;

(5) each term agreed to by the recipient of the abatement;

(6) a requirement that the abatement recipient certify its compliance with the agreement annually to the County; and

(7) provisions allowing the County to cancel or modify the agreement if the recipient is out of compliance with the agreement.

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

(1) the estimated taxable value or range of values for which taxes are to be abated;

(2) percent of value to be abated each year;

(3) the commencement and termination dates of the abatement;

(4) proposed use of the property;

(5) nature of construction, time schedule, map and property description;

(6) contractual obligations in the event of default or violation of terms or conditions;

(7) size of investment and number of temporary and permanent jobs involved, if any;

(8) provisions for dispute resolution.

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

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

IV. Administration of Tax Abatement Agreement

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

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

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

V. Assignment

An abatement granted by Wilbarger County may be transferred and assigned by the holder to a new owner or lessee of the same property upon the approval by resolution of Wilbarger County subject to the financial capacity of the assignee and provided that all conditions and obligations in the tax abatement agreement are guaranteed by the execution of a new contractual agreement with Wilbarger County. Approval shall not be unreasonably withheld by Wilbarger County.

VI. Sunset and Amendment of Guidelines and Criteria

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

Passed and approved at a regular meeting of the Wilbarger County Commissioners' Court, at which a quorum was present on the _____ day of _____, 2008.

Greg Tyra, County Judge

**Richard Jacobs
Commissioner, Precinct 1**

**Phillip Graf
Commissioner, Precinct 2**

**Rodney Johnston
Commissioner, Precinct 3**

**Lenville Morris
Commissioner, Precinct 4**

Attachment B

Certificate of Account Status



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

July 25, 2012

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

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

BLUE SUMMIT WIND, LLC
DBA
BSW, LLC

is, as of this date, in good standing with this office having no franchise tax reports or payments due at this time. This certificate is valid through the date that the next franchise tax report will be due August 15, 2012.

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

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

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 25th day of
July 2012 A.D.

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

Susan Combs
Texas Comptroller

Taxpayer number: 11137881576
File number: 0800702870

Form 05-304 (Rev. 12-07/17)

Attachment C

State Comptroller's Recommendation

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



July 20, 2012

Coby Norman
Superintendent
Chillicothe Independent School District
1610 S. 6th Street
Chillicothe, Texas 79225

Dear Superintendent Norman:

On June 8, 2012, the Comptroller received the completed application for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in February 13, 2012 to the Chillicothe Independent School District (Chillicothe ISD) by Blue Summit Wind, LLC. This letter presents the results of the comptroller's review of the application:

- 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 make a recommendation to the governing body of the school district as to whether the application should be approved or disapproved using the criteria set out by Section 313.026.

Chillicothe ISD is currently classified as a rural school district in Category 3 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$83.1 million) is consistent with the proposed appraised value limitation sought (\$10 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement. Blue Summit Wind, LLC is proposing the construction of a wind power electric generation facility in Wilbarger County. Blue Summit Wind, LLC is an active franchise taxpayer in good standing, as required by Tax Code Section 313.024(a).

As required by Section 313.024(h), the Comptroller has determined that the property, as described by the application, meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

After reviewing the application using the criteria listed in Section 313.026, and the information provided by Blue Summit Wind, LLC, the Comptroller's recommendation is that Blue Summit Wind, LLC's application under Tax Code Chapter 313 be approved.

Our review of the application assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements. The school district is responsible for verifying that all requirements of the statute have been fulfilled. Additionally, Section 313.025 requires the school district to determine if the evidence supports making specific findings that the information in the application is true and correct, the applicant is eligible for a limitation and that granting the application is in the best

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

interest of the school district and state. When approving a job waiver requested under Section 313.025(f-1), the school district must also find that the statutory jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility. As stated above, we prepared the recommendation by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria and a cursory review of the industry standard evidence necessary to support the waiver of the required number of jobs.

Note that any new building or other improvement existing as of the application review start date of June 8, 2012, or any tangible personal property placed in service prior that date may not become "Qualified Property" as defined by 313.021(2).

The Comptroller's recommendation is based on the application that has been submitted and reviewed by the Comptroller. The recommendation may not be used by the ISD to support its approval of the property value limitation agreement if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this recommendation is contingent on future compliance with the Chapter 313 and the Texas Administrative Code, with particular reference to the following requirements related to the execution of the agreement:

1. The applicant must provide the Comptroller a copy of the proposed limitation on appraised value agreement no later than 10 days prior to the meeting scheduled by the district to consider approving the agreement, so that the Comptroller may review it for compliance with the statutes and the Comptroller's rules as well as consistency with the application;
2. The Comptroller providing written confirmation that it received and reviewed the draft agreement and affirming the recommendation made in this letter;
3. The district must approve and execute a limitation agreement that has been reviewed by this office within a year from the date of this letter; and
4. Section 313.025 requires the district to provide to the Comptroller a copy of the signed limitation agreement within 7 days after execution.

Should you have any questions, please contact Robert Wood, director of Economic Development & Analysis Division, by email at robert.wood@cpa.state.tx.us or by phone at 1-800-531-5441, ext. 3-3973, or direct in Austin at 512-463-3973.

Sincerely,



Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Attachment D

Economic Analysis

Economic Impact for Chapter 313 Project

Applicant	Blue Summit Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation - Wind
School District	Chillicothe ISD
2010-11 Enrollment in School District	196
County	Wilbarger
Total Investment in District	\$143,162,353
Qualified Investment	\$83,100,882
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	4*
Number of qualifying jobs committed to by applicant	4
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$923
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$807
Minimum Annual Wage committed to by applicant for qualified jobs	\$48,000
Investment per Qualifying Job	\$35,790,588
Estimated 15 year M&O levy without any limit or credit:	\$17,044,558
Estimated gross 15 year M&O tax benefit	\$11,435,671
Estimated 15 year M&O tax benefit (<i>after</i> deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$11,307,706
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$2,710,221
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$5,736,852
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	66.3%
Percentage of tax benefit due to the limitation	76.3%
Percentage of tax benefit due to the credit.	23.7%
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

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

- (1) the recommendations of the comptroller;
- (2) the name of the school district;
- (3) the name of the applicant;
- (4) the general nature of the applicant's investment;
- (5) the relationship between the applicant's industry and the types of qualifying jobs to be created by the applicant to the long-term economic growth plans of this state as described in the strategic plan for economic development submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Government Code, as that section existed before February 1, 1999;
- (6) the relative level of the applicant's investment per qualifying job to be created by the applicant;
- (7) the number of qualifying jobs to be created by the applicant;
- (8) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;
- (9) the ability of the applicant to locate or relocate in another state or another region of this state;
- (10) the impact the project will have on this state and individual local units of government, including:
 - (A) tax and other revenue gains, direct or indirect, that would be realized during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller; and
 - (B) economic effects of the project, including the impact on jobs and income, during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller;
- (11) the economic condition of the region of the state at the time the person's application is being considered;
- (12) the number of new facilities built or expanded in the region during the two years preceding the date of the application that were eligible to apply for a limitation on appraised value under this subchapter;
- (13) the effect of the applicant's proposal, if approved, on the number or size of the school district's instructional facilities, as defined by Section 46.001, Education Code;
- (14) the projected market value of the qualified property of the applicant as determined by the comptroller;
- (15) the proposed limitation on appraised value for the qualified property of the applicant;
- (16) the projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the agreement, if the property does not receive a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment and projected tax rates clearly stated;
- (17) the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the agreement, if the property receives a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment clearly stated;
- (18) the projected effect on the Foundation School Program of payments to the district for each year of the agreement;
- (19) the projected future tax credits if the applicant also applies for school tax credits under Section 313.103; and
- (20) the total amount of taxes projected to be lost or gained by the district over the life of the agreement computed by subtracting the projected taxes stated in Subdivision (17) from the projected taxes stated in Subdivision (16).

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

After construction, the project will create four new jobs when fully operational. All four jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the NORTEX Regional Planning Commission Region, where Wilbarger County is located was \$38,153 in 2010. The annual average manufacturing wage for 2011 for Wilbarger County is \$42,224. That same year, the county annual average wage for all industries was \$31,564. In addition to a salary of \$48,000, each qualifying position will receive the following benefits: medical, dental and vision insurance coverage; paid holidays; paid vacations; pension; 401(k); short and long term disability; life insurance; sick time/sickness in family time; education assistance; and flexible spending accounts. The project's total investment is \$143.2 million, resulting in a relative level of investment per qualifying job of \$35.8 million.

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

According to Blue Summit Wind, LLC's application, "Blue Summit Wind, LLC is a subsidiary of NextEra Energy Resources, LLC (NEER), which owns and operates wind farms at a number of locations in Texas and throughout the United States. NEER is currently developing and constructing wind farms in a number of locations. The Project could be sites at any location with adequate wind resource and access to transmission."

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

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

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

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

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

Table 1 depicts Blue Summit Wind, LLC's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Blue Summit Wind, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2012	71	63	134	\$3,679,500	\$3,320,500	\$7,000,000
2013	4	8	12	\$192,000	\$808,000	\$1,000,000
2014	4	5	9	\$192,000	\$808,000	\$1,000,000
2015	4	9	13	\$192,000	\$808,000	\$1,000,000
2016	4	11	15	\$192,000	\$808,000	\$1,000,000
2017	4	15	19	\$192,000	\$1,808,000	\$2,000,000
2018	4	17	21	\$192,000	\$1,808,000	\$2,000,000
2019	4	17	21	\$192,000	\$1,808,000	\$2,000,000
2020	4	18	22	\$192,000	\$1,808,000	\$2,000,000
2021	4	20	24	\$192,000	\$2,808,000	\$3,000,000
2022	4	20	24	\$192,000	\$2,808,000	\$3,000,000
2023	4	19	23	\$192,000	\$2,808,000	\$3,000,000
2024	4	25	29	\$192,000	\$2,808,000	\$3,000,000
2025	4	17	21	\$192,000	\$2,808,000	\$3,000,000
2026	4	19	23	\$192,000	\$2,808,000	\$3,000,000
2027	4	19	23	\$192,000	\$2,808,000	\$3,000,000

Source: CPA, REMI, Blue Summit Wind, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.6 billion in 2010. Chillicothe ISD's ad valorem tax base in 2010 was \$125 million. The statewide average wealth per WADA was estimated at \$345,067 for fiscal 2010. During that same year, Chillicothe ISD's estimated wealth per WADA was \$391,905. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Wilbarger County, and Wilbarger General Hospital District, with all property tax incentives sought being granted using estimated market value from Blue Summit Wind, LLC's application. Blue Summit Wind, LLC has applied for both a value limitation under Chapter 313, Tax Code and a tax abatement with the county. Table 3 illustrates the estimated tax impact of the Blue Summit Wind, LLC project on the region if all taxes are assessed.

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Chillicothe ISD I&S Levy	Chillicothe ISD M&O Levy	Chillicothe ISD M&O and I&S Tax Levies (Before Credit Credited)	Chillicothe ISD M&O and I&S Tax Levies (After Credit Credited)	Wilbarger County	Wilbarger General Hospital District	Estimated Total Property Taxes
				0.0000	1.0400			0.4731	0.1623	
2013	\$143,162,353	\$143,162,353		\$0	\$1,488,888	\$1,488,888	\$1,488,888	\$0	\$232,281	\$1,721,169
2014	\$137,435,859	\$137,435,859		\$0	\$1,429,333	\$1,429,333	\$1,429,333	\$0	\$222,990	\$1,652,323
2015	\$131,938,424	\$10,000,000		\$0	\$104,000	\$104,000	\$104,000	\$0	\$214,070	\$318,070
2016	\$126,660,887	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$205,507	\$257,507
2017	\$121,594,452	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$197,287	\$249,287
2018	\$116,730,674	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$189,396	\$241,396
2019	\$112,061,447	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$181,820	\$233,820
2020	\$107,578,989	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$174,547	\$226,547
2021	\$103,275,830	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$167,565	\$219,565
2022	\$99,144,796	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$160,862	\$212,862
2023	\$95,179,004	\$95,179,004		\$0	\$989,862	\$989,862	\$0	\$450,254	\$154,428	\$604,682
2024	\$91,371,844	\$91,371,844		\$0	\$950,267	\$950,267	\$0	\$432,244	\$148,251	\$580,494
2025	\$87,716,971	\$87,716,971		\$0	\$912,256	\$912,256	\$506,164	\$414,954	\$142,321	\$1,063,439
2026	\$84,208,292	\$84,208,292		\$0	\$875,766	\$875,766	\$875,766	\$398,356	\$136,628	\$1,410,750
2027	\$80,839,960	\$80,839,960		\$0	\$840,736	\$840,736	\$840,736	\$382,422	\$131,163	\$1,354,320
						Total	\$5,608,887	\$2,078,229	\$2,659,115	\$10,346,231

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Blue Summit Wind, LLC

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Chillicothe ISD I&S Levy	Chillicothe ISD M&O Levy	Chillicothe ISD M&O and I&S Tax Levies	Wilbarger County	Wilbarger General Hospital District	Estimated Total Property Taxes	
				0.0000	1.0400		0.4731	0.1623		
2013	\$143,162,353	\$143,162,353		\$0	\$1,488,888	\$1,488,888	\$677,244	\$232,281	\$2,398,413	
2014	\$137,435,859	\$137,435,859		\$0	\$1,429,333	\$1,429,333	\$650,154	\$222,990	\$2,302,477	
2015	\$131,938,424	\$131,938,424		\$0	\$1,372,160	\$1,372,160	\$624,148	\$214,070	\$2,210,378	
2016	\$126,660,887	\$126,660,887		\$0	\$1,317,273	\$1,317,273	\$599,182	\$205,507	\$2,121,963	
2017	\$121,594,452	\$121,594,452		\$0	\$1,264,582	\$1,264,582	\$575,215	\$197,287	\$2,037,084	
2018	\$116,730,674	\$116,730,674		\$0	\$1,213,999	\$1,213,999	\$552,206	\$189,396	\$1,955,601	
2019	\$112,061,447	\$112,061,447		\$0	\$1,165,439	\$1,165,439	\$530,118	\$181,820	\$1,877,377	
2020	\$107,578,989	\$107,578,989		\$0	\$1,118,821	\$1,118,821	\$508,913	\$174,547	\$1,802,282	
2021	\$103,275,830	\$103,275,830		\$0	\$1,074,069	\$1,074,069	\$488,557	\$167,565	\$1,730,190	
2022	\$99,144,796	\$99,144,796		\$0	\$1,031,106	\$1,031,106	\$469,014	\$160,862	\$1,660,983	
2023	\$95,179,004	\$95,179,004		\$0	\$989,862	\$989,862	\$450,254	\$154,428	\$1,594,543	
2024	\$91,371,844	\$91,371,844		\$0	\$950,267	\$950,267	\$432,244	\$148,251	\$1,530,762	
2025	\$87,716,971	\$87,716,971		\$0	\$912,256	\$912,256	\$414,954	\$142,321	\$1,469,531	
2026	\$84,208,292	\$84,208,292		\$0	\$875,766	\$875,766	\$398,356	\$136,628	\$1,410,750	
2027	\$80,839,960	\$80,839,960		\$0	\$840,736	\$840,736	\$382,422	\$131,163	\$1,354,320	
						Total	\$17,044,558	\$7,752,979	\$2,659,115	\$27,456,652

Source: CPA, Blue Summit Wind, LLC

¹Tax Rate per \$100 Valuation

Attachment 1 includes schedules A, B, C, and D provided by the applicant in the application. Schedule A shows proposed investment. Schedule B is the projected market value of the qualified property. Schedule C contains employment information, and Schedule D contains tax expenditures and other tax abatement information.

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$17,044,558. The estimated gross 15 year M&O tax benefit, or levy loss, is \$11,435,671.

Attachment 3 is an economic overview of Wilbarger County.

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.



TEXA ED CATI N A ENC

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

July 2, 2012

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

Dear Mr. Wood:

The Texas Education Agency has analyzed the revenue gains that would be realized by the proposed Blue Summit Wind LLC project for the Chillicothe Independent School District (CISD). Projections prepared by our Office of School Finance confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Blue Summit Wind LLC project on CISD are correct.

Please feel free to contact Al McKenzie, manager of forecasting, facilities, and transportation, by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information regarding this issue.

Sincerely,

A handwritten signature in cursive script that reads 'Belinda Dyer'.

Belinda Dyer
Division Manager
Office of School Finance

BD/bd



TEXA ED A N A N

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

July 2, 2012

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

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Blue Summit Wind LLC project on the number and size of school facilities in Chillicothe Independent School District (CISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the CISD superintendent, Coby Norman, the TEA has found that the Blue Summit Wind LLC project would not have a significant impact on the number or size of school facilities in CISD.

Please feel free to contact Al McKenzie, manager of forecasting, facilities, and transportation, by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information regarding this issue.

Sincerely,

A handwritten signature in black ink that reads 'Belinda Dyer'.

Belinda Dyer
Division Manager
Office of School Finance

BD/bd

Wilbarger County

Population

- Total county population in 2010 for Wilbarger County: 13,625 , down 0.3 percent from 2009. State population increased 1.8 percent in the same time period.
- Wilbarger County was the state's 146th largest county in population in 2010 and the 209 th fastest growing county from 2009 to 2010.
- Wilbarger County's population in 2009 was 62.1 percent Anglo (above the state average of 46.7 percent), 8.9 percent African-American (below the state average of 11.3 percent) and 26.3 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Wilbarger County:
Vernon: 10,799

Economy and Income

Employment

- September 2011 total employment in Wilbarger County: 7,358 , down 1.5 percent from September 2010. State total employment increased 0.9 percent during the same period.
(October 2011 employment data will be available November 18, 2011).
- September 2011 Wilbarger County unemployment rate: 5.8 percent, down from 6.2 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

(Note: County and state unemployment rates are adjusted for seasonal fluctuations, but the Texas Workforce Commission city unemployment rates are not. Seasonally-adjusted unemployment rates are not comparable with unadjusted rates).

Income

- Wilbarger County's ranking in per capita personal income in 2009: 99th with an average per capita income of \$34,287, up 2.9 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Wilbarger County averaged \$37.88 million annually from 2007 to 2010. County total agricultural values in 2010 were up 73.6 percent from 2009. Major agriculture related commodities in Wilbarger County during 2010 included:
 - Hunting
 - Peanuts
 - Alfalfa
 - Wheat
 - Other Beef
- 2011 oil and gas production in Wilbarger County: 499,786.0 barrels of oil and 31,031.0 Mcf of gas. In September 2011, there were 875 producing oil wells and 1 producing gas wells.

Taxes

Sales Tax - Taxable Sales

(County and city taxable sales data for 1st quarter 2011 is currently targeted for release in mid-September 2011).

Quarterly (September 2010 through December 2010)

- Taxable sales in Wilbarger County during the fourth quarter 2010: \$21.13 million, up 2.8 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:
Vernon: \$19.91 million, up 3.8 percent from the same quarter in 2009.

Taxable Sales through the end of 4th quarter 2010 (January 2010 through December 30, 2010)

- Taxable sales in Wilbarger County through the fourth quarter of 2010: \$80.30 million, down 3.2 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:
Vernon: \$75.30 million, up 2.0 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Wilbarger County during 2010: \$80.30 million, down 3.2 percent from 2009.
- Wilbarger County sent an estimated \$5.02 million (or 0.03 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:
Vernon: \$75.30 million, up 2.0 percent from 2009.

Sales Tax – Local Sales Tax Allocations

(The release date for sales tax allocations to cities for the sales activity month of September 2011 is currently scheduled for November 9, 2011.)

Monthly

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Wilbarger County based on the sales activity month of August 2011: \$131,645.67, up 3.3 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:
Vernon: \$131,645.67, up 3.3 percent from August 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Wilbarger County based on sales activity months from September 2010 through August 2011: \$1.62 million, up 4.4 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:
Vernon: \$1.62 million, up 4.4 percent from fiscal 2010.

January 2011 through August 2011 (Sales Activity Year-To-Date)

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Wilbarger County based on sales activity months through August 2011: \$1.03 million, up 2.3 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:
Vernon: \$1.03 million, up 2.3 percent from the same period in 2010.

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Wilbarger County based on sales activity in the 12 months ending in August 2011: \$1.62 million, up 4.4 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:
Vernon: \$1.62 million, up 4.4 percent from the previous 12-month period.

City Calendar Year-To-Date (RJ 2011)

- Payment to the cities from January 2011 through October 2011:
Vernon: \$1.31 million, up 2.6 percent from the same period in 2010.

Annual (2010)

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Wilbarger County based on sales activity months in 2010: \$1.60 million, up 1.4 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:
Vernon: \$1.60 million, up 1.4 percent from 2009.

Property Tax

- As of January 2009, property values in Wilbarger County: \$1.44 billion, up 0.6 percent from January 2008 values. The property tax base per person in Wilbarger County is \$106,141, above the statewide average of \$85,809. About 6.5 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Wilbarger County's ranking in state expenditures by county in fiscal year 2010: 100th. State expenditures in the county for FY2010: \$99.48 million, down 0.1 percent from FY2009.
- In Wilbarger County, 15 state agencies provide a total of 2,001 jobs and \$14.81 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):

- Department of State Health Services (North Texas State Hospital)
- Department of Family and Protective Services

• AgriLife Research

Higher Education

- Community colleges in Wilbarger County fall 2010 enrollment:
 - Vernon Regional Junlor College, a Public Community College, had 3,167 students.
- Wilbarger County is in the service area of the following:
 - Vernon College with a fall 2010 enrollment of 3,167 . Counties in the service area include:
 - Archer County
 - Baylor County
 - Clay County
 - Cottle County
 - Foard County
 - Hardeman County
 - Haskell County
 - King County
 - Knox County
 - Throckmorton County
 - Wichita County
 - Wilbarger County
- Institutions of higher education in Wilbarger County fall 2010 enrollment:
 - None.

School Districts

- Wilbarger County had 3 school districts with 8 schools and 2,564 students in the 2009-10 school year.
(Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)
 - Harrold ISD had 96 students in the 2009-10 school year. The average teacher salary was \$41,353. The percentage of students meeting the 2010 TAKS passing standard for all tests was 71 percent.
 - Northside ISD had 193 students in the 2009-10 school year. The average teacher salary was \$43,235. The percentage of students meeting the 2010 TAKS passing standard for all tests was 56 percent.
 - Vernon ISD had 2,275 students in the 2009-10 school year. The average teacher salary was \$43,997. The percentage of students meeting the 2010 TAKS passing standard for all tests was 74 percent.

Attachment E

Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED BLUE
SUMMIT WIND, LLC PROJECT ON THE FINANCES OF THE
CHILlicothe INDEPENDENT SCHOOL DISTRICT UNDER A
REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION**

August 18, 2008

Final Report

PREPARED BY



Estimated Impact of the Proposed Blue Summit Wind, LLC Project on the Finances of the Chillicothe Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Blue Summit Wind, LLC (Blue Summit) has requested that the Chillicothe Independent School District (CISD) consider granting a property value limitation under Chapter 313 of the Tax Code for a new renewable electric wind generation project. An application was accepted by the Superintendent of Chillicothe ISD on July 16, 2008 and an amended application was submitted on July 31, 2008. Blue Summit Wind proposes to invest \$244.8 million to construct a new wind energy project in CISD.

The Blue Summit project is consistent with the state's goal to "encourage large scale capital investments in this state." It is also consistent with the desire of the authors of HB 1200 as passed in 2001 to include renewable electric generation as one of the industries to be eligible for a Chapter 313 property value limitation.

School Finance Mechanics

Under the provisions of Chapter 313, CISD may offer a minimum value limitation of \$10 million. Based on the application, the qualifying time period would begin with the 2009-10 school year. The full value of the investment is expected to reach \$244.8 million in 2010-11, with depreciation expected to reduce the taxable value during the course of value limitation agreement.

The provisions of Chapter 313 call for the project to be fully taxable in the 2009-10 and 2010-11 school years. Beginning in 2011-12, the project would go on the local tax roll at \$10 million and remain at that level of taxable value for eight years for maintenance and operations taxes. The full taxable value of the project is available for debt service taxes throughout the limitation period, although CISD currently does not have any outstanding debt.

Based on the data provided in the application, Blue Summit expects to have the project constructed and in operation by January 1, 2010, with the full taxable value of \$244.8 million on the tax roll for the 2010 tax year. Based on this schedule, Blue Summit would also be eligible for tax credits for M&O taxes paid in the 2010-11 school year on value in excess of the \$10 million value limitation. This issue will be addressed in more detail below.

Under the school finance system that operated prior to the approval of House Bill 1 (HB 1) in the 2006 special session, the third year was typically problematical for school districts that approved a Chapter 313 value limitation. Blue Summit indicates that \$244.8 million in taxable value would be in place in the second year under the agreement. In year three (2011-12) of the agreement, the project would go on the tax roll at \$10 million. This difference would result in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require compensation from the applicant in the revenue protection provisions of the agreement. In years 4-10, Chillicothe ISD would also experience some revenue loss when the state property values were aligned at \$10 million on both the local tax roll and the corresponding state property

value studies, although nearly all of this reduction would be limited to the revenue associated with the treatment of the six “golden” pennies that qualify for additional enrichment and are not subject to recapture. (CISD had a \$1.45 M&O tax rate in 2005-06, which allows it access to two additional “golden” pennies without seeking voter approval of a rollback election. The estimates below assume the full six cents are accessed by CISD at a \$1.04 M&O rate.)

HB 1 established a “target” revenue system per student that has the effect of largely neutralizing the third-year revenue losses associated with Chapter 313 property value limitations, at least up to a district’s compressed M&O tax rate. A value limitation must also be analyzed for any potential revenue loss associated with the additional six-cent component of the M&O tax levy. For tax effort in excess of the compressed-plus-six-cents rate, equalization and recapture occur at the level of \$319,500 per weighted student in average daily attendance (WADA). Once a value limitation has been approved, a school district is prohibited from exceeding the rollback tax rate for the next two tax years, so CISD may not consider a rollback election for either the 2009-10 or 2010-11 school years if it approves the value limitation prior to December 31, 2008.

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

Underlying Assumptions

There are several approaches that can be used to analyze the future revenue streams of a school district under a value limitation. Whatever method is used, a reasonable analysis requires the use of a multi-year forecasting model that covers the years in which the agreement is in effect. A one- or two-year state aid template is not useful for this exercise.

The approach used here is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. Given the state’s HB 1 target revenue school finance system, changes in underlying property value growth have little or no influence on a district’s revenue stream on a per WADA basis.

Student enrollment counts are held constant at 173 ADA in analyzing the effects of the Blue Summit project on the finances of CISD. The current \$1.04 M&O rate is maintained. The District’s local tax base reached \$126.3 million for 2008. While the district’s tax base has shown steady value increases in recent years, the 2008 taxable value is maintained for the forecast period. CISD is expected to have state wealth per WADA of approximately \$330,397 for the 2008-09 school year, which places it on the higher end of Chapter 42 formula districts. Recapture becomes a very small factor initially because these estimates assume that at a \$1.04 M&O rate, CISD not only accesses the six “golden” pennies but also a small portion of the third component of Tier II that is recaptured at \$319,500 per WADA. As the 2008 value increase and the new value associated with the Blue Summit project are taken into account, the District’s wealth per WADA will accelerate and recapture becomes a factor in the estimates shown below, especially in the case where the project is constructed in the absence of a value limitation agreement. These assumptions are summarized in Table 1.

School Finance Impact

A baseline model was prepared for CISD through the 2021-22 school year under the assumptions outlined above. Beyond the 2008-09 school year, no attempt was made to forecast the 88th percentile or Austin yields that influence future state funding. In the analyses for other districts and applicants under the HB 1 system, these changes appear to have little or no impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate these same underlying assumptions.

A second model is established to make a calculation of “Original” Revenue by adding the value of the proposed Blue Summit facility to the baseline model, but without assuming that a value limitation is approved. One item of note is that in the 2010-11 school year, CISD faces a \$1.5 million excess formula “claw back” payment under current law, which applies to both the “no limit” and “limit” models, since it occurs prior to the year that the value limitation takes effect. Recapture costs reach \$2 million a year by 2011-12 under this model. At the same time, the current target revenue system appears to keep CISD’s M&O revenue at approximately \$1.9 million annually through the forecast period, even with the claw-back provision and increased recapture. The results of the model are shown in Table 2.

A third model is developed which adds the Blue Summit project value but imposes the proposed property value limitation effective in the third year, which is the 2011-12 school year. While the claw-back provision remains in 2010-11, reduced recapture costs are an obvious result in the years that follow under the value limitation. Even with the reduction in recapture, however, the results show an approximate \$1.9 million a year in net General Fund revenue, although some differences exist between the results of the two models. The results of this model are identified as “New” Revenue under the revenue protection provisions of the proposed agreement (see Table 3). A summary of the differences between these model results is shown in Table 4.

Under these assumptions, CISD would experience a revenue loss as a result of the implementation of the value limitation in the 2011-12 school year (-\$136,832), and a total revenue loss of -\$799,321 over the life of the agreement. The revenue reduction primarily results from the mechanics of the six enriched cents and the reduction in the tax base as a result of granting the value limitation.

Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under a property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A \$1.04 per \$100 of taxable value M&O rate is assumed in 2008-09 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$16.9 million over the life of the agreement. In addition, Blue Summit would be eligible for a tax credit for taxes paid on value in excess of the value limitation in the second year of the agreement. The credit amount is paid out slowly through years 4-10 under the agreement and expected to total approximately \$2.4 million over the life of the agreement, with “catch-up” payments in 2019-20 and 2020-21 and no unpaid tax credits. The key CISD revenue losses are associated with the additional enriched six-cent levy not subject to recapture and estimated to total -\$799,321, to be reimbursed through the revenue protection provisions of the agreement. The potential net tax benefits are estimated to total \$18.5 million over the life of the agreement.

Facilities Funding Impact

Based on information provided by CISD, their current school facilities were built to accommodate about 500 students. Declining enrollment over the years has left CISD with approximately 175 students. As a result, CISD has the capacity to double its current enrollment at its existing physical plant.

The Blue Summit project remains fully taxable for debt services taxes, although CISD currently does not levy an I&S tax. While the value of the Blue Summit project is expected to depreciate over the course of the agreement, full access to the additional value will add to the District's projected wealth per ADA, which is currently well above what is provided through the state's facilities programs. If CISD needed to renovate or expand its current facilities, the enhanced tax base provides a strong financial base for a future bond issue.

At the same time, the Blue Summit project is not expected to have much immediate impact on enrollment. Continued expansion of the renewable energy industry could result in additional employment in the area and an increase in the school-age population, but this is not likely to occur as a result of the Blue Summit project on a stand-alone basis.

Conclusion

The proposed Blue Summit wind energy project is a significant enhancement to the tax base of CISD. It reflects continued capital investment in renewable electric energy generation, one of the goals of Chapter 313 of the Tax Code, also known as the Texas Economic Development Act.

Under the assumptions outlined above, the potential tax savings under a Chapter 313 agreement could reach an estimated \$18.5 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District. The additional taxable value also enhances the tax base of CISD in meeting any debt service obligations, should the District decide to pursue a future bond issue.

Table 1 – Base District Information with Blue Summit Project Value and Limitation Values

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
2009-10	173.00	317.70	\$1.0400	\$0.0000	\$126,330,975	\$126,330,975	\$125,755,284	\$125,755,284	\$395,834	\$395,834
2010-11	173.00	317.70	\$1.0400	\$0.0000	\$371,130,975	\$371,130,975	\$125,755,284	\$125,755,284	\$395,834	\$395,834
2011-12	173.00	317.70	\$1.0400	\$0.0000	\$368,630,975	\$136,330,975	\$370,555,284	\$370,555,284	\$1,166,381	\$1,166,381
2012-13	173.00	317.70	\$1.0400	\$0.0000	\$361,930,975	\$136,330,975	\$368,055,284	\$135,755,284	\$1,158,512	\$427,311
2013-14	173.00	317.70	\$1.0400	\$0.0000	\$352,530,975	\$136,330,975	\$361,355,284	\$135,755,284	\$1,137,422	\$427,311
2014-15	173.00	317.70	\$1.0400	\$0.0000	\$343,530,975	\$136,330,975	\$351,955,284	\$135,755,284	\$1,107,834	\$427,311
2015-16	173.00	317.70	\$1.0400	\$0.0000	\$336,430,975	\$136,330,975	\$342,955,284	\$135,755,284	\$1,079,505	\$427,311
2016-17	173.00	317.70	\$1.0400	\$0.0000	\$326,030,975	\$136,330,975	\$335,855,284	\$135,755,284	\$1,057,157	\$427,311
2017-18	173.00	317.70	\$1.0400	\$0.0000	\$316,530,975	\$136,330,975	\$325,455,284	\$135,755,284	\$1,024,421	\$427,311
2018-19	173.00	317.70	\$1.0400	\$0.0000	\$308,230,975	\$136,330,975	\$315,955,284	\$135,755,284	\$994,519	\$427,311
2019-20	173.00	317.70	\$1.0400	\$0.0000	\$299,430,975	\$299,430,975	\$307,655,284	\$135,755,284	\$968,393	\$427,311
2020-21	173.00	317.70	\$1.0400	\$0.0000	\$293,430,975	\$293,430,975	\$298,855,284	\$298,855,284	\$940,694	\$940,694
2021-22	173.00	317.70	\$1.0400	\$0.0000	\$286,130,975	\$286,130,975	\$292,855,284	\$292,855,284	\$921,808	\$921,808

Tier II Yield: \$37.42; AISD Yield: \$50.98; Equalized Wealth: \$374,200

Table 2– Project Value Added with No Value Limit

School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
2009-10	\$1,187,893	\$115,873	\$520,466	\$0	-\$63,455	\$90,052	\$21,227	-\$3,021	\$1,869,035
2010-11	\$3,365,090	\$117,136	\$0	-\$1,538,999	-\$182,450	\$255,102	\$60,133	-\$8,559	\$2,067,453
2011-12	\$3,342,856	\$88,634	\$545,878	\$0	-\$2,216,591	\$253,416	\$0	-\$32,020	\$1,982,173
2012-13	\$3,283,267	\$99,254	\$547,755	\$0	-\$2,169,499	\$248,899	\$0	-\$31,369	\$1,978,307
2013-14	\$3,199,666	\$125,205	\$531,078	\$0	-\$2,095,171	\$242,561	\$0	-\$30,354	\$1,972,984
2014-15	\$3,119,622	\$135,563	\$521,652	\$0	-\$2,016,059	\$236,493	\$0	-\$29,286	\$1,967,984
2015-16	\$3,056,476	\$125,336	\$528,039	\$0	-\$1,949,074	\$231,706	\$0	-\$28,388	\$1,964,095
2016-17	\$2,963,981	\$135,923	\$529,313	\$0	-\$1,868,439	\$224,694	\$0	-\$27,284	\$1,958,187
2017-18	\$2,879,490	\$125,686	\$539,110	\$0	-\$1,783,508	\$218,289	\$0	-\$26,140	\$1,952,927
2018-19	\$2,805,671	\$135,989	\$526,988	\$0	-\$1,707,871	\$212,693	\$0	-\$25,122	\$1,948,348
2019-20	\$2,727,406	\$125,579	\$540,935	\$0	-\$1,633,142	\$206,760	\$0	-\$24,110	\$1,943,428
2020-21	\$2,674,044	\$135,655	\$522,934	\$0	-\$1,571,855	\$202,715	\$0	-\$23,295	\$1,940,197
2021-22	\$2,609,119	\$135,831	\$528,603	\$0	-\$1,512,776	\$197,793	\$0	-\$22,490	\$1,936,080

Table 3– Project Value Added with Value Limit

School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
2009-10	\$1,187,893	\$115,873	\$520,466	\$0	-\$63,455	\$90,052	\$21,227	-\$3,021	\$1,869,035
2010-11	\$3,365,090	\$117,136	\$0	-\$1,538,999	-\$182,450	\$255,102	\$60,133	-\$8,559	\$2,067,453
2011-12	\$1,276,831	\$101,919	\$1,214,536	\$0	-\$832,508	\$96,794	\$0	-\$12,230	\$1,845,341
2012-13	\$1,276,831	\$98,099	\$540,939	\$0	-\$155,091	\$96,794	\$15,298	-\$4,249	\$1,868,621
2013-14	\$1,276,831	\$123,205	\$515,832	\$0	-\$155,091	\$96,794	\$15,298	-\$4,249	\$1,868,621
2014-15	\$1,276,831	\$133,585	\$505,452	\$0	-\$155,091	\$96,794	\$15,298	-\$4,249	\$1,868,621
2015-16	\$1,276,831	\$123,205	\$515,832	\$0	-\$155,091	\$96,794	\$15,298	-\$4,249	\$1,868,621
2016-17	\$1,276,831	\$133,585	\$505,452	\$0	-\$155,091	\$96,794	\$15,298	-\$4,249	\$1,868,621
2017-18	\$1,276,831	\$123,205	\$515,832	\$0	-\$155,091	\$96,794	\$15,298	-\$4,249	\$1,868,621
2018-19	\$1,276,831	\$133,585	\$505,452	\$0	-\$155,091	\$96,794	\$15,298	-\$4,249	\$1,868,621
2019-20	\$2,727,406	\$113,991	\$0	-\$745,235	-\$335,385	\$206,760	\$32,678	-\$9,077	\$1,991,139
2020-21	\$2,674,044	\$134,676	\$523,913	\$0	-\$1,571,855	\$202,715	\$0	-\$23,295	\$1,940,197
2021-22	\$2,609,119	\$99,281	\$565,153	\$0	-\$1,512,776	\$197,793	\$0	-\$22,490	\$1,936,080

Table 4 – Value Limit less Project Value with No Limit

School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
2009-10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2010-11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2011-12	-\$2,066,025	\$13,285	\$668,658	\$0	\$1,384,082	-\$156,622	\$0	\$19,790	-\$136,832
2012-13	-\$2,006,436	-\$1,155	-\$6,816	\$0	\$2,014,408	-\$152,104	\$15,298	\$27,120	-\$109,687
2013-14	-\$1,922,835	-\$2,000	-\$15,245	\$0	\$1,940,080	-\$145,767	\$15,298	\$26,105	-\$104,364
2014-15	-\$1,842,791	-\$1,978	-\$16,199	\$0	\$1,860,968	-\$139,699	\$15,298	\$25,037	-\$99,364
2015-16	-\$1,779,645	-\$2,131	-\$12,207	\$0	\$1,793,982	-\$134,912	\$15,298	\$24,139	-\$95,475
2016-17	-\$1,687,150	-\$2,338	-\$23,860	\$0	\$1,713,348	-\$127,900	\$15,298	\$23,035	-\$89,567
2017-18	-\$1,602,659	-\$2,481	-\$23,278	\$0	\$1,628,417	-\$121,495	\$15,298	\$21,890	-\$84,306
2018-19	-\$1,528,840	-\$2,403	-\$21,535	\$0	\$1,552,779	-\$115,899	\$15,298	\$20,873	-\$79,727
2019-20	\$0	-\$11,587	-\$540,935	-\$745,235	\$1,297,757	\$0	\$32,678	\$15,033	\$47,711
2020-21	\$0	-\$979	\$979	\$0	\$0	\$0	\$0	\$0	\$0
2021-22	\$0	-\$36,550	\$36,550	\$0	\$0	\$0	\$0	\$0	\$0

Table 5 - Estimated Financial impact of the Blue Summit Project Property Value Limitation Request Submitted to Chillicothe ISD at \$1.04 M&O Tax Rate

School Year	Project Value	Estimated Taxable Value	Value Savings	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
2009-10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2010-11	\$244,800,000	\$244,800,000	\$0	\$2,545,920	\$2,545,920	\$0	\$0	\$0	\$0	\$0
2011-12	\$242,300,000	\$10,000,000	\$232,300,000	\$2,519,920	\$104,000	\$2,415,920	\$0	\$2,415,920	-\$136,832	\$2,279,088
2012-13	\$235,600,000	\$10,000,000	\$225,600,000	\$2,450,240	\$104,000	\$2,346,240	\$52,000	\$2,398,240	-\$109,687	\$2,288,553
2013-14	\$226,200,000	\$10,000,000	\$216,200,000	\$2,352,480	\$104,000	\$2,248,480	\$52,000	\$2,300,480	-\$104,364	\$2,196,116
2014-15	\$217,200,000	\$10,000,000	\$207,200,000	\$2,258,880	\$104,000	\$2,154,880	\$52,000	\$2,206,880	-\$99,364	\$2,107,516
2015-16	\$210,100,000	\$10,000,000	\$200,100,000	\$2,185,040	\$104,000	\$2,081,040	\$52,000	\$2,133,040	-\$95,475	\$2,037,565
2016-17	\$199,700,000	\$10,000,000	\$189,700,000	\$2,076,880	\$104,000	\$1,972,880	\$52,000	\$2,024,880	-\$89,567	\$1,935,313
2017-18	\$190,200,000	\$10,000,000	\$180,200,000	\$1,978,080	\$104,000	\$1,874,080	\$52,000	\$1,926,080	-\$84,306	\$1,841,774
2018-19	\$181,900,000	\$10,000,000	\$171,900,000	\$1,891,760	\$104,000	\$1,787,760	\$52,000	\$1,839,760	-\$79,727	\$1,760,033
2019-20	\$173,100,000	\$173,100,000	\$0	\$1,800,240	\$1,800,240	\$0	\$1,800,240	\$1,800,240	\$0	\$1,800,240
2020-21	\$167,100,000	\$167,100,000	\$0	\$1,737,840	\$1,737,840	\$0	\$277,680	\$277,680	\$0	\$277,680
2021-22	\$159,800,000	\$159,800,000	\$0	\$1,661,920	\$1,661,920	\$0	\$0	\$0	\$0	\$0
Totals:				\$25,459,200	\$8,577,920	\$16,881,280	\$2,441,920	\$19,323,200	-\$799,321	\$18,523,879

Tax Credit for Value Over Limit in First 2 Years

	2009	2010	Max Credits
	\$0	\$2,441,920	\$2,441,920
Credits Earned			\$2,441,920
Credits Paid			<u>\$2,441,920</u>
Excess Credits Unpaid			\$0

Attachment F

Taxable Value of Property

DATE: 06/26/2012
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COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION
 2011 ISD SUMMARY WORKSHEET
 099/Hardeman
 099-902/Chillicothe ISD

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 VRSN: F

CATEGORY	LOCAL TAX ROLL VALUE	2011 WTD MEAN RATIO	2011 PTAD VALUE ESTIMATE	2011 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	7,517,950	.9192	8,178,797	7,517,950
B. MULTIFAMILY RESIDENCES	26,200	N/A	26,200	26,200
C. VACANT LOTS	292,880	N/A	292,880	292,880
D. RURAL REAL (TAXABLE)	12,939,370	.9884	13,091,657	12,939,370
F1. COMMERCIAL REAL	682,190	N/A	682,190	682,190
F2. INDUSTRIAL REAL	1,753,430	N/A	1,753,430	1,753,430
G. OIL,GAS,MINERALS	43,446,270	.9974	43,559,525	43,446,270
J. UTILITIES	10,549,090	1.0064	10,482,005	10,549,090
L1. COMMERCIAL PERSONAL	2,619,780	N/A	2,619,780	2,619,780
L2. INDUSTRIAL PERSONAL	1,233,330	N/A	1,233,330	1,233,330
M. MOBILE HOMES	257,150	N/A	257,150	257,150
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	0	N/A	0	0
SUBTOTAL	81,317,640		82,176,944	81,317,640
LESS TOTAL DEDUCTIONS	4,428,066		4,729,491	4,428,066
TOTAL TAXABLE VALUE	76,889,574		77,447,453	76,889,574 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTAD VALUE
MARKET VALUE NON-QUALIFIED ACRES & FARM/RANCH IMP	4,481,010	.9774	4,584,622
PROD VALUE QUALIFIED ACRES	8,458,360	.9943	8,507,035
TAXABLE VALUE	12,939,370		13,091,657

THE TAXABLE VALUES SHOWN HERE WILL NOT MATCH THE VALUES REPORTED BY YOUR APPRAISAL DISTRICT
 SEE THE ISD DEDUCTION REPORT FOR A BREAKDOWN OF DEDUCTION VALUES

DATE: 06/26/2012
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COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION
 2011 FINAL VALUES WORKSHEET
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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 OPERATIONS (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
78,908,874	76,889,574	78,908,874	76,889,574	76,889,574	76,889,574
	LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION		50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION		
	<u>2,019,300</u>		<u>0</u>		

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
78,908,874	76,889,574	78,908,874	76,889,574	76,889,574	76,889,574

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 PYS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

DATE: 06/26/2012
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COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION
 2011 ISD SUMMARY WORKSHEET
 244/Wilbarger
 099-902/Chillicothe ISD

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CATEGORY	LOCAL TAX ROLL VALUE	2011 WTD MEAN RATIO	2011 PTAD VALUE ESTIMATE	2011 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	20,090	N/A	20,090	20,090
B. MULTIFAMILY RESIDENCES	0	N/A	0	0
C. VACANT LOTS	95,770	N/A	95,770	95,770
D. RURAL REAL (TAXABLE)	13,369,190	N/A	13,369,190	13,369,190
F1. COMMERCIAL REAL	15,800	N/A	15,800	15,800
F2. INDUSTRIAL REAL	18,542,940	N/A	18,542,940	18,542,940
G. OIL,GAS,MINERALS	1,848,910	N/A	1,848,910	1,848,910
J. UTILITIES	3,470,010	N/A	3,470,010	3,470,010
L1. COMMERCIAL PERSONAL	465,310	N/A	465,310	465,310
L2. INDUSTRIAL PERSONAL	0	N/A	0	0
M. MOBILE HOMES	292,110	N/A	292,110	292,110
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	0	N/A	0	0
SUBTOTAL	38,120,130		38,120,130	38,120,130
LESS TOTAL DEDUCTIONS	1,988,371		1,988,371	1,988,371
TOTAL TAXABLE VALUE	36,131,759		36,131,759	36,131,759 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTAD VALUE
MARKET VALUE NON-QUALIFIED ACRES & FARM/RANCH IMP	7,025,200	N/A	7,025,200
PROD VALUE QUALIFIED ACRES	6,343,990	N/A	6,343,990
TAXABLE VALUE	13,369,190		13,369,190

THE TAXABLE VALUES SHOWN HERE WILL NOT MATCH THE VALUES REPORTED BY YOUR APPRAISAL DISTRICT
 SEE THE ISD DEDUCTION REPORT FOR A BREAKDOWN OF DEDUCTION VALUES

DATE: 06/26/2012
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COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION
 2011 FINAL VALUES WORKSHEET
 244/Wilbarger
 099-902/Chillicothe ISD

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 REPT: PTS265
 VRSN: F

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 OPERATIONS (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
36,644,289	36,131,759	36,644,289	36,131,759	36,131,759	36,131,759
LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION 512,530 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION 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
36,644,289	36,131,759	36,644,289	36,131,759	36,131,759	36,131,759

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

DATE: 06/26/2012
 TIME: 10:23:23

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION
 2011 ISD SUMMARY WORKSHEET
 099-902/Chillicothe ISD
 SCHOOL DISTRICT TOTALS

PAGE: 005
 REPT: PTS265
 VRSN: F

CATEGORY	LOCAL TAX ROLL VALUE	2011 WTD MEAN RATIO	2011 PTAD VALUE ESTIMATE	2011 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	7,538,040	.9194	8,198,887	7,538,040
B. MULTIFAMILY RESIDENCES	26,200	N/A	26,200	26,200
C. VACANT LOTS	388,650	N/A	388,650	388,650
D. RURAL REAL(TAXABLE)	26,308,560	.9942	26,460,847	26,308,560
F1. COMMERCIAL REAL	697,990	N/A	697,990	697,990
F2. INDUSTRIAL REAL	20,296,370	N/A	20,296,370	20,296,370
G. OIL,GAS,MINERALS	45,295,180	.9975	45,408,435	45,295,180
J. UTILITIES	14,019,100	1.0048	13,952,015	14,019,100
L1. COMMERCIAL PERSONAL	3,085,090	N/A	3,085,090	3,085,090
L2. INDUSTRIAL PERSONAL	1,233,330	N/A	1,233,330	1,233,330
M. MOBILE HOMES	549,260	N/A	549,260	549,260
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	0	N/A	0	0
SUBTOTAL	119,437,770		120,297,074	119,437,770
LESS TOTAL DEDUCTIONS	6,416,437		6,717,862	6,416,437
TOTAL TAXABLE VALUE	113,021,333		113,579,212	113,021,333 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTAD VALUE
MARKET VALUE NON-QUALIFIED			
ACRES & FARM/RANCH IMP	11,506,210	.9911	11,609,822
PROD VALUE QUALIFIED ACRES	14,802,350	.9967	14,851,025
TAXABLE VALUE	26,308,560		26,460,847

THE TAXABLE VALUES SHOWN HERE WILL NOT MATCH THE VALUES REPORTED BY YOUR APPRAISAL DISTRICT
 SEE THE ISD DEDUCTION REPORT FOR A BREAKDOWN OF DEDUCTION VALUES

**** END OF REPORT ****

Attachment G

Participation Agreement

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

by and between

CHILLICOTHE INDEPENDENT SCHOOL DISTRICT

and

BLUE SUMMIT WIND, LLC

(Texas Taxpayer ID # 11137881576)

Texas Comptroller Application No. 228

Dated

October 16, 2012

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

STATE OF TEXAS §

COUNTY OF WILBARGER §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **CHILlicothe 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 **BLUE SUMMIT WIND, LLC**, (*Texas Taxpayer ID #11137881576*), hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties." Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

RECITALS

WHEREAS, on February 13, 2012, the Superintendent of Schools (hereinafter referred to as "Superintendent") of the Chillicothe Independent School District, acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on February 13, 2012, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Blue Summit Wind, LLC, and on February 13, 2012, the Superintendent acknowledged receipt of the Application and the requisite application fee as established pursuant to Texas Tax Code §313.025(a)(1) and Local District Policy CCG (Local); and,

WHEREAS, the Applicant indicated that the size of the project had changed, and on May 15, 2012, the Applicant submitted additional information to the District. On May 15, 2012, the Superintendent then determined the new Application to be complete; and,

WHEREAS, the Application were delivered to the office of the Comptroller for review pursuant to Texas Tax Code §313.025(d); and,

WHEREAS, the Comptroller, via letter, has established June 8, 2012 as the completed Application date; and,

WHEREAS, pursuant to 34 Texas Administrative Code §9.1054, the Application was delivered for review to the Wilbarger Appraisal District established in Vernon, Wilbarger County, Texas (the “Appraisal District”), pursuant to Texas Tax Code §6.01; and,

WHEREAS, the Comptroller reviewed the Application pursuant to Texas Tax Code §313.025(d), and on July 20, 2012 the Comptroller, via letter, recommended that the Application be approved; and,

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

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

WHEREAS, on October 4, 2012, the District received written notification, pursuant to 34 Texas Administrative Code §9.1055(e)(2)(A), that the Comptroller reviewed this Agreement, and reaffirmed the recommendation previously made on July 20, 2012 that the Application be approved; and,

WHEREAS, on October 16, 2012, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District; and,

WHEREAS, on October 16, 2012, the Board of Trustees made factual findings pursuant to Texas Tax Code §313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the limitation on appraised value of the Applicant’s Qualified Property; and, (iv) each criterion referenced in Texas Tax Code §313.025(e) has been met; and,

WHEREAS, on October 16, 2012, pursuant to the provisions of Texas Tax Code §313.025(f-1), the Board of Trustees waived the job creation requirement set forth in Texas Tax Code §313.051(b), based upon its factual Finding, made on October 16, 2012, that the if the number of jobs required by law (*i.e.* 10 jobs) was applied to this project, given its size and scope as described in the Application and in **EXHIBIT 3**, the number of jobs will exceed the industry standard for the number of employees reasonably necessary for the operation of the facility; and,

WHEREAS, on October 16, 2012, the Board of Trustees determined that the Tax Limitation Amount requested by the Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Tax Code, §§313.022(b) and 313.052, as such Tax Limitation Amount was computed for the effective date of this Agreement; and,

WHEREAS, on October 16, 2012, 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 President and Secretary of the Board of Trustees to execute and deliver such Agreement to the Applicant;

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

ARTICLE I

AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1. AUTHORITY

This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Texas Tax Code §313.027.

Section 1.2. TERM OF THE AGREEMENT

This Agreement shall commence and first become effective on the Commencement Date, as defined in Section 1.3, below. In the event that the Applicant makes a Qualified Investment in the amount defined in Section 2.6 below, between the Commencement Date and the end of the Qualifying Time Period, Applicant will be entitled to the Tax Limitation Amount defined in Section 1.3 below, for the following Tax Years: 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022. The limitation on the local ad valorem property values for Maintenance and Operations purposes shall commence with the property valuations made as of January 1, 2015, the appraisal date for the third full Tax Year following the Commencement Date.

The period beginning with the Commencement Date of October 16, 2012 and ending on December 31, 2014 will be referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code §313.021(4). Applicant shall not be entitled to a tax limitation during the Qualifying Time Period.

Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2022. Except as otherwise provided herein, this Agreement will terminate in full on the Final Termination Date. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

Except as otherwise provided herein, the Tax Years for which this Agreement is effective are as set forth below and set forth opposite each such Tax Year are the corresponding year in the

term of this Agreement, the date of the Appraised Value determination for such Tax Year, and a summary description of certain provisions of this Agreement corresponding to such Tax Year (it being understood and agreed that such summary descriptions are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement):

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
Partial Year Commencing on date of Board approval (10/16/12)	January 1, 2012	2012-13	2012	Start of Qualifying Time Period beginning with Commencement Date (10/16/12). No limitation on value. First year for computation of Annual Limit.
1	January 1, 2013	2013-14	2013	Qualifying Time Period. No limitation on value. Possible Tax Credit in future years.
2	January 1, 2014	2014-15	2014	Qualifying Time Period. No limitation on value. Possible Tax Credit in future years.
3	January 1, 2015	2015-16	2015	\$ 10 million property value limitation.
4	January 1, 2016	2016-17	2016	\$ 10 million property value limitation. Possible Tax Credit due to Applicant.
5	January 1, 2017	2017-18	2017	\$ 10 million property value limitation. Possible Tax Credit due to Applicant.
6	January 1, 2018	2018-19	2018	\$ 10 million property value limitation. Possible Tax Credit due to Applicant.
7	January 1, 2019	2019-20	2019	\$10 million property value limitation. Possible Tax Credit due to Applicant.
8	January 1, 2020	2020-21	2020	\$ 10 million property value limitation. Possible Tax Credit due to Applicant.

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
9	January 1, 2021	2021-22	2021	\$ 10 million property value limitation. Possible Tax Credit due to Applicant.
10	January 1, 2022	2022-23	2022	\$ 10 million property value limitation. Possible Tax Credit due to Applicant.
11	January 1, 2023	2023-24	2023	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2024	2024-25	2024	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2025	2025-26	2025	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

Section 1.3. DEFINITIONS

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

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

“*Affiliate*” of any specified person or entity means any other person or entity which, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under direct or indirect common control with such specified person or entity. For purposes of this definition “control” when used with respect to any person or entity means (i) the ownership, directly or indirectly, or fifty percent (50%) or more of the voting securities of such person or entity, or (ii) the right to direct the management or operations of such person or entity, directly or

indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise.

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

“Aggregate Limit” means, for any Tax Year during the term of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and for all previous Tax Years during the course of this Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article IV.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented from time to time in accordance with Section 8.3.

“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, pursuant to Texas Education Code §42.005, by multiplying the District’s 2011-12 Average Daily Attendance of 179 times \$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 2012, which, by virtue of the Commencement Date is the first year of the Qualifying Time Period under this Agreement.

“Applicant” means Blue Summit Wind, LLC, *Texas Taxpayer Identification Number 11137881576*, the company listed in the Preamble of this Agreement who, on February 13, 2012, filed the original Application and on May 15, 2015 filed supplemental Application materials with the District for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest.

“Applicable School Finance Law” means Chapters 41 and 42 of the Texas Education Code, the Texas Economic Development Act (Chapter 313 of the Texas Tax Code), Chapter 403, Subchapter M, of the Texas Government Code applicable to the District, and the Constitution and general laws of the State applicable to the independent school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of the Applicant’s ad valorem tax obligation to the District, either with or without the limitation of property values made pursuant to this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with the District by the Applicant on February 13, 2012 and on May 15, 2012 filed supplemental Application materials,

which have been certified by the Comptroller's office to constitute a complete final Application as of the date of June 8, 2012. 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 this Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

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

"Appraisal District" means the Wilbarger County Appraisal District.

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

"Commencement Date" means October 16, 2012, the date upon which this Agreement was approved by the District's Board of Trustees.

"Completed Application Date" means June 8, 2012, the date upon which the Comptroller determined to be the date of its receipt of a completed Application for Appraised Value Limitation on Qualified Property (Texas Tax Code, Chapter 313, Subchapter B or C), Comptroller Form 50-296, from the Applicant.

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

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

"County" means Wilbarger County, Texas.

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

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

"Final Termination Date" means December 31, 2025. However, any payment obligations of any Party arising under this Agreement prior to the Final Termination Date will survive until paid by the Party owing same.

"Force Majeure" means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant's Qualified Property or the Applicant's Qualified Investment or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant's Qualified Property or the Applicant's Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant's facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents performance.

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

"Maintain Viable Presence" means, after the development and construction of the project described in the Application and in the description of the Applicant's Qualified Investment and Qualified Property as set forth in Section 2.3 below, (i) the operation over the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered; (ii) the maintenance of at least number of jobs set forth in the Application from the time they are created until the Final Termination Date.

"M&O Amount" shall have the meaning assigned to such term in Section 3.2 of this Agreement.

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

necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the Texas Education Code.

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

"Net Tax Benefit" means an amount equal to (but not less than zero): (i) the sum of (A) 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; plus (B) any Tax Credits received by Applicant under this Agreement; 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, plus (B) any and all payments due to the District under Article III of this Agreement.

"New Jobs" means "new jobs," defined by 34 Texas Administrative Code §9.1051(14)(C), which the Applicant will create in connection with the project described in the Application and in the description of the Applicant's Qualified Investment and Qualified Property as set forth in Section 2.3 below. In accordance with the requirements of Texas Tax Code §313.024(d), eighty percent (80%), of all New Jobs shall also be Qualifying Jobs, as defined below.

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

"Qualifying Jobs" means the number New Jobs created by Applicant which meet the requirements of Texas Tax Code 313.021(3). At least eighty percent (80%) of all New Jobs must be Qualifying Jobs.

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

"Qualifying Time Period" means the period that begins on the Commencement Date of October 16, 2012 and ends on December 31, 2014.

"State" means the State of Texas.

"Substantive Document" means a document or other information or data in electronic media determined by the Comptroller to substantially involve or include information or data significant to an application, the evaluation or consideration of an application, or the agreement

or implementation of an agreement for limitation of appraised value pursuant to Texas Tax Code, Chapter 313. The term includes, but is not limited to, any application requesting a limitation on appraised value and any amendments or supplements, any economic impact evaluation made in connection with an application, any agreement between the Applicant and the school district and any subsequent amendments or assignments, any school district written finding or report filed with the comptroller as required under this subchapter, and any application requesting school Tax Credits under Texas Tax Code, §313.103.

"Tax Credit" means the Tax Credit, either to be paid by the District to the Applicant, or to be applied against any taxes that the District imposes on the Applicant's Qualified Property, as computed under the provisions of Subchapter D of the Act and rules adopted by the Comptroller and/or the Texas Education Agency, provided that the Applicant complies with the requirements imposed on the Applicant under such provisions, including the timely filing of a completed application under Texas Tax Code §313.103 and the duly adopted administrative rules relating thereto.

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code §313.054. That is, for each of the eight (8) Tax Years 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

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

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

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

"Taxable Value" shall have the meaning assigned to such term in Section 1.04(10) of the Texas Tax Code.

"Texas Education Agency Rules" means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313, Texas Tax Code, which are set forth at Title 19 – Part 2, Texas Administrative Code (including, but not limited to, §61.1019), together with any court or administrative decisions interpreting same.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

The Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is within an area designated as a reinvestment zone under Chapter 311 or 312 of the Texas Tax Code. The legal description of the reinvestment zone in which the Applicant's Qualified Property is located is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 2.2. LOCATION OF QUALIFIED PROPERTY

The location of the Qualified Property upon which the Applicant's Qualified Investment will be located (the "Applicant's Qualified Property") is described in the legal description which is attached to this Agreement as **EXHIBIT 2** and is incorporated herein by reference for all purposes ("Land"). The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** without the express authorization of each of the Parties.

Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes (the "Applicant's Qualified Investment"). The Applicant's Qualified Investment shall be that property, described in **EXHIBIT 3** which is placed in service under the terms of the Application, during the Qualifying Time Period described in Section 1.2, above. The Applicant's Qualified Property shall be all property, described in **EXHIBIT 3**, including, but not limited to the Applicant's Qualified Investment, which (1) is owned by the Applicant; (2) is first placed in service after June 8, 2012, the Completed Application Date established by the Comptroller; and (3) is used in connection with the activities described in the Application. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment or the Applicant's Qualified Property for purposes of this Agreement, unless pursuant to Texas Tax Code §313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Investment for purposes of this Agreement.

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

- (a) submits to the District and the Comptroller a written request to add such property to this Agreement, which request shall include a specific description of the

additional property to which the Applicant requests that the Tax Limitation Amount apply;

- (b) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and,
- (c) provides any additional information reasonably requested by the District or the Comptroller that is necessary to re-evaluate the economic impact analysis for the new or changed conditions.

Notwithstanding the foregoing, any replacement property shall not be subject to the foregoing restrictions and shall be considered Qualified Property hereunder.

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

At the end of the Qualifying Time Period; at any other time when there is a material change in the Applicant's Qualified Property located on the Land described in **EXHIBIT 2**; or upon a reasonable request by the District, the Comptroller, or the Appraisal District, the Applicant shall provide to the District, the Comptroller, and the Appraisal District a reasonably specific and detailed description of the material tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Applicant's Qualified Property to which the Tax Limitation Amount applies, including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property which is subject to this Agreement.

Section 2.5. QUALIFYING USE

The Parties agree that the Applicant's Qualified Investment described above in Section 2.3 qualifies for a Tax Limitation Agreement under Texas Tax Code §313.024(b)(5) as a renewable energy electric generation facility.

Section 2.6. LIMITATION ON APPRAISED VALUE

So long as the Applicant makes a Qualified Investment in the amount of Ten Million Dollars (\$10,000,000.00), or greater, during the Qualifying Time Period; and unless this Agreement has been terminated as provided herein before such Tax Year, for each of the eight (8) Tax Years 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

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

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

ARTICLE III

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1. INTENT OF THE PARTIES

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

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

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

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

Where:

- i. "Original M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant's Qualified Property and/or Applicant's Qualified Investment been subject to the adopted ad valorem maintenance and operations tax for the applicable year.
- ii. "New M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to such Maintenance and Operations Revenue because of any portion of this Agreement.

In making the calculations required by this Section 3.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%)
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 3.2 results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection ii, of this Agreement relating to the definition of "New M&O Revenue" will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 3.2 shall be made by a methodology which isolates only the revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements or any other factors not contained in this Agreement.

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

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

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

- (c) any other loss of the District's revenues which directly result from, or are reasonably attributable to any payment made by the Applicant to or on behalf of any third party beneficiary of this Agreement.

Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY

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

Section 3.5. DATA USED FOR CALCULATIONS

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

Section 3.6. DELIVERY OF CALCULATIONS

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2 and/or 3.3, Article IV, and/or Section 5.1 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 limit of Section 3.7. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of three (3) years after payment. The Applicant shall not be liable for any of 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 3.7. PAYMENT BY APPLICANT

The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or Tax Credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. 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 3.7 and Section 3.6 which exceeds Ten Thousand Dollars (\$10,000.00).

Section 3.8. RESOLUTION OF DISPUTES

Pursuant to Section 3.4 and Section 3.6, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within 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 3.6 for purposes of auditing or reviewing the information in connection with the certification. Within fifteen (15) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of certification containing the calculations, without limitation of Applicant's other rights and remedies available hereunder, at law or in equity.

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

If at the time the Third Party selected under Section 3.4 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 3.10. EFFECT OF STATUTORY CHANGES

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 5.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District reasonably determines that it will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the revenue protection amount limit set forth in Section 5.1, that are necessary to offset any actual negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District. Such payment shall be made no later than thirty (30) days following notice from the District of such determination.

ARTICLE IV

SUPPLEMENTAL PAYMENTS

Section 4.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

(a) Amounts Exclusive of Indemnity Amounts

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the supplemental payments set forth in this Article IV, (the "Supplemental Payments"). 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 IV is separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to the limitations contained in Section 5.1, and that all payments under this Article IV are subject to the separate limitations contained in Section 4.4.

(b) Adherence to Statutory Limits on Supplemental Payments

It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant under this Article IV 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.

SUPPLEMENTAL PAYMENTS

Section 4.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

(a) Amounts Exclusive of Indemnity Amounts

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the supplemental payments set forth in this Article IV, (the "Supplemental Payments"). 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 IV is separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to the limitations contained in Section 5.1, and that all payments under this Article IV are subject to the separate limitations contained in Section 4.2(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 IV 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 4.2. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT

(a) Calculating Annual Supplemental Payment Amount

Upon the execution of this Agreement, the Applicant shall be obligated to make annual Supplemental Payments to the Chillicothe Independent School District on or before the dates, and in the amounts listed below.

<u>PAYMENT DUE DATE</u>	<u>PAYMENT AMOUNT</u>
January 31, 2013	Annual Limit defined in Section 1.3
January 31, 2014	Annual Limit defined in Section 1.3
January 31, 2015	Annual Limit defined in Section 1.3
January 31, 2016	Annual Limit defined in Section 1.3
January 31, 2017	Annual Limit defined in Section 1.3
January 31, 2018	Annual Limit defined in Section 1.3
January 31, 2019	Annual Limit defined in Section 1.3
January 31, 2020	Annual Limit defined in Section 1.3
January 31, 2021	Annual Limit defined in Section 1.3
January 31, 2022	Annual Limit defined in Section 1.3
January 31, 2023	Annual Limit defined in Section 1.3
January 31, 2024	Annual Limit defined in Section 1.3
January 31, 2025	Annual Limit defined in Section 1.3
January 31, 2026	Annual Limit defined in Section 1.3

(b) Application of Annual Limit

During the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the lesser of: (i) the “Applicant’s Stipulated Supplemental Payment Amount as calculated under Subsection 4.2(a) above; or, (ii) the Aggregate Limit, as the term is defined in Section 1.3, above.

Section 4.3. DISTRICT’S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY

At any time during this Agreement, the Board of Trustees may, in its sole discretion, direct that the Applicant’s payment under this Article IV be made to the District’s educational

foundation or to a similar entity. Such foundation or entity may only use such funds received under this Article IV to support the educational mission of the District and its students. Any designation of such foundation or entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the Board of Trustees. Any such designation will become effective after such public vote and the delivery of notice of said vote in conformance with the provisions of Section 8.1, below. Such designation may be rescinded by the Board of Trustees, by Board action, at any time, and any such rescission will become effective after delivery of notice of such action to the Applicant in conformance with the provisions of Section 8.1.

Any designation of a successor beneficiary under this Section shall not alter the Aggregate Limitation on Supplemental payments described in Section 4.2(b), above.

Notwithstanding the foregoing, any payments made by Applicant shall be made in the manner and to the party designated in this Agreement unless Applicant receives unambiguous written notice from the District that such payments are to be made to a different party.

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement after the 2015 Tax Year, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles III and IV with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Sections 3.4 and 3.6, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Article IV with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the

District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred. In addition to the foregoing, in the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment, the Applicant shall have the option, during the Qualifying Time Period, to terminate this Agreement by notifying the District in writing of its exercise of such option. Any termination of this Agreement under the immediately preceding sentence shall be effective immediately prior to the beginning of the Tax Year immediately following the Tax Year during which such notification is delivered to the District. Upon any termination this Agreement under this Section 5.2, this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties' respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

ARTICLE VI

TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

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

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

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

Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES

If after the Applicant has actually received the benefit of a Tax Credit under Section 6.1, the District does not receive aid from the State pursuant to Texas Education Code §42.2515 or other similar or successor statute with respect to all or any portion of such Tax Credit for reasons other than the District's failure to comply with the requirements for obtaining such aid, then the District shall notify the Applicant in writing thereof and the circumstances surrounding the State's failure to provide such aid to the District. The Applicant shall pay to the District the amount of such Tax Credit for which the District did not receive such aid within thirty (30)

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

ARTICLE VII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1. DATA REQUESTS

During the term of this Agreement, and upon the written request of one Party or by the Comptroller (the "Requesting Party"), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations, including any employment obligations which may arise under this Agreement. The Applicant shall allow authorized employees of the District, the Comptroller, and/or the Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code Section 22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party or any other information that is not necessary for the District to determine the Applicant's compliance with this Agreement.

Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES

The Applicant shall timely make any and all reports that are or may be required under the provisions of law or administrative regulation as a result of this Agreement, including but not limited to the annual report or certifications that may be required to be submitted by the Applicant to the Comptroller under the provisions of Texas Tax Code §313.032 and the provisions of Title 34, Part 1, Chapter 9, Subchapter F of the Texas Administrative Code. The Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. Currently, the Comptroller requires an Annual Eligibility Report and the Biennial Progress Reports, Form 50-772 and 50-773 respectively, and an Application for Tax Credit, Form 50-300. The obligation to make all such required filings shall be a material obligation under this Agreement. The Applicant shall not be in default of any reporting obligation hereunder, unless the Applicant has received thirty (30) days prior notice of its reporting obligation from the District.

Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that:

- (a) it will abide by all of the terms of this Agreement;
- (b) if it does not cancel the Agreement prior to the end of the Qualifying Time Period under Section 5.2 of this Agreement, it will Maintain Viable Presence in the District through the Final Termination Date of this Agreement; provided, however, that notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of this Agreement, 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; and,
- (c) it will meet the applicable minimum eligibility requirements under Texas Tax Code, Chapter 313, throughout the period from and including the Tax Year 2015 through and including the last Tax Year during the term of this Agreement with respect to which the Applicant receives the benefit of a Tax Credit.

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

(a) In the event of a Material Breach (hereinafter defined), except as provided in Section 5.2, after the notice and cure period provided by Section 7.8, then the District shall be entitled, as its sole and exclusive remedy, to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV.

(b) Notwithstanding Section 7.4(a), in the event that the District determines that the Applicant has failed to Maintain Viable Presence and provides written notice of termination of this Agreement, then the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem maintenance and operations taxes for all of the Tax Years for which the Tax Limitation Amount was allowed pursuant to this Agreement that are prior to the Tax Year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 7.5. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV. Upon payment of such liquidated damages,

the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy. Notwithstanding the foregoing, penalties shall only be due to the extent it is determined that the breach of this Agreement by the Applicant was willful and without a good faith, reasonable belief by the Applicant that its action or omission constituting such breach was in compliance with this Agreement.

Section 7.5. CALCULATION OF PENALTY AND INTEREST

In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes owed less all credits under Section 7.4 for each Tax Year during the term of this Agreement since the Commencement Date. The District shall calculate penalty or interest for each Tax Year during the term of this Agreement since the Commencement Date in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the base amount calculated for such Tax Year less all credits under Section 7.4 had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(c), or its successor statute.

Section 7.6. MATERIAL BREACH OF AGREEMENT

The Applicant shall be in Material Breach of this Agreement (herein so called) if it commits one or more of the following acts or omissions:

- (a.) Applicant is determined to have failed to meet its obligations to have made accurate material representations of fact in the submission of its Application as is required by Section 8.13, below.
- (b.) Subject to Section 5.2, Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.
- (c.) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.
- (d.) Subject to Section 5.2, Applicant fails to create and maintain at least ten (10) New Jobs.
- (e.) Subject to Section 5.2, Applicant fails to create and maintain at least Eighty Percent (80%) of all such New Jobs on the project as Qualifying Jobs.
- (f.) Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in

recognition of, anticipation of, or consideration for this Agreement, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by the Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of or in consideration for this Agreement are not barred by this provision.

- (g.) Applicant fails to materially comply in any material respect with any other term of this Agreement, or the Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Act.

Section 7.7. LIMITED STATUTORY CURE OF MATERIAL BREACH

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

Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT

Prior to making a determination under Section 7.4 or Section 7.6 that the Applicant is in Material Breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the Material Breach, 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 a Material Breach has not occurred and/or that it has cured or undertaken to cure any such Material Breach.

If the Board of Trustees is not reasonably satisfied with such response and/or that such Material 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 Material Breach has occurred and, if so, whether such Material Breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a Material Breach has occurred, the date such Material Breach occurred, if any, and whether or not any such Material Breach has been cured. Except as otherwise provided in Section 7.7, in the event that the Board of Trustees determines that such a Material Breach has occurred and has not been cured, it shall also terminate this Agreement and determine the amount of recaptured taxes under Section 7.4 (net of all credits under Section 7.4), and the amount of any penalty and/or interest under Section 7.5 that are owed to the District.

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

Section 7.9. DISPUTE RESOLUTION

After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, the Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant's receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Wilbarger County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

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

In any event where a dispute between the District and the Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section 7.9, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any covenant, agreement or undertaking made by a Party pursuant to this Agreement.

Section 7.10. LIMITATION OF OTHER DAMAGES

Notwithstanding anything contained in this Agreement to the contrary, the District's damages for any default shall under no circumstances exceed the greater of either any amounts calculated under Sections 7.4 and 7.5 above, or the monetary sum of the difference between the payments and credits due and owing to the Applicant at the time of such default and the District taxes that would have been lawfully payable to the District had this Agreement not been executed. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

The Parties further agree that the limitation of damages and remedies set forth in this Section 7.10 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 7.11. BINDING ON SUCCESSORS

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

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. INFORMATION AND NOTICES

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

Notices to the District shall be addressed as follows:

Coby Norman, Superintendent
CHILlicothe INDEPENDENT SCHOOL DISTRICT
1610 S. 6th Street
Chillicothe, 79225
Fax: (940) 852-5269
E-mail: cnorman@cisd-tx.net

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

Notices to the Applicant shall be addressed as follows:

Dean Gosselin
Blue Summit Wind, LLC
700 Universe Blvd.
Juno Beach, FL 33408
Fax: 561-691-7307
Email: dean.gosselin@nexteraenergy.com

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

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

- (a) This Agreement shall be and become effective on the date of final approval of this Agreement by the Board of Trustees,
- (b) Subject to Section 5.2, the obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the Final Termination Date.
- (c) In the event that the Applicant fails to make a Qualified Investment in the amount of Ten Million Dollars (\$10,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2014.

Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS

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

Section 8.4. ASSIGNMENT

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

Section 8.5. MERGER

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

Section 8.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS

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

Section 8.7. GOVERNING LAW

This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in Wilbarger County, Texas.

Section 8.8. AUTHORITY TO EXECUTE AGREEMENT

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

Section 8.9. SEVERABILITY

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the

intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in a mutually acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 8.9, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 8.10. PAYMENT OF EXPENSES

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, (i) 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, and (ii) in the event of a dispute between the Parties in connection with this Agreement, the prevailing Party in the resolution of any such dispute, whether by litigation or otherwise, shall be entitled to full recovery of all attorneys' fees (including a reasonable hourly fee for in-house legal counsel), costs and expenses incurred in connection therewith, including costs of court, from the non-prevailing Party.

Section 8.11. INTERPRETATION

When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase ", but not limited to,". Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

Section 8.12. EXECUTION OF COUNTERPARTS

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

Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application. The Applicant warrants that to the best of Applicant's knowledge all material representations, material information, and material facts contained in the Application are true and correct in all material respects. The parties further agree that the Application and all the attachments thereto are included by reference into this Agreement as if set forth herein in full; provided, however, to the extent of any differences or inconsistencies between the terms, conditions, representations, information, and facts contained in the Application and those contained in this Agreement, the terms, conditions, representations, information, and facts contained in this Agreement shall be controlling.

In the event that the Board of Trustees, after completing the procedures required by Sections 7.8 and 7.9 of this Agreement, makes a written determination that the Application was either incomplete or inaccurate as to any material representation, material information, or material fact, then the Board of Trustees shall notify Applicant in writing of such determination and the Applicant shall have the time periods permitted by Section 7.8 or any other section of this Agreement; if any such material representation, information or fact item remains uncured after the written notice and cure periods specified herein, this Agreement shall be invalid and void except for the enforcement of the provisions required by 34 Texas Administrative Code §9.1053(f)(2)(K).

Section 8.14. PUBLICATION OF DOCUMENTS

The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; the approved and executed copy of this Agreement or any amendment thereto; and each application requesting Tax Credits under Texas Tax Code §313.103, as follows:

- a. Within seven (7) days 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 8.14 does not require the publication of information that is confidential under Texas Tax Code §313.028.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 2nd day of November 2012.

BLUE SUMMIT WIND, LLC

CHILlicothe INDEPENDENT SCHOOL DISTRICT

: 

Michael O'Sullivan
Vice President

By: 

BILL HAYNES
President
Board of Trustees

*Legal
MT*

ATTEST:

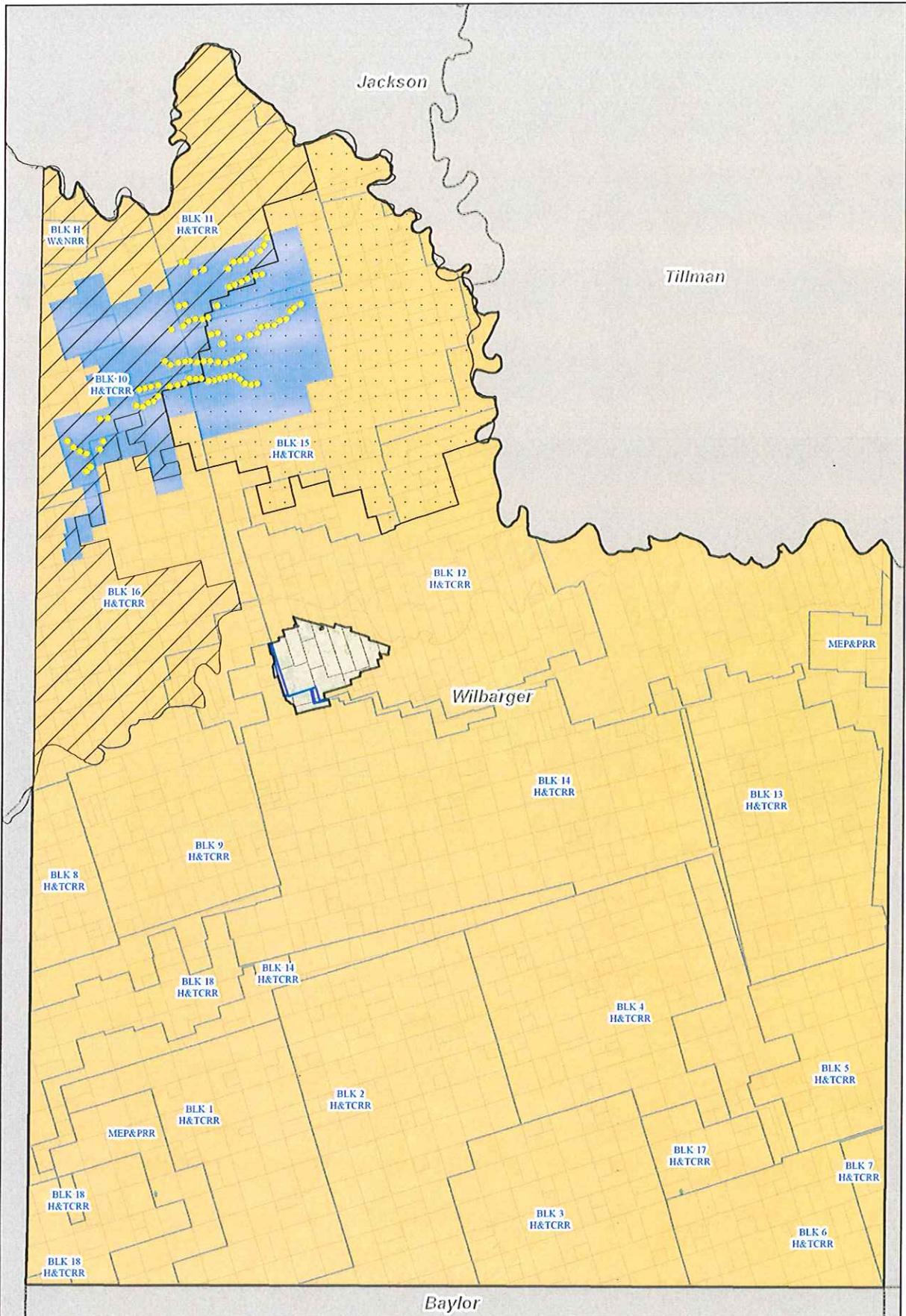


JENNIFER TRUFAN
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

The *Wilbarger County Reinvestment Zone* was originally created on March 12, 2012 by action of the Wilbarger County Commissioner's Court. As a result of the action of the Wilbarger County Commissioner's Court, all the real property within Wilbarger County, save and except all property within the City Limits and/or taxing jurisdiction of the City of Vernon, is located within the boundaries of the *Wilbarger County Reinvestment Zone*. A map of the *Wilbarger County Reinvestment Zone* is attached as the next page of this **EXHIBIT 1**.



- Proposed Turbine
- Blue Summit Project Area
- Wilbarger Reinvestment Zone
- Chillicothe School District
- Northside School District
- TX Blocks
- TX Abstracts

**Blue Summit Wind Project and
Wilbarger Reinvestment Zone**

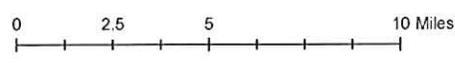


EXHIBIT 2

Correct description of property:

320 acres, more or less, off the North end of Section number nine (9), in block number fifteen (15), of the H&TC Ry Co Survey in Wilbarger County, Texas described by metes and bounds as follows:

BEGINNING at the Northeast corner of said Section, the Northwest corner of Section No. 11 in said Block, and the Southeast corner of the W. A. McKinney Survey No. 2, Certificate No. 1758;

THENCE S 72 W 1435 varas to the Southwest corner of said McKinney Survey, in the east line of Section No. 5, in Block No. 10, of the H&TC Ry Co Survey;

THENCE S 18 E (var 9 deg. 15' E) passing the Southeast corner of said Section No. 5, in all 1277 varas to the Southwest corner of this tract, being an ell corner of a 161 acre tract now owned by Claude Minyard and Anne Lacy Minyard;

THENCE N 72 E passing Minyard's East Northeast corner and the Northwest corner of Amelia Minarik's 80 acre tract, in all 1381 varas to a stake in the East line of said Section No. 9, in the West line of Section No. 11, being Amelia Minarik's Northeast corner;

THENCE N 18 W 1279 ½ varas to the place of beginning.

Correct description of property:

The West 280 acres of Section No 5 in Block No 10, H&TC RR Co Surveys in Wilbarger County, Texas.

BEGINNING at the NW corner of said Survey No 5 for the beginning corner of this tract;

THENCE S 18 E 1900 vrs to the SW corner of said Section No 5 for the SW corner of this tract;

THENCE N 72 E 832 vrs to stake set for the SE corner of this tract;

THENCE N 18 W 1900 to stake set in W line said Survey No 5 for the NE corner of this tract;

THENCE S 72 W 832 vrs to place of beginning.

Correct description of property:

123.375 Acres in Section Nine (9), Block Sixteen (16), H&TC Ry Company Surveys, Wilbarger County, Texas, described by metes and bounds as follows:

BEGINNING at a stake which is 272 varas N 27 deg. E and 320 varas S 18 deg. E from the Northeast corner of said Section, being the Southwest corner of a 25 acre tract heretofore conveyed to Robert J. Lyon et ux tract;

THENCE N 72 deg. E, 441 varas to the Southeast corner of said Robert J. Lyon tract in the West line of said Cassie Lawson et al 200 acre tract;

THENCE S 18 deg. E with the West line of said Cassie Lawson et al tract and a 100 acre tract owned by Eunice Brock 1580 varas to stake in South line of said Section, the Southwest corner of said Eunice Brock 1580 varas to a stake in the South line of said Section, the Southwest corner of said Eunice Brock tract;

THENCE S 72 deg. W with the South line of said Section, 441 varas;

THENCE N 18 deg. W 1580 varas to the place of beginning.

Correct description of property:

168.99 acres, more or less, out of Section 11 and Section 14, Block 11, H&TC RY Co Survey, described by metes and bounds as follows:

BEGINNING at the NE corner of Section 11 and the NW corner of Section 14, H&TC RY CO, Block No. 11, Wilbarger County, Texas, a point at the intersection of two public roads;

THENCE with the center line of FM 191 and North line of Section 14, N 72 deg. E 722 feet to the NW corner of the Fred Webb tract;

THENCE 19 deg. E with fence, 4130 feet to iron rod for SE corner of this tract and all corner of Schmoker land;

THENCE S 72 deg. W fence and turnrow 1777.4 feet to center line of public road and W east line of A.L. Bell tract;

THENCE N 18 deg. 08 min. W center of public road, 4130 feet to NE corner of Bell tract in North line of Section 11;

THENCE WITH North line of Section 11 and center of FM Road 191, N 72 deg. E 1065.4 feet to the place of beginning and containing 168.99 acre of land.

SAVE AND EXCEPT

SURFACE ESTATE ONLY:

Being a tract of 56.199 total acres of land out of the East part of Section No. ELEVEN (11), Block ELEVEN (11), H. & T. C. Ry. Co. Survey, Abstract No. 138, and the West part of Section No. FOURTEEN (14), Block ELEVEN (11), H. & T. C. Ry. Co. Survey, Abstract No. 809, all in Wilbarger County, Texas, fourteen miles north-northwest of Vernon, and being a part of tract 2 as described in a deed to James Franklin Brock, dated March 3, 1995, of record in volume 465, page 322 of the official public records of Wilbarger County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a point on the North Boundary Line (N.B.L.) of this tract, being the NE corner of Section No. 11 and the NW corner of Section No. 14 and near the centerline of FM Highway No. 91 right-of-way, and having Texas State Plane, North Central Zone, NAD83 Grid coordinates of X=1711496.71 and Y=7542164.54;

THENCE North 73 deg. 18 min. 36 sec. East, along the N.B.L. of Section No. 14 and along the FM Highway No. 91 right-of-way for a distance of 735.3 feet to a survey nail found in the pavement, for the NE corner of this tract; (All bearings also refer to the Texas State Plane, North Central Zone, NAD83 Grid)

THENCE South 16 deg. 38 min. 10 sec. East, along the E.B.L. of the Brock tract, at 42.8 feet pass an old fence corner post near the S.B.L. of FM Highway No. 91 right-of-way line, continuing on along an old fence line for a total distance of 1827.19 feet to a ½" iron rod set for the SE corner of this tract, from which a ½" iron rod found at the SE corner said Brock tract bears South 16 deg. 38 min. 10 sec. East a distance of 2307.37 feet;

THENCE in a southwesterly direction along a curve to the left, having a radius of 10565.0 feet and arc length of 154.98 feet, whose chord bears South 80 deg. 04 min. 58 sec. West a distance of 154.98 feet to a point, for an angle point in this tract;

THENCE in a northwesterly direction along a curve to the left, having a radius of 10565.0 feet and arc length of 1866.88 feet, whose chord bears North 77 deg. 48 min. 50 sec. West a distance of 1864.46 feet to a point in the W.B.L. of the Brock tract, the SW corner of this tract and a point in Wilbarger County Road 101 North, from which a ½" iron rod set for reference in the E.B.L. of said roadway bears South 82 deg. 47 min. 11 sec. East a distance of 38.27 feet;

THENCE North 16 deg. 38 min. 10 sec. West, along the centerline of Wilbarger County Road 101 North and the W.B.L. of the Brock tract, a distance of 908.54 feet to a point on the N.B.L. of Section No. 11, for the NW corner of this tract;

THENCE North 73 deg. 18 min. 36 sec. East, along the N.B.L. of Section No. 11, a distance of 1052.1 feet to the point of beginning, and containing 56.199 total acres of land, of which approximately 1.72 acre is within the right-of-way of FM Highway No. 91 and approximately 0.76 acre is within Wilbarger County Road 101 North, including all improvements, wells, pump, panel, and underground water line with risers.

Correct description of property:

The South One-Hundred Acres (S100) of the East Three-Hundred Acres (E300) of Section Nine (9), Block Sixteen (16), H&TC Ry Company Surveys, Wilbarger County, Texas, Certificate #32/3038, Patent #115, Volume #110, dated May 21, 1889, less a 0.36 acre tract and a driveway easement near its Southeast corner, said 0.36 acre tract and its easement are described as follows:

0.36 ACRE TRACT: A tract out of the SE part of Section 9, Block 16, H&TC Ry Company Survey, Wilbarger County, Texas, described as follows:

BEGINNING at a wood stake set for the SE corner, said wood stake set 350.0 feet N 18 deg. W of a nail set in a shiner in the SBL and 627.0 feet S 72 deg. W of the SE corner of Section 9, said nail being 0.6 feet N 18 deg. W from the center of FM Road 924;

THENCE S 72 deg. W 156.0 feet along a line parallel to the SBL of Section 9 to a wood stake set for the SW corner of this tract;

THENCE N 18 deg. W 100.0 feet to a wood stake set for the NW corner of this tract in a cotton field;

THENCE N 72 deg. E 156.0 feet to a 1/2" iron rod set for the NE corner of this tract;

THENCE S 18 deg. E 100.0 feet along the EBL of this tract to the place of beginning;

EASEMENT TRACT: A driveway access easement being a tract out of the SE part of Section 9, Block 16, H&TC Ry Company Survey, Wilbarger County, Texas, described as follows:

BEGINNING at a point adjoining the North R/W easement of FM Road 924, said line being 49.3 feet N 18 deg. W of the SBL of Section 9 and 743.0 feet S 72 deg. W of the SE corner of section 9;

THENCE S 72 deg. W 40.0 feet to a 1/2" iron rod set in the North R/W easement of FM Road 924 for the SW corner of this easement;

THENCE N 18 deg. W 300.7 feet to a wood stake set for the NW corner of this easement;

THENCE N 72 deg. E 40.0 feet to the NE corner of this easement;

THENCE S 18 deg. E 300.7 feet to the SE corner of this easement and place of beginning.

Correct description of property:

190 acres, more or less, described as The North Two-Hundred Acres (N200) of the East Three-Hundred Acres (E300) of Section Nine (9), Block Sixteen (16), H&TC Ry Company Surveys, Wilbarger County, Texas, Certificate #32/3038, Abstract Four (4), Patent #166, Volume 110, dated day 21, 1889, less a 10.0 acre tract of land and an ingress/egress easement transferred by warranty deed on February 26, 1986 to George L Norris and Carol Bunch Norris, and recorded in the Wilbarger County, Texas, Deed Records in Volume 392, Page 187, said two tracts are described as follows:

10.0 ACRE TRACT: A 10.0 acre tract of land in Section 9, Block 16, H&TC Ry Company Survey, Wilbarger County, Texas, described by metes and bounds as follows:

BEGINNING at a 1/2" iron reinforcing rod set; said rod bears S 19 deg. 19 min. 22 sec. E 153.87 feet to a 1/2" iron reinforcing rod set for the Northwest corner of a 60 foot road easement; said Northwest corner of 60 foot road easement bears N 72 deg. 55 min. 03 sec. E 1,140.13 feet and S 18 deg. 00 min. 00 sec. E 1009.64 feet to an iron bolt found for the Southeast corner of Section 9, Block 16, H&TC Ry Company Survey, Wilbarger County, Texas;

THENCE S 19 deg. 19 min. 22 sec. E 393.74 feet to a 1/2" iron reinforcing rod set;
THENCE S 72 deg. 49 min. 49 sec. W 1, 107.10 feet to 1/2" iron reinforcing rod set;
THENCE N 19 deg. 19 min. 22 sec. W 393.74 feet to 1/2" iron reinforcing rod set;
THENCE N 72 deg. 49 min. 49 sec. E 1107.10 feet to the place of beginning

EASEMENT TRACT: An easement for ingress/egress to/from said 10.0 acre tract and FM Road 432 described by metes and bounds as follows:

BEGINNING at a 1/2" iron reinforcing rod set in the West line of FM Road 432; said rod bears N 72 deg. 55 min. 03 sec. E 35 feet and S 18 deg. 00 min. 00 sec. E 2009.64 feet to an iron bolt found for the Southwest corner of Section 9, Block 16, H&TC Ry Company Survey, Wilbarger County, Texas;

THENCE S 18 deg. 00 min. 00 sec. E 60.01 feet along the West line of FM Road 432 to a 1/2" iron reinforcing rod set;
THENCE S 72 deg. 55 min. 03 sec. W 1,103.74 feet to a 1/2" iron reinforcing rod set in the East line of a 10.0 acre tract of land;
THENCE N 19 deg. 19 min. 22 sec. W 60.05 feet along the East line of said 10.0 acre tract to a 1/2" iron reinforcing rod set;

THENCE N 72 deg. 55 min. 03 sec. E 1,105.13 feet to the place of beginning and containing 1.52 acres of land more or less.

Correct description of property:

156-3/16 acres, more or less, described as 60 acres, being the North 31.3 acres of the East 72.75 acres of Survey Fifteen (15), in Block Ten (10), Abstract 138 and the North 28.7 acres of the West 75.625 acres of Survey Nine (9), in Block Sixteen (16), Abstract 762 of the H&TC Ry Company Surveys, Wilbarger County, Texas, as shown by warranty deed executed by Mrs. Mattie Cummins, et al, to C. Pollen, dated February 10, 1933, and recorded in Volume 129, Page 43, Deed Records of Wilbarger County, Texas, and the South 96-3/16 acres of the East 149-3/8 acres of the West 298-3/4 acres of the North one-half (N/2) of Survey Fifteen (15) in Block Ten (10), Abstract 188, of the H&TC Ry Company Surveys, Wilbarger County, Texas, as shown by warranty deed executed by J.O. Henry and wife, Francis Edna Henry to C. Pollen, dated November 16, 1932, recorded in Volume 127, page 577, Deed Records of Wilbarger County, Texas, said 155-3116 acres described by metes and bounds as follows:

BEGINNING at the Northwest corner of Section 15, in Block 10, H&TC Ry Co Surveys;

THENCE S 72 deg. 2 min. W with the North line of the most northerly North line of this tract and the South line of a tract owned by S.H. Tooley et al, in Section 14, Block 10, H&TC Ry Co Surveys;

THENCE S 17 deg. 58 min. E with the most easterly West line west line of this tract and the most easterly East line of a tract owned by a Bessie and C.W. Pollard 955.5 feet to corner;

THENCE S 72 deg. 2 min. W with the most southerly North line of this tract and the most northerly South line of tract owned by Bessie and C.W. Pollard 2463 feet to corner;

THENCE S 17 deg. 58 min. E with the most westerly West line of this tract and the most Westerly East line of a tract owned by Bessie and C. W. Pollard 1678.5 feet to a point in the North line of a tract owned by E.P. Robertson, said point being the Southwest corner of this tract;

THENCE N 72 deg. 2 min. E with the most southerly South line of this tract and the North line of a tract owned by E.P. Robertson 2412 feet to a point in the West line of a tract owned by Mrs. Mattie Cummins, the most southerly Southeast corner of this tract;

THENCE N 15 deg. 58 min. W with the most westerly East line of this tract and the West line of tract owned by Mrs. Mattie Cummins 535 feet to corner, said corner being the Northwest corner of said Cummins tract;

THENCE N 73 deg. 25 min. E with the most northerly South line of this tract and the North line of said Cummins tract 1225 feet to a point in the West line of a tract in Section 9, Block 16, H&TC Ry Co Surveys, owned by R.F. Hardison, said point being the Northeast corner of said Cummins tract and the most easterly Southwest corner of this tract;

THENCE N 16 deg. 23 min. W with the most easterly East line of this tract, and the West line of said R.F. Hardison tract 2105.8 feet to a point in the South line of a tract owned by G.O. Holman in Subdivision r in the M.A Sams Survey, also said point being the Northwest corner of said Hardison tract and also the Northeast corner of this tract;

THENCE S 74 deg. 7 min. W with the most northerly North line of this tract and the South line of said C.O. Holman tract in the M.A Sams Survey No.4, 654 feet to the approximate place of beginning.

Correct description of property:

Being a tract of 9.645 total acres of land out of Section No. TWENTY-SEVEN (27), Block SIXTEEN (16), H. & T. C. RY. Co. Survey, Abstract No. 412, Wilbarger County, Texas, generally described as all that portion of Section No. 27 between the right-of-way of U.S. Highway No. 287 on the north and the Burlington Northern Ry. Co. (formerly Ft. Worth & Denver RR) on the south, and being more particularly described by metes and bounds as follows:

BEGINNING at a 2" iron Pipe found at the intersection of the south right-of-way line of U.S. Highway No. 287 and the West Boundary Line (W.B.L.) of Section No. 27, said iron pipe bearing 1207.22 feet South 18 deg. 07 min. East of a 2" iron pipe found at the most southerly NW corner of Section No. 27, for the NW corner of this tract;
THENCE South 55 deg. 49 min. East, along the south right-of-way line of U.S. Highway No. 287, a distance of 1632.43 feet to a 1/2" iron rod set in the S.B.L. of Section No. 27, for the most easterly corner of this tract;
THENCE South 71 deg. 57 min. West, along the S.B.L. of Section No. 27, at 68.78 feet pass a 1/2" iron rod set in the N.B.L. of an existing county road (road easement of record in Volume 1, page 199 of the Wilbarger County road minutes), continuing on for a total distance of 124.15 feet to a point in the original north right-of-way line of the Burlington Northern Ry. Co. (100 feet north of and opposite the centerline of said railroad), for a corner of this tract;
THENCE North 77 deg. 40 min. 26 sec. West, along the centerline of the existing county road, parallel with and remaining 100 feet north of and opposite the Burlington Northern Ry. track, a distance of 1014.46 feet to a point in the W.B.L. of Section No. 27, for the SW corner of this tract;
THENCE North 18 deg. 07 min. West, along the W.B.L. of Section No. 27, at 34.9 feet pass a 2" iron pipe found in the N.B.L. of the county road, continuing on for a total distance of 777.4 feet to the point of beginning, and containing a total of 9.645 total acres of land, of which 0.7 acre is within the county road, leaving 8.945 net acres.

Correct description of property:

Being a tract of 11.775 acres of land out of the W. C. Edwards Survey Six (6), Abstract Twenty-three (23), Wilbarger County, Texas, and being a part of the tract of land under Contract of Sale and Purchase with the Texas Veterans Land Board to Benjamin H. Smith, Jr., dated October 23, 1968, and recorded in Volume 263, Page 561 of the Deed Records of Wilbarger County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 2 inch iron pipe found at the point of intersection of the North Boundary Line (N.B.L.) of the W. C. Edwards Survey No. 6 and the NE right-of-way line of the Burlington Northern Railroad (formerly F.W.& D.C. RR. Co.), said iron pipe bearing 1733.61 feet (624.1 varas) South 69 deg. 05 min. West of a 2 inch iron pipe found at the NE corner of the W. C. Edwards Survey No. 6;
THENCE North 69 deg. 05 min. East, along the N.B.L. of the W. C. Edwards Survey No. 6, along an existing power pole line and paralleling an existing fence line 1.8 feet to the North, a distance of 832.78 feet (299.8 varas) to a 1/2" iron rod set on the South right-of-way line of U.S. Highway No. 287;
THENCE South 55 deg. 45 min. east along the South right-of-way line of U.S. Highway No. 287, a distance of 707.83 feet (254.82 varas) to a 6 foot steel "T" post set for a point;
THENCE South 69 deg. 05 min. West a distance of 912.83 feet (328.62 varas) to a 6 foot steel "T" post set on the NE right-of-way line of the Burlington Northern Railroad;
THENCE North 54 deg. 40 min. West, along the railroad right-of-way line, a distance of 213.63 feet (76.91 varas) to a 1/2" iron rod set for a point;
THENCE North 47 deg. 55 min. West, along the railroad right-of-way line, a distance of 452.78 feet (163 varas) to the point of beginning and containing 11.775 acres of land.

Correct description of property:

19.46 acres of land out of a tract of land of Twenty-one acres, more or less, out of the W. C. Edwards Survey, A-23, Wilbarger County, Texas, described by metes and bounds as follows:

BEGINNING at a found 2" iron pipe set for the NE corner of said W. C. Edwards Survey and the NW corner of Section 27, Block 16, H&TC Ry. Co. Survey, Wilbarger County, Texas;
THENCE S 18 deg. E, along the East boundary line of said W. C. Edwards Survey and the West boundary line of said Section 27, Block 16, 1207.22 feet to a 2" iron pipe, the BEGINNING point of this tract;
THENCE S 18 deg. E along the EBL of said W. C. Edwards Survey and the West boundary line of said Section 27, Block 16, 742.5 feet to a 2" iron pipe for the NE corner of this tract;
THENCE N 73 deg. 55 min. W 444.4 feet;
THENCE N 67 deg. 42 min. W 558.33 feet;
THENCE N 60 deg. 35 min. W 558.33 feet;
THENCE N 54 deg. 40 min. W 344.7 feet to a set 6 ft. steel "T" post for the NW corner of this tract;
THENCE N 69 deg. 5 min. E 912.83 feet to a set 6 ft. steel "T" post for a corner;
THENCE S 55 deg. 45 min. E 761.02 feet to the PLACE OF BEGINNING.

Correct description of property:

Being a tract of 13.124 total acres of land, more or less, out of the W. C. Edwards Survey No.6, Abstract No. 23, Certificate No. 1495, Wilbarger County, Texas, and being a part of the first tract of land described in a deed from Minnie Ruth Lankford, a widow to Charles Wesley Lankford, Derrel Wayne Lankford; and Tommy Gene Lankford, dated January 18, 1984, Deed Records of Wilbarger County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at the NW corner of this tract, a 1/2" iron rod and 6 foot steel 'T' fence post set at the intersection of the NBL of the W. C. Edwards Survey No.6, and the EBL of an existing Wilbarger County Road, said iron rod bearing 2352.89 feet S 69 deg. 05' W of a 2" iron pipe found at the NE corner of the W. C. Edwards Survey No.6, and also bearing 1940.11 feet N 69 deg. 05' E of a 1/2" iron rod set at the SW corner of Section 27, Block 10, H&TC RR Co. Surveys;
THENCE N 69 deg. 05' E, along the NBL of the W. C. Edwards Survey No.6, a distance of 324.97 feet to a 1/2" iron rod and 6 foot steel 'T' fence post set in the Southwestern right of way line of the FW&DR Co., for the NE corner of this tract;
THENCE S 34 deg. 12' 24" E, along the Southwestern right of way line of the FW&DC RR Co., 361.17 feet to a 1/2" iron rod and 6 foot steel 'T' fence post set at the point of beginning of a curve;
THENCE in a southeasterly direction along a curve to the left, remaining on the right of way line of the FW&DR Co., having a radius of 2010.1 feet and arc length of 616.64 feet, whose chord bears S 42 deg. 59' 42" E a distance of 614.22 feet to a point in an existing public road, for the SE corner of this tract, from which a 1/2" iron rod and 6 foot steel 'T' fence post set for reference bears 25.0 feet N 51 deg. 25' 36" W;
THENCE S 40 deg. 26' 36" W, along the center of an existing public roadway, a distance of 805.42 feet to a point for the SW corner of this tract;
THENCE N 17 deg. 56' 13" W along the EBL of an existing Wilbarger County road, at 29.36 feet pass a 1/2" iron rod and 6 foot steel 'T' fence post set for reference, continuing on and aligning with an existing power pole line for a total distance of 1308.48 feet to the point of beginning and containing 13.124 total acres of land, more or less, of which 0.457 acre is in the county road along the southeast boundary line of this tract, leaving 12.667 acres of land, subject to a reservation by Juanita Lankford Grundy and Dale Lankford Douglas of an undivided 1/3 interest each in the oil, gas and other minerals in the above described tract, more fully described in a deed to Thomas David Lankford and Minnie Ruth Lankford in a deed dated November 2, 1977, of record in Vol. 321, page 457, Deed Records, Wilbarger County, Texas.

Correct description of property:

SURFACE ONLY:

Being all that portion of the East 136.9 acres of the W. C. Edwards Survey, Certificate No. 1495, lying south of the Fort Worth and Denver City Ry Co. right-of-way, which said 136.9 acre tract has its East line as the East line of said Edwards Survey, and said East line and the West line of said tract parallel, and its North line as the South line of Section 27, Block 10 of the H&TC RR Co. Surveys in Wilbarger County, Texas, and its south line as the North line of Section 41 in Block 16 of the H&TC Ry Co. Surveys in said County, and with its North and South line of sufficient length so as to contain 136.9 acres within the boundary of said tract. The purpose and intention of this deed being to convey all of the land out of the above described 136.9 acre tract lying south of the Fort Worth and Denver City Railway Company right-of-way, with the tract hereby conveyed containing 71 acres of land, more or less.

Correct description of property:

Being 120 acres of land out of the Southeast corner of Section 4, Block 11, of the H&TC Ry Co Survey, bounded and abutted as follows:

BEGINNING at the Southeast corner of said Section 4;
THENCE South 72 deg. West with the South line of said Section 543-1/2 varas, to the Southeast corner of a 120 acre tract out of said Section 4, Patented to J. B. Barnfield;
THENCE North 18 deg. West with the East line of said Barnfield tract 1,253 varas, to a corner;
THENCE North 72 deg. East 543-1/2 varas to a stake on the East line of said Section 4;
THENCE South 18 deg. East with said East line for 1,253 varas to the place of BEGINNING.

SAVE AND EXCEPT 4.63 acres, more or less conveyed by H. T. Cardwell and wife, Bertha K. Cardwell to Dan C. White and wife, Shelia A. White, dated March 6, 1974 and recorded in Volume 297, page 278 in Deed Records of Wilbarger County, Texas reference to which is hereby referred and SAVE AND EXCEPT an undivided 1/2 mineral interest conveyed to Daniel Bond dated March 21, 1941, by deed recorded in Volume 150, page 61, of the Deed Records of Wilbarger County, Texas.

Correct description of property:

The West 72 acres of the South 192 acres of the East one-half (E/2) of Section Four (4), Block Eleven (11), of the H&TC Ry Co Survey in Wilbarger County, Texas.

Correct description of property:

South part of Section 16, Block 20, H&TC Ry Co Survey, Wilbarger County, Texas, containing 175 acres, more or less.

Correct description of property:

The East 38.14 acres of the West 76.28 acres of the called East 119.54 acres of Section 2, GC&SF RR Co. Survey, Abstract 1736, Wilbarger County, Texas, and being described by metes and bounds as follows:

COMMENCING at a 1/2" iron rod set for the southeast corner of Section 5 and the southwest corner of Section 12, Block 11, H&TC RR Co. Survey, in the North line of Section 2, GC&SF RR Co. Survey for the northwest corner of said called 119.54 acre tract; from which a fence corner post bears 86 feet N 73 deg. 01' E, the fenced northeast corner of said 76.38 acre tract bears 2203.8 feet N 73 deg. 01' E and a 2" iron pipe found 0.6 of a foot down in the county road intersection at the occupied southeast corner of Section 12 bears 5329.4 feet N 73 deg. 01' E; THENCE N 73 deg. 01' E, with the old property-line fence along the occupied South line of Section 12 north of a shelter belt, 1100.7 feet to a 1/2" iron rod set for the northeast corner of the West 38.14 acres for the place of beginning; THENCE N 73 deg. 01' E 1103.1 feet, with said old property-line fence to the northeast corner of said 76.28 acre tract, from which a 4" iron fence corner post bears 1 foot N 13 deg. 57' W; THENCE S 13 deg. 57' E, with the old property-line fence along the occupied east line of said 76.28 acre tract, at 1573.0 feet leave the fence, in all 1539.5 feet to a P-K nail previously set for the southwest corner of the Morgan property in the North line of Section 21, Block 15, H&TC in paved County Road #155; from which a found spike bears 0.9 of a foot S 13 deg. 57' E; THENCE S 76 deg. 01' W 1020.5 feet, with the North line of Section 21 in said road, to a spike set for the southeast corner of said West 38.14 acres; THENCE N 16 deg. 59' W, at 20 feet pass a 1/2" iron rod in the fence, in all 1538.2 feet to the place of beginning,

Correct description of property:

The West 38.14 acres of the West 76.28 acres of the called East 119.54 acres of Section 2, GC&SF RR Co. Survey, Abstract 1736, Wilbarger County, Texas, and being described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod set for the southeast corner of Section 5 and the southwest corner of Section 12, Block 11, H&TC RR Co. Survey, in the North line of Section 2, GC&SF RR Co. Survey for the northwest corner of said called 119.54 acre tract; from which a fence corner post bears 86 feet N 73 deg. 01' E, the fenced northeast corner of said 76.23 acre tract bears 2203.8 feet N 73 deg. 01' E and a 2" iron pipe found 0.6 of a foot down in the county road intersection at the occupied southeast corner of Section 12 bears 5329.4 feet N 73 deg. 01' E; THENCE N 73 deg. 01' E, with the occupied south line of Section 12, at 86 feet join the old property-line fence along the north edge of a shelter belt, in all 1100.7 feet to a 1/2" iron rod set for the northeast corner of this tract; THENCE S 16 deg. 59' E, through the shelter belt parallel with the west line of Section 12, at 1518.2 feet pass a 1/2" iron rod set 0.3 of a foot up in the north road fence, in all 1538.2 feet to a spike set for the southwest corner of the East 38.14 acres of said 76.28 acre tract in the North line of Section 21, Block 15, H&TC RR Co. Survey in paved County Road #155; from which a P-K nail found at the southeast corner of said 76.28 acre tract bears 1020.5 feet N 76 deg. 01' E; THENCE S 76 deg. 01' W 1102.2 feet, with the North line of Section 21 in said road, to a spike set for the southwest corner of said 119.54 acre tract; from which a utility pole bears 36.4 feet N 73 deg. 31' W, an burned southwest fence corner post bears 32.0 feet N 12 deg. 00' E. and the southeast foundation of a City of Vernon water well bears 122.7 feet N 26 deg. 21' W; THENCE N 16 deg. 59' 1480.5 feet, with an extension of the West line of Section 12, along semi-abandoned County Roads #155 and #164, to a 1/2" iron rod set for the place of beginning,

Correct description of property:

The East Half (E/2) of Section 8, Block 15, H&TC Ry Co Surveys, Wilbarger County, Texas.

Correct description of property:

100.30 acres of land out of Section 26, Block 10, H&TC Ry. Co. Survey, A-784, Wilbarger County, Texas, described by metes and bounds as follows:

BEGINNING at a 6" diameter plastic pipe set for corner at the NW corner of this tract. The NW corner of said Section 26 bears S 72 deg. 00' W 35 feet and N 18 deg. 00' W 25 feet;
THENCE N 72 deg. 00' E, with the South line of a 50 foot county road, 1580.60 feet to a 6" plastic pipe set for the NE corner of this tract and the NW corner of Tract No. 2;
THENCE S 18 deg. 00' E 2764.20 feet to a 6" diameter plastic pipe set for the SE corner of this tract and the SW corner of said Tract No. 2 in the North line of Tract No. 4;
THENCE S 72 deg. 00' W 1580.60 feet to a 6" diameter plastic pipe set for the SW corner of this tract and the NW corner of Tract No. 4 in the East ROW line of a 70 foot county road;
THENCE N 18 deg. 00' W with the East line of said county road, 2764.20 feet to the place of beginning and containing 100.30 acres of land.

Correct description of property:

Field note of a survey of 113.70 acres of land out of Section 26, Block 10, H. & T. C. Ry. Co. Survey, A-784, Wilbarger County, Texas, described by metes and bounds as follows:

BEGINNING at a 6" diameter plastic pipe set for corner, at the N.W. corner of this tract. The N.W. corner of said Section 26 bears S 72 deg. 00' W 3434.28 feet and N 18 deg. 00' W 25.00 feet;
THENCE N 72 deg. 00' E, with the South line of a 50 foot county road, 1791.72 feet to a 6" plastic pipe set for the N.E. corner of this tract. The N. E. corner of said Section 26 bears N 18 deg. 00' W 25.00 feet.
THENCE S 18 deg. 00' E, intersect and continue with a fence along the East line of said Section 26, 2746.20 feet to a 6" plastic pipe set in a fence for the S.E. corner of this tract and the N.E. corner of Tract No.6.
THENCE S 72 deg. 00' W, at 1715.10 feet pass the N.W. corner of Tract No.6 and the N.E. corner of Tract No.5, at 1791.72 feet a 6" plastic pipe for the S.W. corner of this tract and the S.E. corner of Tract No.2.
THENCE N 18 deg. 00' W 2764.20 feet to the place of beginning and containing 113.70 acres of land.

Correct description of property:

Correct description of property:

Field notes of a survey of 115.41 acres of land out of Section 26, Block 10, H. & T. C. Ry. Co.
Survey, A-784, Wilbarger County, Texas, described by metes and bounds as follows:

BEGINNING at a 6" diameter plastic pipe set for corner at the N.W. corner of this tract and the N.E. corner of Tract No.1. The N.W. corner of said Sec. 26 brs. S 72 deg. 00' W 1615.60 feet and N 18 deg. 00' W 25.00 feet.
THENCE N 72 deg. 00' E, with the South line of a 50 foot county road, 1818.68 feet to a 6" plastic pipe set for the N.E. corner of this tract and the N.W. corner of Tract No.3;
THENCE S 18 deg. 00' E 2764.20 feet to a 6" plastic pipe set for the S.E. corner of this tract and
the S.W. corner of said Tract No. 3, in the North line of Tract No. 5;
THENCE S 72 deg. 00' W, at 1679.30 feet pass the N.W. corner of Tract No.5 and the N.E. corner of Tract No.4, at 1818.68 feet 6" plastic pipe set for the S.W. corner of this tract and the S.E. corner of said Tract No.1.
THENCE N 18 deg. 00' W 2764.20 feet to the place of beginning and containing 115.41 acres of land.

Correct description of property:

A 60.22 acre tract of land in the Northeast Quarter (NE/4) of Section 22, Block 15, H&TC Ry. Co., Wilbarger County, Texas and described as follows:

BEGINNING at a 2 inch pipe found buried for the Northeast corner of Section 22, Block, 15, H&TC Ry. Co. Survey;
THENCE S 13 deg. 13' E 990.36 feet to a 2 inch pipe;
THENCE S 76 deg. 53' 24" W 2649.76 feet to a 2 inch pipe set for the Southwest corner of this tract;
THENCE N 13 deg. 07' W 990.36 feet to an iron rod on the North line of Section 22 of the Northwest corner of this tract and the Northwest corner of the 1/4;
THENCE N 76 deg. 53' 24" E 2648.05 feet along the North line of Section 22 to the Place of Beginning and containing 60.22 acres of land.

Correct description of property:

SURFACE ESTATE ONLY

All that certain 140 acres, more or less, situated in the H&TC Ry Co Surveys, Southeast one-quarter of Section 22, Block 15, more fully described in the Warranty Deed to the Veterans Land Board dated April 8, 1964, recorded in Volume 233, Page 392, Deed Records of Wilbarger County, Texas; and further described in that Contract of Sale and Purchase dated April 10, 1964, recorded in Volume 3, Page 562, Bill of Sale Records of Wilbarger County, Texas.

Correct description of property:

The South 100 acres of the Northeast One-fourth of Section 22 in Block No. 15 of the H&TC Ry Co Surveys in Wilbarger County, Texas.

Correct description of property:

Tract One:

148 acres of land out of the NW 1/4 of Section No. 22, Block 15, H&TC Ry Co Survey, Wilbarger County, Texas, the same being all of said NW 1/4, save and except 12 acres heretofore conveyed by me to other parties.

Tract Two:

SURFACE ESTATE ONLY

Being 10 acres in the form of a square out of the NW corner of Section 22, Block 15, H&TC Ry Co Surveys, Wilbarger County, Texas, described as follows:

BEGINNING at the NW corner of said Section 22, for the beginning and NW corner of this tract;
THENCE S 18 E along the West line of said Section 22, 660 feet to a point for the SW corner hereof;
THENCE N 72 E 660 feet to a point for the SE corner hereof;
THENCE N 18 W 660 feet to a point in the North line of said Section 22, for the NE corner hereof;
THENCE S 72 W along the North line of said Section 22, 660 feet to the place of beginning.

Tract Three:

SURFACE ESTATE ONLY

A 2 acre tract of land out of the Northwest Quarter of Section 22, Block 15, H&TC Ry Co Survey, Wilbarger County, Texas, described by metes and bounds as follows:

BEGINNING at the Southwest corner of the NW/4 of Section 22, Block 15, H&TC Ry Co Surveys;
THENCE North for 295 feet 4 inches;
THENCE East for 295 feet;
THENCE South for 295 feet 4 inches;
THENCE West for 295 feet to point of beginning, containing two (2) acres, more or less.

Correct description of property:

The North Eighty (80) acres of the Southwest Quarter (SW/4) and the West Ten (10) acres of the North half (N/2) of the Southeast Quarter (SE/4) of Section Twenty Two (22), Block Fifteen (15), H&TC RR Co. Surveys, Abstract No. 883, Certificate No. 30/3018, Wilbarger County, Texas, being 2970 feet East and West and 1320 feet North and South with applicable declinations.

Correct description of property:

Tract One:

205 Acres of land off the north end of Section 27, Block 10, H&TC Ry Co Surveys, Certificate Number 929, ABST Number 197 Wilbarger County, Texas, described by metes and bounds as follows:

BEGINNING at a stake the northeast corner of said section;
THENCE: South 18 E 783.29 vrs to a stake in the east line of said section;
THENCE: South 72 W 1258.72 vrs to a stake in the east right-of-way line of the FW &DC Ry Co, which stake is 100 feet at right angles from the center line of said railway;
THENCE: Following said right-of-way line in a northwesterly direction on a 2 degree curve and 100 feet from the center line of said railway, a distance of 844.78 vrs. to a fence post, the southeast corner of a 2 acre tract now occupied and fenced by Midway School
THENCE: North 18 W 119.08 vrs to a fence post in north line of said Section, being the northeast corner of said school tract;
THENCE: North 72 E 1737.37 vrs to the place of beginning.

Tract Two:

219.8 Acres more or less in the Southeast corner of Section 27, Block 10, H&TC Ry Co Surveys, Certified Number 929, Abstract Number 197 Wilbarger County, Texas, described as follows:

BEGINNING at the Southeast corner of said section;
THENCE: South 72 W with the South line of said Section to a stake in the east right-of-way line of the FW &DC Ry Co;
THENCE in a northwesterly direction with said right-of-way line to a stake the Southwest corner of a tract of 205 acres in said section conveyed May 12, 1943, by E.M. Haynes et ux to C.B. Haynes;
THENCE North 72 E 1258.72 vrs to a stake in the east line of said section, the Southeast corner of said C.B. Haynes tract;
THENCE South 18 E to the place of beginning.

Correct description of property:

All of the South One-Half (S 1/2) of Section Number 25, Block 10, H&TC Ry Co Surveys, Certificate Number 928, Abstract Number 198, Patent Number 300, Volume 18, in Wilbarger County, Texas, containing 314 acres of land, more or less.

Correct description of property:

THE SURFACE ONLY OF:

TRACT NO. 6 of 97.87 acres, according to plat of survey prepared for partition of the Estate of BESSIE WORD CLANCY in Section 26, Block 10, H. & T. C. Ry. Co. Survey, Abstract No. 784, in Wilbarger County, Texas, said Tract No. 6 being particularly described by metes and bounds as follows:

97.87 acres of land, out of Section 26, Block 10, H. & T. C. Ry. Co. Survey, A-784, Wilbarger County, Texas; described by metes and bounds as follows:

BEGINNING at a 6" dia. plastic pipe set for the N.W. cor. of this tract and the N.E. cor. of Tract No. 5. The N.W. cor. of Section 26 brs. S. 72 deg. 00' W. 3510.90 feet and N. 18 deg. 00' W. 2789.20 feet.

THENCE N. 72 deg. 00' E. 1715.00 feet to a 6" dia. plastic pipe set for the N.E. cor. of this tract and the S.E. cor. of Tract No. 3. Said point being in a fence on the East line of said Section 26.

THENCE S. 18 deg. 00' E., with said fence along the East line of said Section 26 2485.80 feet to a 6" dia. plastic pipe set for the S.E. cor. of this tract. The S.E. cor. of Section 26 brs. S. 18 deg. 00' E. 20.00 feet.

THENCE S. 72 deg. 00' W., with the North R.O.W. line of said 40 foot county road, 1715.10 feet to a 6" plastic pipe for the S.W. cor. of this tract and the S.E. cor. of Tract No. 5.

THENCE N. 18 deg. 00' W. 2485.80 feet to the place of beginning and containing 97.87 acres of land.

Correct description of property:

All that certain tract of land known as the Margaret A. Sams Survey No. 3, patented to T. J. Sams as Assignee of said Margaret A. Sams by Patent No. 237, Volume 38, dated October 11, 1901. Said Survey being more particularly described by metes and bounds as follows:

Beginning at the Northeast corner of Survey No. 8, Block 16, H. & T. C. Ry. Co Survey which is also the northwest corner of Survey No.8, Block 15 of said H&TC Ry. Co. Survey;

THENCE North 18 West 833 vrs. with the west line of Survey No.9, Block 15 to a rock the west northwest corner of said Survey No. 9 and on south line of Survey No. 5 in Block 10, the northeast corner of this survey;

THENCE South 69 deg. 5' West 1511 vrs. a rock in the South line of Survey 5, Block 10 for northwest corner of this survey;

THENCE South 18 east 756 vrs. a rock on the north line of Section 8, Block 16;

THENCE North 72 East 1511 vrs. to the place of beginning, containing 213 acres of land and being the same land conveyed by T. J. Sams to Oscar Holman by deed dated Nov. 8th, 1901 and recorded in volume 27, page 308, Deed Records of Wilbarger County, Texas, reference to which is here made for further description.

Correct description of property:

THE SURFACE ONLY OF:

TRACT NO. 6 of 97.87 acres, according to plat of survey prepared for partition of the Estate of BESSIE WORD CLANCY in Section 26, Block 10, H. & T. C. Ry. Co. Survey, Abstract No. 784, in Wilbarger County, Texas, said Tract No. 6 being particularly described by metes and bounds as follows:

97.87 acres of land, out of Section 26, Block 10, H. & T. C. Ry. Co. Survey, A-784, Wilbarger County, Texas; described by metes and bounds as follows:

BEGINNING at a 6" dia. plastic pipe set for the N.W. cor. of this tract and the N.E. cor. of Tract No. 5. The N.W. cor. of Section 26 brs. S. 72 deg. 00' W. 3510.90 feet and N. 18 deg. 00' W. 2789.20 feet.

THENCE N. 72 deg. 00' E. 1715.00 feet to a 6" dia. plastic pipe set for the N.E. cor. of this tract and the S.E. cor. of Tract No. 3. Said point being in a fence on the East line of said Section 26.

THENCE S. 18 deg. 00' E., with said fence along the East line of said Section 26 2485.80 feet to a 6" dia. plastic pipe set for the S.E. cor. of this tract. The S.E. cor. of Section 26 brs. S. 18 deg. 00' E. 20.00 feet.

THENCE S. 72 deg. 00' W., with the North R.O.W. line of said 40 foot county road, 1715.10 feet to a 6" plastic pipe for the S.W. cor. of this tract and the S.E. cor. of Tract No. 5.

THENCE N. 18 deg. 00' W. 2485.80 feet to the place of beginning and containing 97.87 acres of land.

Correct description of property:

All that certain tract of land known as the Margaret A. Sams Survey No. 3, patented to T. J. Sams as Assignee of said Margaret A. Sams by Patent No. 237, Volume 38, dated October 11, 1901. Said Survey being more particularly described by metes and bounds as follows:

Beginning at the Northeast corner of Survey No. 8, Block 16, H. & T. C. Ry. Co. Survey which is also the northwest corner of Survey No. 8, Block 15 of said H&TC Ry. Co. Survey;

THENCE North 18 West 833 vrs. with the west line of Survey No. 9, Block 15 to a rock the west northwest corner of said Survey No. 9 and on south line of Survey No. 5 in Block 10, the northeast corner of this survey;

THENCE South 69 deg. 5' West 1511 vrs. a rock in the South line of Survey 5, Block 10 for northwest corner of this survey;

THENCE South 18 east 756 vrs. a rock on the north line of Section 8, Block 16;

THENCE North 72 East 1511 vrs. to the place of beginning, containing 213 acres of land and being the same land conveyed by T. J. Sams to Oscar Holman by deed dated Nov. 8th, 1901 and recorded in volume 27, page 308, Deed Records of Wilbarger County, Texas, reference to which is here made for further description.

Correct description of property:

All that certain tract of land known as the Margaret A. Sams Survey No.4 by virtue of Cert. No. 1515 awarded to O. Holman February 21, 1898, said survey being more particularly described by metes and bounds as follows:

Beginning at a rock the southwest corner of Survey No. 6, Block 10, H. & T. C Ry. Co. Survey;

THENCE South 20 degrees 55' east with the east line of Survey 14 of said Block 10, 645 vrs. to the southwest corner of this survey;

THENCE North 72 east with the North line of said Survey No.9 at 1597 varas passing a rock set for the northeast corner of said Survey at 1989 varas a rock in a hollow in the same hill on the north line of Survey No. 8 of said Block 16, the southwest corner of Survey 3, this script for the southeast corner of this Survey;

THENCE North 18 west 757 varas to a rock set in the South line of Survey 5, of Block 10;

THENCE South 69 degrees 5' west with the south line of Surveys 5 and 6 at 2024 ½ varas to the place of beginning, containing 250.5 acres of land, the two tracts herein conveyed aggregating 463.5 acres of land.

And being the same land set aside to Mrs. Ida C. Henry in Partition Deed dated the 16th day of December, 1921, and shown of record in volume 88, page 63- 4, Deed Record of Wilbarger County, Texas.

Correct description of property:

258.8 acres of land out of the N 1/2 of Section 4, Block 10, H&TC Ry Co. Survey, Wilbarger County, Texas, and described as a 160 acre tract and a 98.8 acre tract by metes and bounds as follows:

BEING 160 acres known as the S side of the E part of N 1/2 of Section 4, Block 10, H&TC Ry Co. Survey;

BEGINNING at a stake the SE corner of the North 1/2 of said Section 4 from which the NE corner of said Survey 4 bears N 18 W 950 varas;

THENCE S 72 W 1538-1/2 vrs. to a stake for SW corner of this tract;

THENCE N 18 W 587 varas, for NW corner;

THENCE N 72 E 1538-1/2 varas, a stake on E line of said Survey 4;

THENCE S 18 E with said line 587 vrs. to the place of beginning and containing 160 acres of land,

and

98.8 acres known as the N part of E part of N 1/2 of said Section No. 4, Block 10; BEGINNING at the NE corner of said Section No. 4 for the NE corner of this Survey;

THENCE S 18 E with the East line of said Section No. ~, 363 vrs;

THENCE S 72 W 1538-1/2 vrs. for SW corner;

THENCE N 18 W 363 varas to bois d'arc post in the N line of said Section 4;

THENCE S 72 E with said line, 1538-1/2 vrs. to the place of beginning, and containing 98.8 acres of land, more or less.

Correct description of property:

All of the Southwest quarter (SW/4) of Section Twenty (20), Block No. Fifteen (15) H&TC RR Co. Surveys, Wilbarger County, Texas.

Correct description of property:

All of the South one-fourth (S/4) of the Northwest quarter (NW/4) of Section Twenty (20), Block No. Fifteen (15), H&TC RR Co. Surveys, Wilbarger County, Texas and all of the West Eighty Seven acres (W 87) out the North One Hundred Twenty acres (N 120) out of the Northwest quarter (NW/4) of Section Twenty (20), Block Fifteen (15), H&TC RR Co. Surveys, Wilbarger County, Texas.

Correct description of property:

320 acres of land, more or less, being the West One-Half (W/2) of Section Four (4), Block Eleven (11), H&TC Ry. Co. Surveys (A-2074), in Wilbarger County, Texas, including all improvements and personal property located thereon.

SAVE AND EXCEPT the following described tract which is currently under Contract for Deed with Sam Whatley and Dawn Whatley:

House, horse barns, shop, shed, plus 4 acres, more or less, out of a 320 acre tract, out of the West one-half (W 1/2) of Section Four (4), Block Eleven (11), H&TC Ry. Co. Surveys, Wilbarger County, Texas, being bounded by the West Boundary Line (WBL) of this property and the North edge of the shelter belt and the center pivot to make its path with a 20' clearance for the existing center pivot stopping position.

SAVE AND EXCEPT the following described tract which is currently under Contract for Deed with Robert Lovell and Nancy Lovell:

House plus 13.5 acres, more or less, out of a 320 acre tract, out of the West one-half (W 1/2) of Section Four (4), Block Eleven (11), H&TC Ry. Co. Surveys, Wilbarger County, Texas, being the Southwest corner of the present center pivot and the Northwest corner of the proposed South center pivot tract. The tract described is that land in the respective corner that permits the center pivot to make its path with a 20' clearance.

Correct description of property:

A tract of land being 50 acres out of the Southeast Quarter (SE/4) of Survey No. Five (5) in Block No. Eleven (11), of the H&TC Ry Co Surveys in Wilbarger County, Texas, described by metes and bounds as follows:

Beginning at a stake set in the West line of said SE/4 which is 108 varas N 18 deg W from the SW

corner of same;

Thence N 18 deg. W with the West line of said SE/4 842 varas to stake set for the NW corner of same and of this tract;

Thence N72 deg. E 335.2 varas to stake set for the NE corner of this tract;

Thence S18 deg. E 842 varas to stake for corner

Thence S72 deg. W 335.2 varas to the place of beginning.

Correct description of property:

SURFACE ESTATE ONLY

The South 40 acres of the West 200 acres out of Section Five (5), Block Eleven (11), H&TC RR Co. Surveys, Wilbarger County, Texas

Correct description of property:

The Southeast one-quarter (SE/4) of Section 10, Block 15, H&TC RR Co. Surveys in Wilbarger County, Texas, as well as any other interest in any real property, including minerals wherever situated, **SAVE AND EXCEPT**, homestead of approximately 55.36 acres located in Section 18, Block 15, H&TC RR Co. Surveys in Wilbarger County, Texas

Correct description of property:

The South one-half (S/2) of the Southwest one-quarter (SW/4) of Section 21 in Block 15, H&TC Ry CO Survey in Wilbarger County, Texas.

Correct description of property:

All that certain tract or parcel of land, situate, lying and being in Wilbarger County, Texas, and being the North One-half (N/2) of the South One-half (S/2) of Section No. 14, in Block 10, of the H&TC Railway Company Survey of Wilbarger County, Texas, containing 167 5/7 acres of land.

Correct description of property:

A tract of land being the East 60 acres of the Southwest Quarter (SW/4) of Section Five (5), Block Eleven (11), H&TC Ry Co Surveys, Wilbarger County, Texas

Correct description of property:

All that certain lot, tract or parcel of land known and described as and being 68.15 acres out of Section 15, Block 10 of the H&TC Ry Co. Surveys in Wilbarger County, Texas, described by metes and bounds as follows:

BEGINNING at a stake driven in the road, the NW corner of the S 1/2 of Survey 15 of H&TC Ry Co. Block 10, Wilbarger County, Texas;
THENCE N 72° E at 8.5 varas pass a fence corner post, at 827.5 varas a fence corner in the North line in the South half said Sur. 15. the NE corner this survey;
THENCE S 18° E 465 varas to a stake the SE corner this survey;
THENCE S 72° W. 827.5 varas to a point in the road on the West line said S 1/2 Survey 15 (This point is 151 S 72° W of a post);
THENCE N 18° W along the said West line S 1/2 Sur. 15 465 varas.

Correct description of property:

83 acres, more or less, off the west end of GC&SF RR Co. Survey No.2, Certificate No. 3830 in Wilbarger County, Texas, described by metes and bounds as follows:

BEGINNING at the SW corner of said Survey No.2, in the E line of Section No. 4 in Block 11 of the H&TC Ry Co. Survey;
THENCE N 20 deg. 55' W 436 varas to the NW corner of said Survey No.2, the SW corner of Section No. 5 in Block 11 of the H&TC Ry Co. Survey, in the E line of said Section No. 4 in Block 11 of the H&TC Ry Co. Survey;
THENCE N 69 deg. 05' E 1049.6 varas, more or less, to stake in N line of said Survey No.2, in the S line of said Section No.5, the NW corner of an 80 acre tract owned by Olin L. Brooks, et ux;
THENCE S 20 deg. 55' E 262.8 varas, more or less, to an ell corner in said Olin L. Brooks tract;
THENCE S 69 deg. 55' W 55.98 varas, another ell corner;
THENCE S 20 deg. 55' E 231.23 varas, more or less, to stake in S line of said Survey No.2; in north line of Section No. 10 in Block No. 15 of the H&TC Ry Co. Survey;
THENCE S 72° W 983 7/2 varas to the place of beginning.

Correct description of property:

The South one-half (S/2) of the Southwest one-quarter (SW/4) of Section 21 in Block 15, H&TC Ry CO Survey in Wilbarger County, Texas.

Correct description of property:

The South 167 acres of Section 14 Block 10 H&TC Ry Co Surveys in Wilbarger County, Texas.

Correct description of property:

All of the Southwest quarter (SW/4) of Section Nineteen (19) Block Number Fifteen (15) H&TC Ry Co Surveys, Wilbarger County, Texas.

Correct description of property:

All of the South One-half of a certain tract known as Tract No. 4 of 98.15 acres, according to plat of survey prepared for partition of the Estate of Bessie Word Clancy in Section 26, Block 10, H&TC Ry. Co. Survey, Abstract No. 784 in Wilbarger County I Texas; said Tract No. 4 being described more particularly by metes and bounds on Exhibit A which is attached hereto and made a part hereof for all purposes.

Correct description of property:

The South 106 Acres Section 2, Block 11, H&TC Ry. Co. Survey, said premises lying South of Farm Road 91 in Wilbarger County, Texas

Correct description of property:

All of the South One-half of a certain tract known as Tract No. 5 of 100.20 acres, according to plat of survey prepared for partition of the Estate of Bessie Word Clancy in Section 26, Block 10, H&TC Ry. Co. Survey, Abstract 784 in Wilbarger County, Texas; said Tract No. 5 being described more particularly by metes and bounds on Exhibit A attached to WD vol 510 pg 089.

Correct description of property:

The North one-half of Section 16 Block 10 H&TC Ry Co Surveys in Wilbarger County, Texas.

Correct description of property:

FIRST TRACT: The West 125 acres of the Northwest 1/4 of Section No. 15, Block 10, H&TC RR. Co. Surveys in Wilbarger County, Texas.

SECOND TRACT: All that certain tract or parcel of land, situate, lying and being in Wilbarger County, Texas, and being 24 acres of land out of Survey No. 15, in Block No. 10, H&TC RR Co. Surveys, in Wilbarger County, Texas, Which is described by metes and bounds as follows:

BEGINNING at a point which is 744 varas N 72°E of the NW corner of said Survey No. 15 for beginning corner of this tract;
THENCE S 18° E 950 varas to stake for corner;
THENCE N 72° E 142.5 varas to stake for corner;
THENCE N 15° W 950 varas to stake for corner;
THENCE S 72° W 142.5 varas to the place of beginning.

THIRD TRACT: All that certain tract or parcel of land, situate, lying and being in Wilbarger County, Texas, and being a tract of land out of Survey No. 15, in Block No. 10. H&TC RR Co. Surveys, Wilbarger County, Texas, said tract being more specifically described by metes and bounds as follows:

BEGINNING at a point which is 886.5 varas N 72° E of the NW corner of said Section No. 15 for the beginning corner of this tract;
THENCE S 18° E 344 varas to stake for corner;
THENCE N 72° E 886.5 varas to stake for corner;
THENCE N 18° W 344 varas to stake for corner;
THENCE S 72° W 886.5 varas to the place of BEGINNING, containing 54.019 acres, more or less.

Correct description of property:

BEING 161 acres of land out of the SW part of Section 9, Block 15 of the H&TC Ry Co. Surveys in Wilbarger County, Texas, described by metes and bounds as follows:

BEGINNING at a point on the South line of said Section 9, 728.45 varas South 72 West from the Southeast comer;
THENCE South 72 West 1171.55 varas to Southwest corner of said Section 9;
THENCE North 18 West 960 varas to South line of Section 5, Block 10;
THENCE North 69 East with South line of Section 5, Block 10, to its Southeast comer;
THENCE South 21 East 367 varas;
THENCE North 72 East 552.55 varas;
THENCE South 18 East 620.5 varas to the Place of Beginning

Correct description of property:

80 acres, more or less, being the North one-half (N 1/2) of the Southwest one-quarter (SW 1/4) of Section Twenty-one (21), Block Fifteen (15), H&TC Ry. Co. Surveys, Wilbarger County, Texas

Correct description of property:

The East Sixty (E 60) acres of the Northwest one-fourth (NW 1/4) of Section No. Five (5) in Block Eleven (11) of the H&TC Ry Co Survey in Wilbarger County, Texas.

Correct description of property:

LEGAL DESCRIPTION OF A 28.9 ACRE TRACT OF LAND OUT OF SECTION 27, BLOCK 16, H&TC RR SURVEY, A-412, WILBARGER COUNTY, TEXAS, BEING OUT OF THE SAME LAND CONVEYED TO FOUR WFARMS (JOE WORD) FROM JO ALBERT AND GERALD CLARK BLEVINS, BY WARRANTY DEED DATED 3/2/1999 AND RECORDED IN VOLUME 502, PAGE 669 DEED RECORDS OF VERNON, WILBARGER COUNTY, TEXAS, SAID 28.9 ACRES BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

POINT OF BEGINNING, being a 1.25" pipe found at the intersection of the West line of Section 27, block 16, A-412 and the North Right of way line of US Highway 287, said pipe, bears N13deg27'37"W, 1936.9 feet, from the Southwest corner of said Section 27;
THENCE N13deg27'37"W, along the occupied west line of section 27, block 16, a distance of 631.83 feet, to a 2" pinched pipe found at a fence corner marking the most Southerly Northwest corner of said Section 27, block 16, same being the Northeast corner of the WC Edwards Survey and on the South line of Section 27, Block 10;
THENCE N73deg27'27"E, along the North line of Section 27, Block 16, South line of Section 27, Block 10, a distance of 930.43 feet, to a 5/8" iron rod set at a fence corner post on the North line of a east to west lane and gate, marking the Southeast corner of Section 27, Block 10, an ell corner for Section 27, Block 16 and the Northeast corner of this Tract;
THENCE S 16deg10'18"E, along the newly created boundary line, (being projected from the west fence of this parent tract along the East line of Section 27, Block 10) a distance of 2007.33 feet, to a 5/8" iron rod set on the North right of way line of above said US highway 287, marking the Southeast corner of this tract, also being the beginning of a curve to the right for this tract on said right of way line;
THENCE along the arc of said curve to the right and right of way line, said curve having a radius of 3644.72 feet, a delta angle of 1deg46'06", a chord bearing of N51deg59'54"W, chord length of 112.48 and a arc length of 112.5 feet, to the end of said curve to the right, same being the end of right of way curve and at a broken TxDOT "Type I" concrete right of way monument;
THENCE N51deg08'19"W, along said right of way line, a distance of 1560.72 feet, to the POINT OF BEGINNING, containing 28.9 acres of land more or less.

Correct description of property:

A 3.417 acre tract out of the NE corner of the W.C. Edwards Survey 6, A-3, being all that part of the W.C. Edwards Survey 6 laying North and East of the new North boundary line of U.S. Highway 287, described by metes and bounds as follows:

BEGINNING at a 2" iron pipe set by me in 1968 at the NE corner of the W.C. Edwards Survey 6;
THENCE S 18 deg. E., along the WBL of Section 27, Block 16, H&TC Ry Co., 632 feet to a 1 1/4" I.P. set at the South corner of this tract in the new NBL of the ROW of U.S. Highway 287;
THENCE N 55 deg. 46' W, along the said NBL of the Highway ROW, 769.2 feet to the West corner of this tract, a 3/8" iron rod set by the Texas Highway Department in the NBL of the W.C. Edwards Survey 6;
THENCE N 69 deg. 05' E, along the pole line and old fence on the NBL of the said Edwards Survey, 471.6 feet to the place of beginning.

SUBJECT to an easement to the Southwestern Bell Telephone Company 20 feet wide adjacent and parallel to the Northeast boundary line of the FW & DC RR Co. Right of Way of record in Vol. 220 at page 78 of the Deed Records of Wilbarger County, Texas, and containing 1.18 acres; and

SUBJECT to an easement of the State of Texas for highway purposes of record in Vol. 140, Page 394 of the Deed Records of Wilbarger County, Texas, containing 2.8 acres of land.

Correct description of property:

SURFACE ONLY:

Being the West 320 acres of Section No. 26, Block 16 of the H&TC RR Co. Surveys, Wilbarger County, Texas, and beginning at a stake the SW corner of said Survey No. 26, and on the East line of Survey No. 27, Block 10, H&TC Ry Co. Surveys;
THENCE N 72 E 1011 vrs. to stake for corner;
THENCE N 18 W 1742 vrs. to stake in the South line of Survey 16, Block 10;
THENCE S 69 deg. 5 min. West, with said line 1100 vrs. to stake, mound and four pits, the SW corner of said Survey No. 16, and the NW corner of this Survey;
THENCE S 20 deg. 55 min. East, with the line of Surveys 26 and 27, Block 10, 1685 vrs. to the place of beginning and being the same land patented to W. M. Thompson, assignee of Minnie Rees, on December 12, 1916, by Patent No. 595, Vol. 51.

Correct description of property:

Being out of Survey No.6 Block 10. H&TC RR Co. Certificate No. 918. Abstract No. 1024. Patent No. 199. Vol. 13. dated October 13, 1892 and deed acquittance, Patent No. 415, Vol. 1, dated August 28, 1940, and described by metes and bounds as follows:

BEGINNING at the Southwest corner of said Survey;
THENCE North 72 East 2013.5 vrs. to stake for Southeast corner of said survey;
THENCE North 18 West 1900 vrs. to stake for Northeast corner of said survey;
THENCE South 72 West 1006.8 vrs. to an iron stake in the North line of said Survey the Northeast corner of the Minarik 200 acre tract;
THENCE South 18 East 1121.8 vrs. to an iron pipe for Minarik's Southeast corner;
THENCE South 72 West 1006.7 vrs. to an iron pipe in the West line of said Survey. Minarik's Southwest corner;
THENCE South 18 East 778.2 vrs. to the place of beginning, containing 477.6 acres of land. more or less.

Correct description of property:

Being out of Survey No.6 Block 10. H&TC RR Co. Certificate No. 918. Abstract No. 1024. Patent No. 199. Vol. 13. dated October 13, 1892 and deed acquittance, Patent No. 415, Vol. 1, dated August 28, 1940, and described by metes and bounds as follows:

BEGINNING at the Southwest corner of said Survey;
THENCE North 72 East 2013.5 vrs. to stake for Southeast corner of said survey;
THENCE North 18 West 1900 vrs. to stake for Northeast corner of said survey;
THENCE South 72 West 1006.8 vrs. to an iron stake in the North line of said Survey the Northeast corner of the Minarik 200 acre tract;
THENCE South 18 East 1121.8 vrs. to an iron pipe for Minarik's Southeast corner;
THENCE South 72 West 1006.7 vrs. to an iron pipe in the West line of said Survey. Minarik's Southwest corner;
THENCE South 18 East 778.2 vrs. to the place of beginning, containing 477.6 acres of land. more or less.

Correct description of property:

SURFACE ONLY:

Being a tract of 159.846 total acres of land in Section No. FORTY ONE (41), H. & T. C. Ry. Co. Survey, Block SIXTEEN (16), Abstract No. 419, Wilbarger County, Texas, 10.5 miles W-NW of Vernon, and being generally described as the SW/4 of said Section No. 41, and being more particularly described by metes and bounds as follows:

BEGINNING at the occupied SW corner of Section No. 41, for the SW corner of this tract and being the SE corner of a tract of land deeded to John Steven Jackson and Ardis R. Jackson, dated December 12, 2000, of record in volume 519, page 654 of the official public records of Wilbarger County, Texas, and being in an old fence line, under a wire gate and being referenced by a 1/2" iron rod found beside the north wood gate post bearing North 13 deg. 44 min. West a distance of 15.3 feet and the south gate post bearing South 13 deg. 44 min. East a distance of 4.4 feet, said beginning point having Texas State Plane, North Central Zone, NAD83 Grid coordinates of X = 1681009.28 ft. and Y = 7 489496.07 ft.; (All bearings also refer to the Texas State Plane, North Central Zone, NAD83 Grid)

THENCE North 13 deg. 44 min. 10 sec. West, along the mean line of a very old fence on the occupied West Boundary Line (W.B.L.) of Section No. 41, with the E.B.L. of the Jackson tract, a distance of 2638.1 feet to a point for the NW corner of this tract, from which a found 1/2" iron rod under the old fence alignment bears North 76 deg. 25 min. 54 sec. East a distance of 2.0 feet and a fence corner and fence bearing eastward was found 89.6 feet northerly;

THENCE North 76 deg. 25 min. 54 sec. East along the N.B.L. of this tract, remaining south of and approximately parallel with the fence located northerly, at 2610.5 feet pass a fence on the W.B.L. of Wilbarger County Road No. 85 S, referenced by a 1/2" iron rod set beside the NE fence corner which bears North 13 deg. 44 min. 47 sec. West a distance of 89.9 feet, continuing on for a total distance of 2638.9 feet to a point in the center of said Wilbarger County Road No. 85 S, for the NE corner of this tract;

THENCE South 13 deg. 44 min. 47 sec. East, along the County Road No. 85 S, a distance of 2639.0 feet to a point in the road intersection with Wilbarger County Road No. 114 W bearing eastward, being the SE corner of this tract and from which a 1/2" iron rod set beside a fence corner post bears South 45 deg. 30 min. 20 sec. West a distance of 43.7 feet;

THENCE South 76 deg. 27 min. 13 sec. West, along the S.B.L. of Section No. 41, a distance of 2638.9 feet to the point of beginning, and containing 159.846 total acres of land, of which approximately 2.0 acres is within Wilbarger County Road No. 85 S;

Correct description of property:

Being a part of the South 1/2 of Section No. 15 in Block No. 10 of the Houston & Texas Central Railway Co Surveys described as follows:

BEGINNING at the SW corner of said section;

THENCE North 18 degrees West 485 varas to the SW corner of a tract of 68.15 acres conveyed by E. P. Robertson, et ux, to Robert J. Lyon, et ux, by deed of record in Volume 178, Page 87 of the Deed Records of said County;

THENCE North 72 degrees East 827.5 varas to Lyon's SE corner;

THENCE North 18 degrees West 465 varas to his Northeast corner in the North line of the South 1/2 of said section;

THENCE North 72 degrees East 945.15 varas to Bessie A. Pollard's West line in the North line of the South 1/2 of said section;

THENCE South 18 degrees East 950 varas to Pollard's W corner in the South line of said section;

THENCE South 72 degrees West 1773 varas to the place of beginning and containing 230.22 acres of land, more or less.

Correct description of property:

88.375 acres of land, more or less, in Wilbarger County, Texas, described by metes and bounds in two tracts as follows:

FIRST TRACT:

The South 41.45 acres of the East 72.75 acres of Section 15 in Block 10 of the H&TC RR Co. Survey in Wilbarger County, Texas, described by metes and bounds as follows:

BEGINNING at the SE corner of said Section;
THENCE S72W 216 varas to the SW corner of a 72.75 acres tract in Section 9, Block 16 H&TC RR Co. Survey;
THENCE N18W 1144 varas to a stake in W line of said 72.75 acre tract and the SW corner of the N 31.3 acres;
THENCE N 72 E 248 varas to the E line of said Section 15;
THENCE S18E 1144 varas to the PLACE OF BEGINNING.

SECOND TRACT:

The South 46.925 acres of the West 75.625 acres of Section 9, Block 16 of the H&TC RR Co. Survey in Wilbarger County, Texas, described by metes and bounds as follows:

BEGINNING at the SW corner of said Section;
THENCE N21W with the W line of said Survey 1144 varas to the SW corner of the North 28.7 acres of said 75.625 acre tract;
THENCE N72E 195.5 varas to the East line of said 75.625 acre tract;
THENCE S18E 1141 varas to stake in the South line of Section 9;
THENCE S72W with the South line of Section 9, 168 varas to the PLACE OF BEGINNING.

Correct description of property:

SURFACE ONLY:

Being a tract of 160.635 total acres of land in Section No. FORTY (40), H. & T. C. Ry. Co. Survey, Block SIXTEEN (16), Abstract No. 1275, Wilbarger County, Texas, 10.5 miles W-NW of Vernon, and being generally described as the NW/4 of said Section No. 40, and being more particularly described by metes and bounds as follows:

BEGINNING at the occupied NW corner of Section No. 40, for the NW corner of this tract and being the NE corner of Section No. 43, H. & T. C. Ry. Co. Survey, Block 16, said beginning point having Texas State Plane, North Central Zone, NAD83 Grid coordinates of X=1680954.66 ft. and Y=7489483.07 ft.; (All bearings also refer to the Texas State Plane, North Central Zone, NAD83 Grid)
THENCE North 76 deg. 27 min. 13 sec. East along the N.B.L. of Section No. 40 and the N.B.L. of this tract, at 56.1 feet pass the occupied SW corner of Section No. 41, H. & T. C. Ry. Co. Survey, Block 16, a 1/2" iron rod bears North 13 deg. 44 min. 10 sec. West a distance of 15.3 feet, continuing on for a total distance of 2657.6 feet to a point for the occupied NE corner of this tract, from which a 1/2" iron rod set beside a fence corner post bears South 13 deg. 28 min. 38 sec. East a distance of 22.5 feet;
THENCE South 13 deg. 28 min. 38 sec. East, along the occupied E.B.L. of this tract, at 22.5 feet pass a 1/2" iron rod set for reference beside a fence corner post, continuing on along the old fence line for a total distance of 2636.3 feet to a 1/2" iron rod set beside a SE fence corner post, for the SE corner of this tract;
THENCE South 76 deg. 30 min. 58 sec. West, along the old fence, a distance of 2653.8 feet to a 1/2" iron rod set beside a NW fence corner post, for the SW corner of this tract;
THENCE North 13 deg. 33 min. 36 sec. West, along the northward projection of an old fence which bears South 13 deg. 33 min. 36 sec. East (said fence believed to be the W.B.L. of the south half of Section No. 40) across a cultivated field remaining east of an existing fence, a total distance of 2633.4 feet to the point of beginning, and containing 160.635 total acres of land.

Correct description of property:

156.5 acres out of the East 158.5 acres of a 276.5 acre tract conveyed to M. C. Breshears, et ux, and Donald R. Lamb, et ux, by John R. Black, Jr., by deed dated February 7, 1977, of record in Vol. 316, page 337 deed records Wilbarger County, Texas, such 156.5 acres being described by metes and bounds as follows:

BEGINNING at the NE corner of Section 14, Block 11, H&TC Ry Co. Surveys;
THENCE S 72 W 828.9 varas to a point for the NE corner of a two acre tract heretofore conveyed to Sidney Lee by the Grantors herein;
THENCE S 18 E 95.4 varas to the SE corner of said Lee tract;
THENCE S 72 W 108 varas to the SW corner of said Lee tract;
THENCE S 18 E 859.7 varas to point for the SW corner of this tract;
THENCE N 72 E 936.9 varas to a point in the East line of said Section 14;
THENCE N 18 W 955.1 varas to the place of beginning and being all of that tract of 158.5 acres partitioned to M. C. Breshears, et ux, in a partition deed of record in Vol. 327, page 586 deed records Wilbarger County, Texas, SAVE AND EXCEPT, a two acre tract out of the NW corner of the same heretofore conveyed to Sidney Lee by the Grantors herein.

Correct description of property:

The Northeast one-quarter (NE 1/4) and the East 220 acres of the South one-half (S 1/2) of Section Forty-three (43), Block Sixteen (16), H&TC Ry Co Surveys, Abstract No. 420, Wilbarger County, Texas.

Correct description of property:

The South sixty (S 60) acres of the West one hundred ninety-three and eight-tenths (W 193.8) acres of the East 397.6 acres of Section Five (5), Block Ten (10), H&TC Ry Co. Surveys, Wilbarger County, Texas.

Correct description of property:

The South one hundred five (S 105) acres of the East 203.8 acres of Section Five (5), Block Ten (10), H&TC RR Co. Surveys, Wilbarger County, Texas.

There is included in this conveyance a right-of-way covering a 30 foot strip along the West line of the North 98.8 acres of the East 203.8 acres of said Section for ingress and egress as shown by instrument, recorded in Vol. 183, page 306, Deed Records, Wilbarger County, Texas.

Correct description of property:

The North 98.8 acres of the East 203.8 acres of Section 5, Block 10, H&TC Ry Co. Surveys, Wilbarger County, Texas.

Correct description of property:

The Southeast Quarter (SE/4) of Section Twenty-One (21), Block Fifteen (15), H&TC Ry Co Survey, Wilbarger County, Texas, containing 160 acres, more or less.

Correct description of property:

The North 60 acres of the South 120 acres of a 193.8 acre tract in Section 5, Block 10, H&TC RR Co. Surveys, Wilbarger County, Texas, said 193.8 acre tract being described as follows:

BEGINNING at a point on the North line of said Section 5, which is 605-1/2 vrs. S 72 deg. W of the NE corner of said survey, for the NE corner of this tract;
THENCE S 72 deg, W 576 vrs. to a stake for corner;
THENCE S 18 deg, E 1900 vrs. to stake for corner;
THENCE N 72 deg. E 576 vrs. to stake for corner;
THENCE N 18 deg. W 1900 vrs. to the place of beginning,

SAVE AND EXCEPT: SURFACE ONLY:

Being a tract of 4.65 total acres of land out of the NE corner of Section No. Five (5), Block Ten (10), H&TC RR Co. Surveys, Wilbarger County, Texas, 3.2 miles S-SE of Odell, and being a part of the tract of land described as tract 1 in a deed from Henry Leroy Connor, et ux, to Hollis E (Si) Sullivan, G. Hollis Sullivan, dated March 30, 1976, of record in Vol. 309, page 703 of the Deed Records of Wilbarger County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod found buried at the NE corner of Section No.5, Block 10, H&TC RR Co. Surveys, being the SE corner of Section No.4, same block, and being in the West Boundary Line (WBL) of the W. A. McKinney Survey No.2, Abstract No. 1779, for the NE corner of this tract;
THENCE South 18 deg. 03 min. East, along the EBL of Section No.5 and the WBL of the W. A. McKinney Survey No.2, at 20.5 feet pass a 6 inch iron pipe fence corner post set in the concrete, continuing on alongside an old fence line for a total distance of 445.3 feet to a point for the SE corner of this tract, from which a 6 inch iron pipe fence corner post set in concrete bears 0.8 foot North 72 deg. East;
THENCE South 71 deg. 45 min. West, along an existing fence line for a distance of 426.4 feet to a 6 inch iron pipe fence corner post set in concrete, for the S-SW corner of this tract;
THENCE North 07 deg. 59 min. West, along an existing fence line for a distance of 57.8 feet to a 6 inch iron pipe fence post set in concrete being the South post in a gate and an angle point in this tract;
THENCE North 12 deg. 38 min. West, along an existing fence line for a distance of 197.5 feet to a 6 inch iron pipe fence corner post set in concrete, for an inner ell corner of this tract;
THENCE South 70 deg, 40 min. West, along an existing fence line for a distance of 92.6 feet to a 6 inch iron pipe fence post set in concrete, for the N-SW corner of this tract;
THENCE North 40 deg, 42 min. West, along an existing fence line for a distance of 61.8 feet to a 2 inch iron pipe fence post set in concrete, for an angle point in this tract;
THENCE North 18 deg, 01 min. West, along an existing fence line, at 121.9 feet pass a 6 inch iron pipe fence corner post set in concrete on the SBL of a County road (See road minutes volume 2B, page 558 for documentation), continuing on for a total distance of 138.8 feet to a 1/2 iron rod buried in the roadway, being on NBL of Section No.5 and the NW corner of this tract;
THENCE North 72-deg, East, along the NBL of Section No.5 and the center of the county road, a distance of 514.0 feet to the point of beginning, and containing a total of 4.65 acres of land, (If which the North 20 feet (0.24 acre) was designated as a public roadway, leaving 4.41 net acres.

Correct description of property:

200 acres out of the Northwest part of Section 12, Block 11, H&TCRR Co. Surveys, Wilbarger County, Texas, described as follows:

BEGINNING at the NW corner of said Section 12, Block 11, H&TC RR Co. Surveys, a set 3/8" iron rod at the fence corner, for the NW corner of this tract; .
THENCE N 69 deg. 02' E along the NBL of said Section 12, with the old fence, at 3766 feet pass the fence corner, in all 3960.0 feet to a set 3/8" iron rod in the old fence row the NE corner of this tract;
THENCE S 20 deg. 45' E, across the cultivated field, at 56 feet pass and under an electrical power line in all 2200.0 feet to the SE corner of this tract from which a set 3/8" iron rod bears 6.4 ft. N 69 deg. 05' E and the SBL fence bears 13.7 feet S 20 deg. 45' E;
THENCE S 69 deg. 05' W parallel to the NBL of said Section 12 and remaining North of the SBL fence, at 3953.6 ft. pass a set 3/8" iron rod in all 3960 feet to the old fence the west boundary line of Section 12 a point for the SW corner of this tract from which the Southwest fence corner bears 67.6 ft. S 20 deg. 45' E;
THENCE N 20 deg. 45' W with the fence along the WBL of Section 12, 2200 ft. to the place of beginning.

SAVE AND EXCEPT a 50 acre tract out of the same described as follows:

A tract of 50.000 acres of land out of Section No. Twelve (12), Block Eleven (11), H&TC Ry Co. Surveys, Wilbarger County, Texas, and being a part of the 200.00 acre tract of land under contract of sale and purchase with the Texas Veterans Land Board to Phillip Randall Boyd, of record in Vol. 322, page 229, Deed Records of Wilbarger County, Texas, and more particularly described by metes and bounds as follows:

BEGINNING at a point on the E.B.L. of the 200.00 acre parent tract, a 1/2" iron rod set for the NE corner of this tract, said iron rod bearing 3960.00 feet North 72 deg. East and 150.00 feet South 18 deg. East of a 2" iron pipe and 3/8" iron rod found at the NW corner of said Section No. 12, said iron rod also being on the W.B.L. of a road easement accessing this tract;
THENCE South 18 deg. East along the E.B.L. of the 200.00 acre parent tract, a distance of 2050.00 feet to the SE corner of the 200.00 acre parent tract, and the SE corner of this tract from which a reference 1/2" iron rod in an old fence line bears 16.8 feet South 18 deg. East;
THENCE South 72 deg. West along the SBL of the 200.00 acre parent tract, a distance of 1550.00 feet to the SW corner of this tract, from which a referenced 1/2" iron rod in an old fence" line bears 36.3 feet South 18 deg. East;
THENCE North 18 deg. West a distance of 600.00 feet to a 1/2" iron rod set for the S-NW corner of this tract;
THENCE North 72 deg. East a distance of 253.36 feet to a 1/2" iron rod set in an existing fence line, for an inner ell corner of this tract;
THENCE North 19 deg. 57 min. 06 sec. east along the fence line, a distance of 907.16 feet to a 1/2" iron rod set for an inner ell corner of this tract;
THENCE North 15 deg. 14 min. 12 sec. West along the fence line, a distance of 382.47 feet to a 1/2" iron rod set at an angle point in the fence;
THENCE North 06 deg. 29 min. 30 sec. West along the fence line, a distance of 359.89 feet to a 1/2" iron rod set for the N-NW corner of this tract;
THENCE North 72 deg. East a distance of 648.50 feet to the point of beginning, and containing 50.000 acres of land, leaving 150 acres, more or less, hereby conveyed,

There is also conveyed with said 150 acre tract an Easement for ingress and egress across an 80 acre tract out of the NE corner of said Section as fully described in Vol. 304, page 628 of the Deed Records of Wilbarger County, Texas, said Easement being more fully described as follows:

BEGINNING at a point in the East boundary line of the above described 200 acre tract being south 30 feet from the Northeast corner of said 200 acre tract;
THENCE in an Easterly direction 30 feet South of and parallel with the North boundary line of an 80 acre tract described in a deed from J. B. North et ux to Rolfe J. Power, Jr., et al, recorded in Vol 304, page 627 of the Deed Records of Wilbarger County, Texas, to a point in the Westerly boundary line of a county dirt road;
THENCE in a Northerly direction with the Westerly boundary line of said road 30 feet to a point;
THENCE in a Westerly direction along the North boundary line of said 80 acre tract to the Northeast corner of the said 200 acre tract;
THENCE South 30 feet with the Easterly boundary line of said 200 acre tract to the place of beginning.

SURFACE ESTATE ONLY

Being a tract of 50.000 acres of land out of Section No. Twelve (12), Block Eleven (11), H&TC Ry Co Surveys, Wilbarger County, Texas, and being a part of the 200.00 acre tract of land under contract of sale and purchase with the Texas Veterans Land Board to Phillip Randall Boyd, of record in Vol. 322, page 229, Deed Records of Wilbarger County, Texas, and more particularly described by metes and bounds as follows:

BEGINNING at a point on the E. B. L. of a 200.00 acre parent tract, a 1/2" iron rod set for NE corner of this tract, said iron rod bearing 3960.00 feet North 72 deg. East and 150.00 feet South 18 deg. East of a 2" iron pipe and a 3/8" iron rod found at the NW corner of said Section No. 12, said iron rod also being on the W. B. L. of a road easement accessing this tract;
THENCE South 18 deg. East along E. B. L. of a 200.00 acre parent tract, a distance of 2050.00 feet to SE corner of the 200.00 acre tract, and the SE corner of this tract, from which a reference 1/2" iron rod in an old fence line bears 16.8 feet South 18 deg. East;
THENCE South 72 deg. West along the S. B. L. of a 200.00 acre parent tract, a distance of 1550.00 feet to SW corner of this tract, from which a reference 1/2" iron rod in an old fence line bears 36.3 feet South 18 deg. East;
THENCE North 18 deg. West a distance of 600.00 feet to a 1/2" iron rod set for the S-NW corner of this tract;
THENCE North 72 deg. East a distance of 253.36 feet to a 1/2" iron rod set in a existing fence line, for an inner ell corner of this tract;
THENCE North 19 deg. 57 min. 06 sec. East along the fence line, a distance of 907.16 feet to a 1/2" iron rod set for an inner ell corner of this tract;
THENCE North 15 deg. 14 min. 12 sec. West along the fence line, a distance of 382.47 feet to a 1/2" iron rod set at an angle point in the fence;
THENCE North 06 deg. 29 min. 30 sec. West along the fence line, a distance of 359.89 feet to a 1/2" iron rod set for the N-NW corner of this tract;
THENCE North 72 deg. East a distance of 648.50 feet to the Point of beginning and containing 50.000 acres of land.

IN ADDITION, there is also included an Easement for ingress and egress across an 80 Acre Tract out of the NE corner of said Section as fully described in Vol 304, page 628 of the Deed Records of Wilbarger County, Texas, said Easement being more fully described as follows:

BEGINNING at a point in the East Boundary Line of the above described 2002 acre tract being South 30 feet from the Northeast corner of said 200 acre tract;
THENCE in an Easterly direction 30 feet South of and parallel with the North Boundary Line of an 80 acre tract described in a deed from I.B. North et ux to Rolfe J. Power, Jr., et al., recorded in Vol. 304, page 627 of the Deed Records of Wilbarger County, Texas to a point in the Westerly Boundary Line of a County dirt road;
THENCE in a Northerly direction with the Westerly Boundary Line of said road 30 feet to a point;
THENCE in a Westerly direction along the North Boundary Line of said 80 acre tract to the northeast corner of the said 200 acre tract;
THENCE South 30 feet with the Easterly Boundary Line of said 200 acre tract to the place of BEGINNING.

Correct description of property:

SURFACE ESTATE ONLY:

80 acres, more or less, out of the Southeast 1/4 of Survey No. Nine (9) in Block No. Fifteen (15) of the H&TC Ry Co. Surveys in Wilbarger County, Texas, more fully described by metes and bounds as follows:

BEGINNING at the Southeast corner of said Survey 9 for the beginning corner of this tract;
THENCE N 18 W with the East line of said Survey 620.5 vrs. to stake for NE corner of this tract;
THENCE S 72 W 728.45 vrs. to stake for the NW corner of this tract;
THENCE S 18 E 620.5 vrs. to stake for the SW corner of this tract;
THENCE N 72 E 728.45 vrs. to the place of beginning.

Correct description of property:

All of the North One-half of a certain tract known as Tract No. 4 of 98.15 acres, according to plat of survey prepared for partition of the Estate of Bessie Word Clancy in Section 26, Block 10, H&TC Ry. Co. Survey, Abstract No. 784 in Wilbarger County, Texas; said Tract No. 4 being described more particularly by metes and bounds as follows:

98.15 acres, according to plat of survey prepared for partition of the Estate of Bessie Word Clancy in Section 26, Block 10, H&TC Ry. Co. Survey, Abstract No. 784, in Wilbarger County, Texas, said Tract No. 4 being described more particularly by metes and bounds description as follows:

BEGINNING at a 6" plastic pipe set for the NW corner of this tract at the SW corner of Tract No. 1 said point being in the East ROW line of a 70 foot county road. The NW corner of said Section 26 brs. N 18 deg. 00' W 2789.20 feet and S 72 deg. 00' W 35.00 feet;

THENCE N 72 deg. 00' E, at 1580.60 feet pass the SE corner of Tract No. 1 and the SW corner of Tract No.2, at 1719.98 feet at 6" plastic pipe set for the NE corner of this tract and the NW corner of Tract No.5;

THENCE S 18 deg. 00' E 2485.80 feet to a 6" plastic pipe set for the SE corner of this tract and the SW corner of Tract No.5. Said point being in the North ROW line of a 40 foot county road;

THENCE S 72 deg. 00' 1719.98 feet to a 6" plastic pipe set for the SW corner of this tract. Said point being in the North ROW line of a 40 foot county road and in the East ROW line of a 70 foot county road. The SW corner of said Section 26 brs. S 72 deg. 00' W 35.00 feet and S 18 deg. 00' E 20.00 feet;

THENCE 18 deg. 00' w, with the East line of said 70 foot county road, 2485.80 feet to the place of beginning and containing 98.15 acres of land.

Correct description of property:

All of the North One-half of a certain tract known as Tract No. 5 of 100.20 acres, according to plat of survey prepared for partition of the Estate of Bessie Word Clancy in Section 26, Block 10, H&TC Ry. Co. Survey, Abstract 784 in Wilbarger County, Texas; said Tract No. 5 being described more particularly by metes and bounds as follows:

Field notes of a survey of 100.20 acres of land out of Section 26, Block 10, H&TC Ry. Co. Survey, Abstract No. 784, Wilbarger County, Texas, described by metes and bounds as follows:

BEGINNING at a 6" plastic pipe set for the NW corner of this tract and the NE corner of Tract No.4. The NW corner of said Section 26 brs. S 72 deg. 00' W 1754.98 feet and N 18 deg. 00' W 2789.20 feet;

THENCE N 72 deg. 00' E, at 1679.30 feet pass the SE corner of Tract No. 2 and the SW corner of Tract No.3, at 1755.92 feet a 6" plastic pipe for the NE corner of this tract and the NW corner of Tract No.6;

THENCE S 18 deg. 00' E 2485.80 feet at a 6" plastic pipe set for the SE corner of this tract and the SW corner of Tract No.6, in the North line of a 40 foot county road.

THENCE S 72 deg. 00' W, with the North line of said 40 foot county road, at 1755.92 feet at 6" plastic pipe set for the SW corner of this tract and the SE corner of Tract No. 4;

THENCE N 18 deg. 00' W 2485.80 feet to place of beginning and containing 100.20 acres of land.

Correct description of property:

The East 200 acres of Section Twelve in Block 15, H&TC Ry. Co. Surveys in Wilbarger County, Texas, SAVE AND EXCEPT a one acre tract heretofore conveyed to Rufus Moore by deed of record in Volume 258, page 583, of the Deed Records of Wilbarger County, Texas, and a one acre tract heretofore conveyed to Dan White by a deed of record in Volume 244, page 231, Deed Records, Wilbarger County, Texas.

SAVE AND EXCEPT

Surface Estate Only of: All that certain tract, piece and parcel of land situated in Wilbarger County, Texas and being described as being a tract of 3.890 total acres of land out of Section No. TWELVE (12), Block FIFTEEN (15), H. & T. C. Ry. Co. Survey, Abstract No. 899, Wilbarger County, Texas 0.2 miles west of White City and being a part of the lands deeded to the White City Gin, Inc. by deed volume 344, page 440, and said 3.890 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at the SE corner, a 1/2" iron rod set in the North right-of-way line of FM Highway No. 924 and being on the West Boundary Line (W.B.L.) of a one acre tract deeded to Dan White, et ux, of record in volume 244, page 231 of the deed records of Wilbarger County, Texas, and bearing South 76 deg. 17 min. 20 sec. West a distance of 830.0 feet and North 13 deg. 42 min. 40 sec. West a distance of 50.0 feet from the SE corner of Section No. 12, Block 15, H. & T. C. Ry. Co. Survey, and said beginning point having Texas State Plane, North Central Zone, NAD83 coordinates of X=1712263.64 and Y=7513424.67; (All bearings also refer to the Texas State Plane, North Central Zone, NAD83 Grid)

THENCE South 76 deg. 17 min. 20 sec. West, along the north right-of-way line of FM Highway No. 924 (see right-of-way deed in volume 184, page 124), at 57.8 feet cross an existing fence, continuing on for a total distance of 140.0 feet to a point for the SW corner of this tract, and being referenced by a 1/2" iron rod set in a fence and bearing South 13 deg. 42 min. 40 sec. East a distance of 19.5 feet;

THENCE North 13 deg. 42 min. 40 sec. West, at 631.3 feet intersect an old fence and follow for a total distance of 787.3 feet to a 1 1/2" iron rod set in a cross fence, for the NW corner of this tract; (all 1/2" iron rods set have a yellow plastic cap stamped 'SURVEY RPS 2431');

THENCE North 73 deg. 47 min. 00 sec. East, along an old fence and its projection, a total distance of 401.2 feet to a 1/2" iron rod set for the NE corner of this tract;

THENCE South 11 deg. 18 min. 05 sec. West a distance of 360.1 feet to a 1/2" iron rod set beside an old fence post, for an angle point in this tract;

THENCE South 76 deg. 17 min. 20 sec. West a distance of 108.5 feet to a 1/2" iron rod set for an inner ell corner in this tract;

THENCE South 13 deg. 42 min. 40 sec. East, at 103.4 feet cross a fence, continuing on for a total distance of 478.6 feet to the point of beginning, and containing 3.890 total acres of land.

Correct description of property:

SURFACE ESTATE ONLY

BEGINNING at the NW corner of Section No. 18, Block 15, H&TC Ry. Co. Surveys in Wilbarger County, Texas;

THENCE S 18 E 718.6 feet to a point in the West line of said Section 18;

THENCE N 72 E 364.5 feet to a point for the SE corner of this tract;

THENCE N 18 W 718.6 feet to a point in the North line of said Section 18;

THENCE S 72 W 364.5 feet to the place of beginning and containing all that land described in a deed from C. C. White, et ux, to J. R. White dated September 15, 1925, of record in Volume 100 at page 219, Deed Records of Wilbarger County, Texas, in a deed from Clint C. White, et ux to Owen White, et al, dated December 21, 1959, of record in Volume 217, page 111, Deed Records, Wilbarger County, Texas, and in a deed from S. B. Starr, et al to J. R. White dated April 24, 1926, of record in Volume 104, page 307 of the Deed Records of Wilbarger County, Texas, including the gin located on said tract and the machinery, tools, and equipment used in the operation of said gin, more fully described in an inventory of the same agreed upon by all parties hereto.

Correct description of property:

THE SURFACE ESTATE ONLY OF:

FIELD NOTES FOR THE WEST HALF, BEING A 218.1 ACRE TRACT OF LAND OUT OF THE CALLED WEST 440 ACRES OF SECTION 12, BLOCK 15, H&TC RR CO SURVEY, ABSTRACT 899, WILBARGER COUNTY, TEXAS, BEING A PART OF THAT SAME LAND DESCRIBED AS 2 TRACTS IN A WARRANTY DEED FROM MICHEL S. H. JUNGMAN, TO RAY COWAN, ETAL, DATED JANUARY 29TH, 2010, RECORDED IN VOLUME 619, PAGE 942, OFFICIAL PUBLIC RECORDS OF WILBARGER COUNTY, TEXAS, SAID TRACT DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

POINT OF BEGINNING, being a spike and washer found at the Southwest corner of said Section 12, in the centerline intersection of FM 924 and County Road 97, marking the Southwest corner of this tract;

THENCE N 13 deg. 40'08"W, along the paved center of said County Road 97, and west line of said Section 12, a distance of 5265.72, to a spike found at the Northwest corner of said Section, marking the Northwest corner of this tract;

THENCE N 76 deg. 10'39"E, along the North line of said Section 12, pass a wood fence corner on east margin of said road at 36 feet, continue, generally along an old poor fence line, leaving slightly to the north of said fence, a distance of 1801.14 feet, to a 3/8 iron rod and t-post set, marking the Northeast corner of this tract, same being the Northwest corner of the East half of the called west 440 acres of said Section being herein subdivided, whence a fence corner at the northwest corner of the called east 200 acres of the west 440, bears N 78 deg. 37'14"E, 149 feet;

THENCE S 13 deg. 40'32"E, along new common boundary line, pass a fence line at 6 feet, continue generally 150 feet west of and parallel with the old fence line on the east line of the called west 240, pass 3/8 iron rod and t-post set on North right of way line of above said FM 924, at 5221.5 feet, continue a total distance of 5271.51 feet, to a spike set on south line of said Section in the center of said FM 924, marking the Southeast corner of this tract, Southwest corner of the east half being herein subdivided;

THENCE S 76 deg. 21'42"W, along the south line of said Section 12, generally along the center of said FM 924, a distance of 1801.75 feet, to the POINT OF BEGINNING, containing a total of 218.1 acres of land more or less, of which 2.0 acres lies in said FM 924 right of way easement.

Correct description of property:

The South one-third of Section 11 in Block 15 of the H&TC Ry. Co. Surveys in Wilbarger County, Texas, SAVE AND EXCEPT the West 50 acres of the same heretofore conveyed to Owen White by deed of record in Volume 238, page 10 of the Deed Records of Wilbarger County, Texas.

Correct description of property:

The North one-half of the South two-thirds of Section Eleven (11), Block Fifteen (15), H&TC Ry Co Surveys, Wilbarger County, Texas, Certificate #32/3013, A-454, Patent No. 229, Vol. 110, dated June 22, 1989.

Correct description of property:

71-1/9 acres of land in the Northwest corner of Section No. Eleven (11), in Block No. Fifteen (15) of the H&TC Ry Co. Survey, in Wilbarger, Texas described by metes and bounds as follows:

BEGINNING at a stake in the NW corner of said Section;

THENCE N 72 E 633.3 varas to stake in North Line of said Section the NW corner of a 71- 1/9 acre tract this day conveyed to Coral Lee Longmire;

THENCE S 18 E 633.3 varas to stake for SW corner of said Longmire tract;

THENCE S 72 W 633.3 varas to stake in the West Line of said Section;

THENCE N 18 W 633.3 varas to the Place of Beginning.

Correct description of property:

THE SURFACE ESTATE ONLY OF:

FIELD NOTES FOR THE EAST HALF, BEING A 218.1 ACRE TRACT OF LAND OUT OF THE CALLED WEST 440 ACRES OF SECTION 12, BLOCK 15, H&TC RR CO SURVEY, ABSTRACT 899, WILBARGER COUNTY, TEXAS, BEING A PART OF THAT SAME LAND DESCRIBED AS 2 TRACTS IN A WARRANTY DEED FROM MICHEL S. H. JUNGMAN, TO RAY COWAN, ET AL, DATED JANUARY 29TH, 2010, RECORDED IN VOLUME 619, PAGE 942, OFFICIAL PUBLIC RECORDS OF WILBARGER COUNTY, TEXAS, SAID TRACT DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

POINT OF COMMENCEMENT being a spike and washer found POINT OF BEGINNING, being a spike and washer found at the southwest corner of said Section 12, in the centerline intersection of FM 924 and County Road 97, marking the Southwest corner of this the west half;

THENCE N 76 deg. 21'42"E, along the south line of said Section 12, generally along the center of said FM 924, a distance of 1801.75 feet, to a spike set at the POINT OF BEGINNING, and southwest corner of this tract, same being the southeast corner of the east half;

THENCE N 13 deg. 40'32"W, along the new and common boundary line between the east and west half of the called west 440 acres, pass a iron rod and t-post set on the North Right of way line of said FM 924, at 50 feet, continue and being generally 150 feet west of an old fence line, at the east line of the called west 240 acres of said Section 12, pass the north fence line at 5265.5 feet, continue for a total distance of 5271.51 feet, to a iron rod and t-post set on the North line of said Section 12, marking the Northwest corner of this tract, Northeast corner of the west half;

THENCE N 76 deg. 10'39"E, along said North line of Section 12, being approximately 6 feet North of said fence, a distance of 1801.15 feet, to a iron rod and t-post set at the occupied Northeast corner of the called west 440 acres of Section 12;

THENCE S 13 deg. 40'56"E, along the occupied/fenced east line of said called west 440 acres, pass a railroad tie fence corner at 7 feet, continue generally along fence line, pass a iron rod and t-post set on north right of way line of said FM 924, at 5227.3 feet, continue for a total distance of 5277.3 feet, to a spike set on the south line of said Section 12, marking the Southeast corner of this tract;

THENCE S 76 deg. 21'42"W, along the south line of said Section 12, generally along the center of said FM 924, a distance of 1801.75 feet, to the POINT OF BEGINNING, containing a total of 218.1 acres of land more or less, of which 2.0 acres lies in said FM 924 right of way easement.

Correct description of property:

All of the Northwest one-quarter of Section No. 10 in Block No. 15, H&TC Ry Co Surveys in Wilbarger County, Texas, containing 150 acres, more or less

Correct description of property:

WEST ONE-HALF (W/2) OF SECTION SIX (6), BLOCK ELEVEN (11), ABSTRACT #1624, H & T CRY. CO. SURVEYS, WILBARGER COUNTY, TEXAS.

Correct description of property:

The Southwest one-quarter of Section No. 10 in Block 15, H&TC Ry Co Surveys in Wilbarger County, Texas, containing 160 acres, more or less.

Correct description of property:

THE SURFACE ESTATE ONLY OF

The Northwest One-Quarter (NW 1/4) of Section No. TWENTY-ONE (21) in Block No. FIFTEEN (15) of the H&TC Ry Co Surveys in Wilbarger County, Texas.

Correct description of property:

SURFACE ESTATE:

Being the South 340 acres out of Section No. THIRTY FOUR (34), Block 15, H&TC RR Co. Survey, in Wilbarger County, Texas, except two acres off of the East side of said tract described in deed from J. C. McCrummin to Wilbarger County as recorded in Vol. 4, pages 1 to 5 of the Road Minutes of Wilbarger County, Texas.

SAVE AND EXCEPT

BEING A 1.668 ACRE PARCEL OF LAND FOR US 283 RIGHT OF WAY OUT OF SECTION 34, BLOCK 15, H&TC RR CO SURVEY, CONVEYED FROM FRED M. BYRD TO DAN C. WILSON & WIFE, BILLIE D. WILSON BY WARRANTY DEED RECORDED IN VOLUME 445, PAGE 871, WILBARGER COUNTY DEED RECORDS AND BEING MORE SPECIFICALLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

Commencing from a found iron rod, said iron rod being at the northeast corner of the Rebecca Keys Survey; Thence along said Keys Survey east boundary line S 13°48'15" E, a distance of 2271.51 feet to a point of intersection, said point being the intersection of the east boundary line of said Keys Survey and the north boundary line of the above said Section 34; Thence along said Section 34 north boundary line N 76° 11'45" E, a distance of 263.09 feet to a point of intersection, said point being the northeast corner of said Section 34 and the northwest corner of Section 35, Block 15, H&TC RR CO Survey; Thence along said Section 34 east boundary line S 13°48'15" E, a distance of 2480.51 feet to a point of intersection, said point being the intersection of the east boundary line of said Section 34 and the north property line of the above said Wilson Tract; Thence along said Wilson Tract north property line S 76°11 '45" W, a distance of 24.84 feet to the POINT OF BEGINNING, said point being the intersection of the north property line of said Wilson Tract the proposed US 283 west right of way line, said point being a set iron rod 63.00 feet left of proposed Engineer's Centerline Station 628+28.40;

THENCE along the proposed US 283 west right of way line S 13°15'25" E, a distance of 2791.57 feet to a point of intersection, said point being the intersection of the proposed US 283 west right of way line and the south boundary line of the above said Section 34, said point being a set iron rod 63.00 feet left of proposed Engineer's Centerline Station 600+30.83;

THENCE along said Section 34 south boundary line N 76°11'45" E, a distance of 26.00 feet to a point of intersection, said point being the intersection of said Section 34 south boundary line and the existing US 283 west right of way line, said point being a set iron rod;

THENCE along the existing US 283 west right of way line N 13°15'25" W, a distance of 2676.26 feet to a point of intersection, said point being the intersection of the existing US 283 west right of way line and the east boundary line of said Section 34, said point being a set iron rod;

THENCE along said Section 34 east boundary line N 13°48'15" W, a distance of 121.30 feet to a point of intersection, said point being the intersection of said Section 34 east boundary line and the north property line of the above said Wilson Tract, said point being a set iron rod;

THENCE along said Wilson Tract north property line S 76°11 '45" W, a distance of 24.84 feet to the POINT OF BEGINNING and containing 1.668 acres of land more or less.

Correct description of property:

SURFACE ESTATE ONLY:

The North 300 acres of the North One-Half (N 1/2) of Section No. THIRTY-FOUR (34), Block No. FIFTEEN (15), H. & T. C. Ry. Co. Surveys, Abstract No. 1978, Wilbarger County, Texas.

Correct description of property:

Being out of Section Twelve (12), Block Eleven (11) of the H&TC Ry. Co. Survey, Abstract No. 912, and described by metes and bounds as follows:

BEGINNING at the Northeast corner of Section 12, Block 11 of the H&TC Ry. Co. Surveys in Wilbarger County, Texas;
THENCE South with said Section line 860 yards to a stake for corner;
THENCE West 430 yards to stake for corner;
THENCE 860 yards to North line of said Section 12 in Block 11;
THENCE East with said Section line 430 yards to the place of beginning, containing 80 acres, more or less.

Correct description of property:

140 acres in the East part of Section No. Twelve (12) in Block Eleven (11), of the H&TC Ry Co. Survey, described by metes and bounds as follows:

BEGINNING at a stake in the East line of said Section which is 510.1 varas N 18 W from its SE corner, being the NE corner of a 140 acre tract owned by Mrs. Emma Streit;
THENCE N 18 W 461.9 varas to stake in the East line of said Section, the SE corner of the I. W. Boyd 80 acre tract;
THENCE S 72 W 464.4 varas to stake an ell corner of the tract, Boyd's SW corner;
THENCE N 18 W 137 varas to stake in Boyd's West line the SE corner of the John J. Power's 200 acre tract;
THENCE S 72 W 1018.12 varas to a stake for the NW corner of this tract, in the South line of said Power tract and NE corner of the W. C. Bellar 80 acre tract;
THENCE S 18 E 515.9 varas to stake in East line of said Bellar tract, the NW corner of the Streit tract;
THENCE N 72 E 412.2 varas to an ell corner of this tract and one of Streit's NE corner;
THENCE S 18 E 82.8 varas to stake for an ell corner of said Streit tract;
THENCE N 72 E 1070.3 varas to the place of beginning.

Correct description of property:

Being 140 acres, more or less, in the southeast part of Section 12, Block 11, H&TC Ry Co Surveys, Wilbarger County, Texas, described by metes and bounds as follows:

BEGINNING at the southeast corner of said Section;
Thence N 18 W 510.1 vrs. to stake in east line of said section; the SE corner of the W E Foerster land;
Thence S 72 W 1070.3 vrs. an ell corner of this tract, and an ell corner of the Foerster tract;
Thence N 18 W 82.2 vrs. to stake for corner of this tract and an ell corner of Foerster tract;
Thence S 72 W 412.2 vrs. to stake for NW corner of this tract and SW corner of Foerster tract;
Thence S 18 E 592.9 vrs. to stake in south line of said section;
Thence N 72 E 1482.5 vrs. to the place of beginning.

SAVE AND EXCEPT the residence and one-half acre of land measured and described as a 105 foot by 105 foot square one-half acre parcel of land in the far Southeast corner of the above described property,

Correct description of property:

The East 256.79 acres of the West 513 acres of Section 11, Block 11, H&TC Railway Company Survey, Wilbarger County, Texas

Correct description of property:

West Half (W/2) of Section Thirteen (13), Block Eleven (11), H&TC RR Co Surveys, Wilbarger County, Texas, containing 320 acres more or less

Correct description of property:

All that certain lot , tract or parcel of land, lying and situated in the County of Wilbarger, State of Texas, known and described as and being:

The West One-half (W 1/2) of a tract of land consisting of 513.58 acres out of Section Eleven (11), in Block Eleven (11) of the H&TC Ry. Co. Surveys in Wilbarger County, Texas, said 513.58 acre tract, being described more specifically by metes and bounds as follows.:

BEGINNING at a smoothing iron, which is South 72 West 373.5 vrs , from a stone which is the NE corner of Section No. 11, in Block 11, of the H&TC Ry. Co. Surveys, in Wilbarger County, Texas; THENCE South 18 East 1900 vrs to a stone; THENCE South 72 West 1523.7 vrs.; THENCE North 18 West 1900 vrs; THENCE North 72 East 1523.7 vrs. to the place of beginning.

Correct description of property:

SURFACE ONLY

All of that certain tract or parcel or parcels of land lying and being situated in Wilbarger County, Texas, and described as follows:

Being the east One-Half (E 1/2) of Section No. Forty One (41) in Block No. Sixteen (16), H & T CRY. Co. Survey, in said County, Patented June 4, 1889, by Patent No. 219, Volume NO. 110, Certificate No. 32/3054. Abstract No. 419.

And being the same tract of land conveyed by E. M. Webb to George Ludeman by warranty deed dated March 25, 1911, and recorded in Volume 51, page 379, Deed Records of Wilbarger County, Texas; Wilbarger Texas, on July 12, 2002, under Clerk's File No. 86783 at 12:48 pm

EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All Qualified Property owned by the Applicant and located within the boundaries of both the Chillicothe Independent School District and the *Wilbarger County Reinvestment Zone* will be included in and subject to this Agreement.

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

The proposed project will consist of a facility designed to use wind power to generate electricity (commonly referred to as a wind farm). The total Qualified Property will include, but is not limited to, the following: approximately 53 General Electric wind power turbines, which will have a total generating capacity of 84.4 megawatts; towers, reinforced concrete slabs supporting the weight of each turbine tower; equipment and towers used to gather meteorological data; buried and overhead electrical conductor cables (including poles) used to transport electricity from each turbine tower to an electrical substation; the electrical substation and electrical conductor cables used to transport electricity off of the project site; one or more operation and maintenance buildings used to store maintenance supplies, replacement parts and related equipment; and various appurtenant equipment and small items related to the above. The facility will require installation and use of a relatively insubstantial amount of personal property.